



The Institute of  
Chartered Accountants  
of Pakistan

CA  
PAKISTAN

# EMPOWERING ICAP WITH CREATIVITY & INNOVATION



ANNUAL  
REPORT 2021

**THE NORTHERN REGIONAL COMMITTEE**

# MEMBERS OF THE NORTHERN REGIONAL COMMITTEE 2020-21



**Chairman**  
Mr. Shahid Iqbal Khattak, FCA



**Secretary**  
Mr. Farooq Hameed, FCA



**Member**  
Mr. Ali Saif Cheema, FCA



**Member**  
Mr. Asad Feroze, FCA



**Member**  
Mr. Rafqat Hussain, FCA



**Member**  
Mr. JehanZeb Amin, FCA

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# ABOUT THE NORTHERN REGIONAL COMMITTEE NRC

The Northern Regional Committee “The Committee” is formed under the Chartered Accountants Bye - Laws, 1983, The Committee is represented by six elected members: five members from Zone A and one member from Zone B. The Zone “A” of northern region comprises of the Province of Punjab and Federal Capital Territory while the Zone “B” comprises of Khyber Pakhtunkhwa, Gilgit Baltistan, Tribal Areas and Azad Kashmir.

The Committee is obliged to support the ICAP’s council in achieving its aims and objectives, to make representation to the Council in connection with matters of professional and business interest in the region, to organize seminars, workshops, symposia and conferences for Continuing Professional Development of the members in the region, to maintain libraries and reading rooms for the use of the members and students in the region and to arrange for regular meetings and get together of the members.

## OUR MISSION

Our mission at NRC is to achieve excellence in facilitating continued professional development and learning; add value to personal competencies, professional growth and skills development : up-holding ethical conventions while recognizing the needs of professionals.

## MANAGEMENT

### **The Regional Committee**

Mr. Shahid Iqbal Khattak	Chairman	NRC
Mr. Farooq Hameed	Secretary	NRC
Mr. Ali Saif Cheema	Member	NRC
Mr. Rafqat Hussain	Member	NRC
Mr. Asad Feroze	Member	NRC
Mr. Jehan Zeb Amin	Member	NRC

### **Auditor**

Syed Aftab Hameed

### **Bankers**

MCB Bank Limited, Silk Bank Limited, UBL Bank.  
Habib Metropolitan Bank, National Bank of Pakistan,  
Bank Islami

# PLACEMENT OF MEMBERS OF NORTH REGION

PAKISTAN			
DESCRIPTION	ACA	FCA	TOTAL
Public Practice	99	13	112
Employed in Practice	395	471	866
Automotive	11	7	18
Cement / Ceramics / Glass	23	19	42
Chemicals/ Paints	5	6	11
Commerce and Industry	112	49	161
Construction and Real Estate	39	16	55
Consumer Goods / Trading	35	13	48
Education	32	36	68
Electronics and Electrical Goods	12	3	15
Engineering/Hardware/ Mill Store / Mill Metal	18	13	31
Fertilizer / Agriculture	32	28	60
Financial Institutions / Banks / Insurance	84	53	137
Financial / Management Consulting	49	35	84
Food / Beverages / Tourism	53	26	79
Government / Corporation	38	17	55
Healthcare and Pharmaceutical	57	16	73
Information & Communication Technology	80	37	117
NGOs / Social Services	22	11	33
Oil and Gas / Petroleum	42	42	84
Power Generation and Distribution	33	25	58
Shipping and Marine	4	2	6
Sugar and Allied	7	11	18
Textile / Fashion and Apparels	102	54	156
Transport / Logistics / Courier Services	31	13	44
Print and Digital Media / Event Management	3	3	6
Senior Members	6	80	86
Miscellaneous	482	232	714
Sub Total	1906	1331	3328
OUTSIDE OF PAKISTAN			
Employed in Practice (Overseas)	91	14	105
Non-Practicing (Overseas)	311	342	653
Senior Members (Overseas)	2	16	18
SUB TOTAL	404	372	780
TOTAL	2310	1703	4013



# CHAIRMAN'S REPORT

## **NORTHERN REGIONAL COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2021**

In commemoration of marking the array of engagements, conducted by the NRC for the year 2021, it is my pleasure to present the forth mentioned annual report of NRC for the stated year, closed on June 30, 2021.

### **COVID-19 PANDEMIC**

The emergence of COVID-19 has caused major disruptions to the economic activity around the world including Pakistan; posing state of havoc not merely as a global health emergency; but at the same as precursor of an economic depression as well. The economic impacts, being significant in its vastness were met with apt emergency provisions worldwide in an attempt to support individuals, business and the professionals. Our fraternity of accountants played their social responsibility vigilantly, irrespective of the fact that our members in Industry as well as in practice also faced multiple challenges during these difficult times.

For many of us, this was a period of uncertainty as we were moving towards what was becoming known as the new normal. Your NRC, with the approach to extend every possible support to our members through this period, deliberated the situation times and again, made representations at relevant forums and shifted physical CPD activities to online webinars.

### **CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)**

CPD program strives to provide highest quality of professional development opportunities to meet the rapidly evolving CPD needs of our members. Whilst planning for professional development, we strived to ensure that a diverse range of topics are carried out from the NRC platform.

In view of the Covid – 19 situation, all physical CPD activities were halted in the face of the State guidelines to safeguard our members and fellows well being. However, we kept up with our pledge of provision of developmental knowledge pool, aiming to abreast the members about the challenges and opportunities under the changing business environment, several webinars had been arranged by the NRC. These webinars attracted a larger than expected responses from members as well as other finance professionals and business leaders. Thousands of participants viewed the numerous webinars through digital platform.

Predominately, in accord with the zeal of attendees and interest in CPD, this year, we organized various seminars and workshops addressing vast topics of professional worth. Some out of the box themes introduced this year include Corporate Governance – Key provisions and Important Changes, Way to Become a successful Practitioner, Business Process Outsourcing- Unleashing new opportunities, Internal Audit Transformations, Other Laws – Employees' Benefits, Anti-Money Laundering and Countering Financing of Terrorism, Procurement, IFRS – 9, Financial Instruments understanding and Application, Leading With Emotional Intelligence, Financial Modeling and Corporate Valuation, Facilitating Venture Capital and Private Equity Investment. To provide opportunities to members in remote areas, your NRC has also live telecasted various physical CPD activities through video conferencing to Multan, Faisalabad, Islamabad, Gujranwala and Peshawar.

### **E-LEARNING PLATFORM**

Considering inconveniences to attend physical CPD activities, such as long traveling, car parking hassle, traffic issues at peak, time constraint are being faced by our members and to facilitate members working at remote locations or who do not find sufficient time to physically attend the required CPD sessions, your NRC provided the E-Learning platform, which enables ICAP members to directly login to the event from their convenient place without the hassle, just by utilization of digital means.

Various CPD programs were held through E-Learning Platform including “Can we better Prepare for the Financial Crises? Some of the lesson from the previous great financial crises in the light of COVID-19” “Organizational Strategy Development for Success”, “Self-Reflection on your professional career during lockdown”.

#### **GOLD MEDAL AND CERTIFICATE DISTRIBUTION CEREMONY**

Keeping alive the tradition of honouring its most illustrious and bright members, we organized the Gold Medal and Certificates Distribution Ceremony on July 02, 2021 at a local hotel at Islamabad to honour the graduates of the year 2019-20.

The ceremony honored the graduates and high achievers of the year 2019-20. More than 80 graduates were conferred with their certificates. This event was attended by more than 250 people, which included parents of graduates, ICAP Council members, Past Presidents, representatives of RAETs and CAs from corporate sector. Newly qualified chartered accountants were given gift pack and coffee table booklet of ICAP as a token of appreciation.

Furthermore, NRC organized Members' Convocation Ceremony on July 05, 2021, to honor the graduates from the academic year 2019-2020 at Lahore. The ceremony honoured the graduates and high achievers of the year 2019-20. More than 100 graduates were conferred with their certificates. This event was attended by more than 400 people, which included parents of graduates, ICAP Council members, Past Presidents, representatives of RAETs and ICAP staff. Newly qualified chartered accountants were given gift pack and coffee table booklet of ICAP as a token of appreciation. This event ended with a lavish dinner for guests at the end of the ceremony to celebrate success of graduates.

The third Members' Convocation Ceremony was organized on August 05, 2021 to honour the recently inducted Associate members of winter 2020, Fellow members, merit certificate holders and Gold medalist. The ceremony honoured the graduates and high achievers of the year 2019-20. More than 30 graduates were conferred with their certificates. The event was attended by more than 400 people including parents, senior chartered accountants, media personnel and dignitaries from different walk of life including 130 newly inducted members from Lahore, Multan, Gujranwala, Sialkot, Faisalabad, Peshawar and connecting cities were conferred with their certificates. The certificates and gold medals were distributed by the president, vice president, past president, regional and council members.

#### **LIBRARIES**

Libraries play a vital role in educational and research process. Gaining Access to information and knowledge are fundamental for education purposes and for improving the quality of life of people living in different regions. We managed and operated eight libraries in various cities of the country in order to cater needs of the members and the students in the academic area.

#### **CHARTERED ACCOUNTANTS STUDENT ASSOCIATION – NORTH (CASA)**

With a firm commitment to be beacon of guidance of upcoming professionals and students, your NRC strongly believes in investing in our students. We have extended all possible support to the management of CASA-N in arranging various academic and sports events at multiple locations. The planned events including national champion leagues were halted due to Covid restrictions. The same is expected to resume very soon.

#### **NRC FINANCES**

The financial results of your NRC clearly reflect that how centric our members have been in our thoughts and activities. Whilst the year on year allocation from central pool remained same per member but we managed to support our members substantially through generosity of our sponsors; who believed in our cause.

#### **CONDOLENCE**

I would like to offer condolence to families of our members who left us during the year and to our members who lost their loved ones during the year.

#### **ACKNOWLEDGEMENT**

I would like to express my sincere gratitude to all the members, in general; and, those who served on various committees, in particular, for their extended support, dedication and help in carrying out informative, engaging and diverse activities throughout the year. CASA-N Management Committee, CPD, Library Committees of all cities in North and NRC dedicated resources have my special thanks, who have each contributed to their best, for value added services for keeping the tradition of excellence of our Institute on progressive notes.

My fellow NRC members including Mr Farooq Hameed FCA –Secretary NRC, Mr Ali Saif Cheema FCA, Mr Asad Feroze FCA , Mr JehanZeb Amin FCA and Mr. Rafiqat Hussain FCA deserves a special note of appreciation, for their dedicated efforts and devotion time and on, in making the NRC journey for the most daunting years a success, in playing significant role in ensuring the spirit of NRC stay alive against the odds of times.

I would like to extend my heartiest gratitude for the support extended by the President ICAP, Vice Presidents ICAP, Council Members and executive staff of ICAP & NRC.

For and on behalf of the Committee

August 26, 2021  
Lahore

**Shahid Iqbal Khattak, FCA**  
Chairman

# CPD & LIBRARY COMMITTEES

## 2020 - 2021 LAHORE

### CPD COMMITTEE LAHORE 2020-2021

Mr. Rafqat Hussain (Chairman)	R. 5536
Mr. Muhammad Ali Qamar	R. 4288
Mr. Adnan Khokhar	R. 9759
Ms. Ammara Gondal	R. 8615
Mr. Faisal Iqbal Khawaja	R. 3374
Ms. Fouzia Qutab	R. 7409
Mr. Ghulam Abbas	R. 5554
Mr. Laeeq Ahmad Rana	R. 4487
Mr. Latif Ahmad Saqi	R. 8444
Mr. Mansoor Zaighum	R. 4412
Mr. Muhammad Nasir	R. 6908
Mr. Muhammad Taiyab	R. 5229
Mr. Sajjad Iftikhar	R. 4909
Mr. Saqib Riaz	R. 6364
Mr. Syed Rahat Ali Shah	R. 5570
Mr. Shaukat Hussain	R. 7200

### LIBRARY COMMITTEE LAHORE 2020-2021

Mr. Muhammad Nasir Muneer (Chairman)	R. 3641
Mr. Zanib Mubarik	R. 6322
Mr. Shaukat Hussain	R. 7200
Mr. Mian Bilal Zia	R. 6463
Mr. Muhammad Ali Qamar	R. 4288
Mr. Shaffiqe Ur Rahman Bhatti	R. 7783



# CPD & LIBRARY COMMITTEES

## 2020 - 2021 ISLAMABAD / RAWALPINDI

### CPD COMMITTEE ISLAMABAD / RAWALPINDI 2020-2021

Mr. JehanZeb Amin (Chairman)	R.3437
Mr. Ahmed Ali Latif	R.6528
Mr. Asad Azam	R.2636
Mr. Asad Khan	R.4458
Mr. Atif Riaz	R.7423
Mr. Imran Ilyas	R.2984
Mr. Kashif Zaman	R.6381
Mr. Khawar Mustafa	R.4348
Mr. Maheen Fatima	R.3744
Mr. Malik M. Omair	R.8041
Mr. Mudassar Ghulam Nabi	R.6036
Mr. Muhammad Ahsan Shahzad	R.5238
Mr. Muhammad Shahid Farooq	R.3273
Mr. Sharif ud din Khilji	R.5007
Mr. Syed Safdar Abbas Zaidi	R.5515
Mr. Wazir Muhammad	R.3995

### LIBRARY COMMITTEE ISLAMABAD / RAWALPINDI 2020-2021

Mr. Masoom Akhtar (Chairman)	R.1954
Mr. Atif Riaz	R.7423
Mr. Burhan Ur Rehman	R.6957
Mr. Fahad Bin Tufail	R.7609
Mr. Hammad Rabbani	R.4108
Mr. Mazhar Iqbal	R.4930
Mr. Muddassar Mehmood Malik	R.8600
Mr. Mujtaba Khan	R.6915
Mr. Rao Sabir Ali	R.5326
Mr. Salman Amin	R.3928
Mr. Usman Hassan	R.4287

# CPD & LIBRARY COMMITTEES

## 2020 - 2021 FAISALABAD

### CPD COMMITTEE FAISALABAD 2020-2021

Mr. Ahmed Jabbar (Chairman)	R.3440
Mr. Ahsan Rasheed	R.6693
Ms. Kanwal Shahzadi	R.9542
Mr. Saad Manzoor Bhatti	R.8740
Mr. Haroon Sulaman	R.5178
Mr. Khan Muhammad	R.2304
Ms. Nida Tariq	R.9206
Mr. Muhammad Saqib Iqbal	R.5827
Mr. Muhammad Zeeshan Abid	R.3909
Mr. Usman Ahsan	R.5957
Mr. Usman Ghani	R.6157

### LIBRARY COMMITTEE FAISALABAD 2020-2021

Mr. Khan Muhammad (Chairman)	R.2304
Mr. Liaqat Ali Panwar	R.1731
Mr. Muhammad Zeeshan Abid	R.3909
Mr. Anjum Maqsood	R.5712
Mr. Muhammad Imran Sarwar	R.5373
Mr. Saad Manzoor Bhatti	R.8740
Mr. Usman Ghani	R.6157
Mr. Waleed Afzal	R.8536

# CPD & LIBRARY COMMITTEES

## 2020 - 2021 MULTAN

### CPD COMMITTEE MULTAN 2020-2021

Mr. Talat Javed (Chairman)	R.1861
Mr. Mohammad Amin Pal	R.2330
Mr. Mohammad Younas Ghazi	R.1213
Mr. Javed Anjum	R.3278
Mr. Muhammad Azam	R.3319
Mr. Muhammad Waqas Khalid	R.3194
Mr. Kashif Adeel	R.5199
Mr. Jawad Ahmad Affi Bhutta	R.5543
Mr. Muhammad Usman Khan	R.8487

### LIBRARY COMMITTEE MULTAN 2020-2021

Mr. Muhammad Talib (Chairman)	R.2657
Mr. Shoaib Yazdani	R.7587
Mr. Muhammad Aamer Rasul	R.5456
Mr. Rao Muhammad Sohail Nawab	R.10258
Mr. Sultan Shahid	R.7776

# CPD & LIBRARY COMMITTEES

## 2020 - 2021 PESHAWAR

### CPD COMMITTEE PESHAWAR 2020-2021

Mr. Shuja UI Mulk (Chairman)	R.5352
Mr. Abdus Salam Jan	R.3266
Mr. Zeeshan Ali	R.3836
Mr. Muhammad Ahmad Shahid	R.1943
Mr. Kashif Maqbool Sehgal	R.4208
Mr. Rahat Gul	R.4867
Mr. Abdul Waheed	R.6605
Mr. Safdar Shabbir Awan	R.4746
Mr. Muhammad Zubair	R.7438
Mr. Abdul Bais	R.10510

### LIBRARY COMMITTEE PESHAWAR 2020-2021

Mr. Safdar Shabir Awan (Chairman)	R.4746
Mr. Khawaja Awais bilal	R.3741
Ms. Ayesha Ahmad Murtaza	R.4728
Mr. Shuja UI Mulk	R.5352
Mr. Muhammad Asif Jamil	R.5604
Mr. Usman Zulfiqar	R.10261
Mr. Eid Rehman	R.8554
Mr. Fahad Malik	

# CPD & LIBRARY COMMITTEES

## 2020 - 2021 GUJRANWALA

### CPD COMMITTEE GUJRANWALA 2020-2021

Mr. Asjad Amin (Chairman)	R.5062
Mr. Shakir Saeed	R.8262
Mr. Zafar Ullah	R.8324
Mr. Muhammad Arsalan Anwar	R.7525

### LIBRARY COMMITTEE GUJRANWALA 2020-2021

Mr. Iyaz Ahmad (Chairman)	R.3736
Mr. Hafiz Muhammad Irfan	R.10384
Mr. Sheikh Ghazanfar Mahmood	R.2286
Mr. Muhammad Iqbal	R.3306

# NRC WEBINARS THROUGH ZOOM

## From JULY 01, 2020 - JUNE 30, 2021

SR#	DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
1	Wednesday July 1, 2020	"Corporate Governance – Key provisions and Important Changes" Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rule, 2013"	Welcome Note: Mr. Rafqat Hussain Chief Guest : Mr. Rana Muhammad Usman Khan, Speaker : Ms. Saima Ahrar Mr. Waseem Ahmed Khan Moderator: Mr. Shahid Iqbal Khattak Panelist: Mr. Iftikhar Taj Ms. Roohi Khan and Mr. Aamir Shahbaz Closing Remarks: Mr. Jehan Zeb Amin	Through Zoom	2
2	Tuesday July 14, 2020	Way to Become a successful Practitioner	Welcome Note: Mr. Rafqat Hussain Chief Guest : Mr. Jaffar Hussain Speaker : Mr. Muhammad Safdar and Mr. Rashid Rehman Mir Moderator: Mr. Ali Saif Cheema: Panelist: Mr. Rashid Rehman Mir Mr. Rashid Ibrahim Faisal Iqbal Khawaja and Mr. Muhammad Safdar Closing Remarks: Mr. Ali Saif Cheema	Through Zoom	2
3	Thrusday July 23, 2020	Business Process Outsourcing - Un leashing new opportunities	Welcome Note: Mr. Ali Saif Cheema ; Opening Remarks: Mr. Rafqat Hussain ; Chief Guest; Rana Muhammad Usman Khan ; Speaker: Mr. Faisal Qamar, Moderator; Mr. Asad Feroze, Panelist: Mr. Faisal Qamar, Mr. Farid Ahmed Khan, Mr. Sajjad Mustafa and Mr. Sajjad Iftikhar, Closing Remarks; Mr. ALi Saif Cheema	Through Zoom	1.5
4	Tuesday July 28, 2020	Internal Audit Transformations	Opening Remarks; Mr. JehanZeb Amin Welcome Note: Mr. Rafqat Hussain Chief Guest; Mr. Rana Muhammad Usman Khan Speaker: Mr. Shahid Abbas Rizvi, Moderator; Mr. JehanZeb Amin Panelist: Mr. Shahid Abbas Rizvi, Mr. Aamir Afzal Rana, Mr. Talat Javedand Mr. Farooq Wasi Closing Remarks: Mr. JehanZeb Amin	Through Zoom	2
5	Thursday August 20,2020	Other Laws – Employees' Benefits	Opening Remarks; Mr. Rafqat Hussain Chief Guest; Mr. Imran Afzal, Speaker: Mr.Muhammad Safdar , Mr. Ahmad Salman Arshad, Mr. Aamir Rasheed , Mr. Muhammad Nasir Muneer Vote of Thanks: Mr. Muhammad Ali Saif Cheema	Through Zoom	2
6	Tuesday February 9,2021	Anti-Money Laundering and Countering Financing of Terrorism	Opening Remarks; Mr. Shahid Iqbal Khattak Welcome Note: Mr. Iftikhar Taj, Chief Guest; Khawaja Adnan Zashir Moderator; Mr. Rafqat Hussain Speaker: Mr. Adnan Imran, Mr.Shahzad Afzal Khan, Mr.Raheel Rahman Closing Remarks: Mr. Muhammad ALi Latif	Through Zoom	2.5

SR#	DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
7	Monday February, 15, 2021	Procurement	Welcome Note: Mr. JehanZeb Amin Speaker: Mr. Kashif Mushtaq Closing Remarks: Mr. JehanZeb Amin	Through Zoom	2
8	Tuesday March 9, 2021	FRS – 9, Financial Instruments understanding and Application	Welcome Note: Mr. Rafqat Hussain Speaker: Mirza Ali Hassan Closing Remarks: Mr. Muhammad Ali Latif	Through Zoom	3
9	Friday March 26,2021	Leading With Emotional Intelligence	Webinar Hosted By: Mr. Rafqat Hussain Chief Guest ; Mr. Muhammad Awais and Mr. Ashfaq Tola Opening Remarks; Mr. Talat Javed Speaker ; Mr. Shoaib Baigh Vote of Thanks ; Mr. Rafqat Hussain	Through Zoom	2
10	Friday April 2, 2021	Financial Modeling and Corporate Valuation	Welcome Note : Mr. Ahmad Jabbar Opening Remark : Mr. Farooq Hameed, Webinar Hosted By; Mr. Rafqat Hussain Chief Guest: Mr. Muhammad Ali Latif Speaker : Mr. AFFan Sajjad Vote of Thanks : Mr. Rafqat Hussain	Through Zoom	2
11	Thursday June 10, 2021	Facilitating Venture Capital and Private Equity Investment	Welcome Note : Mr. Rafqat Hussain Speakers : Mr. Sajjad Ali & Mr. Omar Yahya Vote of Thanks : Mr. Shahid Iqbal Khattak	Through Zoom	2
				<b>TOTAL HOURS</b>	23

## NRC WEBINARS THROUGH KNOWLEDGENOW JULY 01, 2020 - JUNE 30, 2021

SR#	DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
1	Wednesday October 07, 2020	Can we better Prepare for the Financial Crises? Some of the lesson from the previous great financial crises in the light of COVID-19	Dr. Mark Michalski	Online	1.5
2	Tuesday October 27, 2020	Organizational Strategy Development for Success	Dr. Barry Doublestein	Online	1.5

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS

### Opinion

I have audited the financial statements of **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN - NORTHERN REGIONAL COMMITTEE (NRC)**, which comprises the statement of financial position as at June 30, 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NRC as at June 30, 2021, and of its financial performance and its cash flows and its changes in funds for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP.

### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA) as applicable in Pakistan. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the NRC in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the NRC of the Institute of Chartered Accountants of Pakistan (the Code), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the NRC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NRC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NRC's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA as applicable in Pakistan, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NRC's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NRC's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the NRC to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Lahore: October 29, 2021

Syed Aftab Hameed  
Chartered Accountant

**STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2021

	Note	2021	2020
---Rupees---			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	6	100,127	143,553
<b>CURRENT ASSETS</b>			
Short-term investments	7	5,000,000	5,000,000
Other receivables	8	15,721	35,151
Due from Chartered Accountants Students' Association	9	744,830	661,460
Cash and bank balances	10	2,928,217	3,359,330
		<b>8,688,768</b>	9,055,941
<b>CURRENT LIABILITIES</b>			
Creditors and other liabilities	11	485,276	1,168,652
<b>NET CURRENT ASSETS</b>		<b>8,203,492</b>	7,887,289
<b>TOTAL ASSETS</b>		<b>8,303,619</b>	8,030,842
<b>LONG TERM LIABILITIES AND FUNDS</b>			
<b>Deferred income</b>			
Library Development Fund	12	156,512	187,242
<b>Restricted Funds</b>			
Library Development Fund	13	32,841	32,841
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>189,353</b>	220,083
<b>CONTINGENCIES AND COMMITMENTS</b>		14	-
<b>NET ASSETS</b>		<b>8,114,266</b>	7,810,759
<b>REPRESENTED BY</b>			
Accumulated Fund		<b>8,114,266</b>	7,810,759

The annexed notes 1 to 29 form an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021	2020
---Rupees---			
<b>INCOME</b>			
Members' subscriptions		2,950,125	2,882,118
Members' events	15	478,793	1,859,993
Social events	17	-	314,700
Other income	20	30,730	78,535
		<b>3,459,648</b>	5,135,346
<b>EXPENDITURE</b>			
Cost incurred on:			
Members' events	16	529,209	1,925,699
Social events	17	-	1,512,728
Other expenses	19	3,053,346	3,579,063
		<b>3,582,555</b>	7,017,490
Excess of expenditure over income before income from investments		<b>(122,907)</b>	(1,882,144)
Income from investments	20	426,414	849,890
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>303,507</b>	(1,032,254)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>303,507</b>	(1,032,254)

The annexed notes 1 to 29 form an integral part of these financial statements.

NORTHERN REGIONAL COMMITTEE - ICAP  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		---Rupees---	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash received against:</b>			
Members' subscription		2,950,125	2,513,818
Members' events		(189,907)	2,620,993
Fee charged on social events		-	314,700
		<b>2,760,218</b>	5,449,511
<b>Cash paid against:</b>			
Salaries, allowances and other benefits		2,021,693	1,986,967
Supplies and services		1,588,062	3,793,303
		<b>3,609,755</b>	5,780,270
Cash used in operating activities		<b>(849,537)</b>	(330,759)
Income tax paid		(13,919)	(40,844)
<b>Net cash used in operating activities</b>		<b>(863,456)</b>	(371,603)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Return received on investment and saving bank accounts		432,343	999,127
<b>Net cash generated from investing activities</b>		<b>432,343</b>	999,127
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(431,113)</b>	627,524
<b>Cash and cash equivalents at beginning of the year</b>		<b>8,359,330</b>	7,731,806
<b>Cash and cash equivalents at end of the year</b>	<b>21</b>	<b>7,928,217</b>	8,359,330

The annexed notes 1 to 29 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN FUNDS****FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Accumulated Funds</b>
	---Rupees---
<b>Balance as at July 1, 2019</b>	
	8,843,013
Total comprehensive deficit for the year	(1,032,254)
<b>Balance as at JUNE 30, 2020</b>	
	7,810,759
Total comprehensive surplus for the year	303,507
<b>Balance as at June 30, 2021</b>	<b><u>8,114,266</u></b>

The annexed notes 1 to 29 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 1. LEGAL STATUS AND OPERATIONS

The Northern Regional Committee (the Committee) has been constituted by the Council of the Institute of Chartered Accountants of Pakistan (Institute) under Section 20 of the Chartered Accountants Ordinance, 1961 to carry out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983. It comprises of the Province of Punjab, including Federal Capital known as Zone A and Khyber Pakhtunkhwa, Gilgit-Baltistan, Tribal Areas and Azad Jammu & Kashmir, known as Zone B. The registered address of the Committee is situated at ICAP House, 155-156 West Wood Colony, Thokar Niaz Baig, Raiwind Road, Lahore.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-laws, 1983.

### 2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Committee's functional currency. All the financial information presented in Pak Rupee has been rounded-off to the nearest rupee unless otherwise specified.

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies here-in-below.

## 3. New standards, interpretations and amendments to published approved accounting standards

### 3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant.

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2020, are considered not to be relevant for the Institute's financial statements and hence have not been detailed here.

#### **New accounting standards and amendments to standards not yet effective.**

The following Standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each to them:

		<b>Effective for the period beginning on or after</b>
IAS-1	Presentation of Financial Statements & Accounting Policies -Amendments regarding the classification of liabilities	January 01, 2023
IAS-16	Property, Plant and Equipment- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS-37	Provisions, Contingent Liabilities and Contingent Assets- Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2021****Effective for the period  
beginning on or after**

IFRS-1	First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)	January 01, 2022
IFRS-3	Business Combinations - Amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS-4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS-9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	January 01, 2022

**New Standards issued by IASB and but not yet been notified / adopted by SECP**

Following new standards issued by IASB but not yet effective:

**Effective for the period  
beginning on or after**

IFRS – 1	First Time Adoption of IFRS	July 01, 2009
IFRS – 14	Regulatory Deferral Accounts	January 01, 2016
IFRS – 17	Insurance Contracts	January 01, 2022

**USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with the approved accounting standards requires the Committee to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates/ judgments and associated assumptions are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Committee's financial statements or where judgments were exercised in application of accounting policies are:

- (i) Useful lives, residual values and depreciation method of property and equipment
- (ii) Impairment loss of non-financial assets
- (iii) Estimation of contingent liabilities
- (iv) Provision for doubtful receivables
- (v) Provisions
- (vi) Impairment of financial assets

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Property and equipment -  
Operating fixed assets**

These assets are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Committee and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income as and when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Depreciation is charged on reducing balance method at the rates specified in note 6. Depreciation on additions to assets is charged from the day in which an asset is acquired while no depreciation is charged for the day in which the asset is disposed of.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognized prospectively as a change in accounting estimate.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognized in the statement of total comprehensive income.

## Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balance with banks in current / saving accounts and other short term highly liquid investments that are readily convertible to known amounts of cash without any significant risks to change in value.

## Restricted fund / Capital grant related assets

Funds received directly as grants are classified as Restricted Funds / Grant Funds. Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Committee will comply with all the attached conditions. Fair value signifies the amount received in cash.

Funds utilized for capital expenses i.e. to purchase or acquire long-term assets are transferred to the deferred capital grant account, with an amount equal to the annual charge for depreciation on assets purchased being released from this account and recognized as income and reflected as 'Deferred capital grant released' in the statement of comprehensive income.

All other grants are recognized in the statement of comprehensive income in the year of receipt. Expenses incurred out of Grant funds are reflected in the statement of comprehensive income, with an equal amount being recognized as income and reflected as 'Grant utilized'

## 5.4 Creditors and other payables

Liabilities for creditors and other liabilities are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Committee.

## 5.5 Provisions

Provisions are recognized when the Committee has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

## 5.6 Related party transactions

Parties are said to be related if they are able to influence the operating and financial decisions of the Committee. Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions except, in rarely extreme circumstances, subject to the approval of Committee members, where it is in the interest of the committee to do so.

## 5.7 Defined contribution plan

The ICAP operates an approved contributory provident fund for all its permanent eligible employees to which equal monthly contributions are made both by the Institute and the employees, at the rate of 10% of basic salary.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 5.8 Operating Segments

An operating segment is an identifiable component of the committee that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Committee's other components. Operating segments are reported in a manner consistent with the internal reporting structure.

## 5.9 Contingencies and Commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Committee, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Committee.

## 5.10 Financial instruments

The Committee has classified its Financial Assets based on the requirements as set out in IFRS 9 – Financial Instruments. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables, available for sale and held for trading.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of IFRS 9.

- The determination of business model within which a financial asset is held
- The designation and revocation of previous designations pertaining to financial assets and liabilities.

### 5.10.1 Financial assets

#### (a) Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

#### (b) Financial Asset at Fair Value through Other Comprehensive Income

A financial asset shall be measured at fair value through other comprehensive income if both the following conditions are met:

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

#### (c) Financial Asset at Fair Value through Profit or Loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

### Recognition and measurement

Financial Assets at initial recognition are measured at its fair value of the consideration given.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 5.10.2 Financial liabilities

At the time of initial recognition, all financial liabilities shall be measured at fair value plus or minus transaction cost that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortized cost.

## 5.10.3 Offsetting of financial instruments

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the committee has a legally enforceable right to off-set the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## 5.11 Impairment

### 5.11.1 Impairment in financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss (ECL) model. Loss allowance for expected credit losses on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS9, then the Committee has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

### 5.11.2 Impairment in non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for impairment when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to the recoverable amount. The resulting impairment loss is taken to the statement of comprehensive income.

## 5.12 Revenue recognition

Income as presented in the Statement of Comprehensive Income is the revenue as defined under IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. On evaluation of the performance obligations associated with the stream of revenues, adoption of IFRS 15 does not trigger a change in the committee's accounting policies with respect to its revenue which are enumerated below.

- o Income from subscription, fee from members (including seminar / conference receipts / CPD activities) and from family get together is accounted for on receipt basis and when the related activities are held.
- o Fee/Subscription receipts relating to periods beyond the current financial year are shown as fee received in advance and are recognized as income in the year to which these relate.
- o Profit on investments is accrued on the basis of effective yield of respective investment.
- o Profit on saving bank accounts is recognized on a time proportion basis using the applicable rate of return.
- o Grants and donations are accounted for on receipt basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 6 PROPERTY AND EQUIPMENT - TANGIBLE

Description	Library Books	Air Conditions and electrical items	Total
<b>OWNED</b>			
<b>Year ended June 30, 2020</b>			
Cost	585,151	180,533	765,684
Accumulated depreciation	(463,515)	(158,616)	(622,131)
<b>Net book value</b>	<b>121,636</b>	<b>21,917</b>	<b>143,553</b>
<b>Year ended June 30, 2020</b>			
Opening net book value	181,547	25,785	207,332
Depreciation charge for the year	(59,911)	(3,868)	(63,779)
<b>Closing net book value</b>	<b>121,636</b>	<b>21,917</b>	<b>143,553</b>
<b>Year ended June 30, 2021</b>			
Opening net book value	121,636	21,917	143,553
Depreciation for the year	(40,139)	(3,287)	(43,426)
<b>Closing net book value</b>	<b>81,497</b>	<b>18,630</b>	<b>100,127</b>
<b>As at June 30, 2021</b>			
Cost	585,151	180,533	765,684
Accumulated depreciation	(503,654)	(161,903)	(665,557)
<b>Net book value</b>	<b>81,497</b>	<b>18,630</b>	<b>100,127</b>
<b>Depreciation rate (%) - 2021</b>	<b>33</b>	<b>15</b>	
<b>Depreciation rate (%) - 2020</b>	<b>33</b>	<b>15</b>	

### 6.1 Depreciation related to grant assets and other assets is as follows:

	Grant Assets		Other Assets		Total	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Library books	29,321	43,763	10,818	16,147	40,139	59,911
Air conditioners and electrical items	1,409	1,658	1,878	2,210	3,287	3,868
	<b>30,730</b>	<b>45,421</b>	<b>12,696</b>	<b>18,357</b>	<b>43,426</b>	<b>63,779</b>

Note 2021 2020

---Rupees---

## 7 SHORT-TERM INVESTMENTS

### At amortized cost

Term Deposit Receipts - Bank Islami Pakistan	7.1	5,000,000	5,000,000
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- 7.1 This represents Term Deposit Receipts, having face value of Rs. 5,000,000 as investment in Bank Islamic Certificate with a maturity period of 6 months and carries profit @ 7.150% (2020: 6.50%) per annum, receivable monthly. This investment will mature on December 27, 2021.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021	2020
---Rupees---			
<b>8 OTHER RECEIVABLES</b>			
Seminar fee and other receivable		-	13,500
Profit receivable on bank deposits and short term investments		15,721	21,651
Advance income tax		452,007	438,088
Less: Impairment allowance against advance income tax	8.1	(452,007)	(438,088)
		-	-
		<u>15,721</u>	<u>35,151</u>

8.1 The management of the Institute has recommended to make impairment allowance against income tax refundable in view of the fact that the chances of recovery / adjustment of this amount are bleak.

8.2 Reconciliation of provision for income tax amount doubtful of recovery:

Balance as at July 01,	438,088	397,244
Add: Provision for the year	13,919	40,844
Balance as at June 30,	<u>452,007</u>	<u>438,088</u>

**9 DUE FROM CASA - NORTH**

Opening balance	661,460	538,906
Received on behalf of CASA	(1,105,941)	(3,050,206)
Expenses incurred on behalf of CASA	1,189,311	3,172,760
	<u>744,830</u>	<u>661,460</u>

**10 CASH AND BANK BALANCES**

Cash-in-hand		67,828	96,858
Cash at banks in:			
Saving accounts	10.1	1,570,883	1,927,684
Current accounts		1,289,506	1,334,788
		2,860,389	3,262,472
		<u>2,928,217</u>	<u>3,359,330</u>

10.1 These saving bank accounts are placed under mark-up arrangements and carry profit rates ranging from 3.0% - 5.0% (2020: 3.00% - 5.0%) per annum.

**11 CREDITORS AND OTHER LIABILITIES**

Current account with Institute	11.1	309,788	347,152
Audit fee payable	19.1	83,188	60,500
Seminar Workshop fee received in advance		92,300	761,000
		<u>485,276</u>	<u>1,168,652</u>

11.1 The committee maintains a current account with the Institute for payments or expenses made by the Institute on behalf of the Committee or vice versa. Balances are periodically examined and adjusted in the period in which they are reconciled.

**12 DEFERRED INCOME - LIBRARY DEVELOPMENT FUND**

Opening balance	187,242	232,663
Amortization for the year (equivalent to depreciation charge)	(30,730)	(45,421)
Closing balance	<u>156,512</u>	<u>187,242</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		---Rupees---	
<b>13</b>	<b>RESTRICTED FUNDS - LIBRARY DEVELOPMENT FUND</b>	<b>32,841</b>	<b>32,841</b>

The Committee received an advance income for the Library Development Endowment Fund aggregating to Rs. 755,000 from the Institute of Chartered Accountants of Pakistan for renovation / up-gradation of libraries in 2012. The balance at the terminal date represents the un-utilized fund.

**14 CONTINGENCIES AND COMMITMENTS**

The Committee is not exposed to any known material contingencies and commitments at the terminal date (2020: Nil).

**15 MEMBERS' EVENTS**

*This includes receipts from:*

Seminars and CPD activities	478,793	1,791,225
E-learning / webinars	-	68,768
	<b>478,793</b>	<b>1,859,993</b>

15.1 These receipts are collected from the activities held at the following locations:

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
<b>RECEIPTS</b>	Rupees					
<b>JUNE 2021</b>	<b>478,793</b>	-	-	-	-	<b>478,793</b>
JUNE 2020	1,227,364	242,500	120,656	27,750	172,955	1,791,225

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
	Rupees					
<b>16 COST INCURRED ON MEMBERS' EVENTS</b>						
Refreshment	357,616	-	-	-	-	357,616
Speaker honorarium and shields	170,678	-	-	-	-	170,678
Printing stationery and postage	-	-	-	-	-	-
Travelling and related expenses	-	-	-	-	-	-
Photography video and multimedia	-	-	-	-	-	-
Branding expenses	-	-	-	-	-	-
Other expenses	915	-	-	-	-	915
<b>JUNE 2021</b>	<b>529,209</b>	-	-	-	-	<b>529,209</b>

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
	Rupees					
Refreshment	725,840	137,904	142,614	37,861	187,546	1,231,765
Speaker honorarium and shields	116,322	27,150	7,150	-	14,540	165,162
Printing stationery and postage	59,460	2,150	-	-	1,500	63,110
Travelling and related expenses	73,298	55,079	-	-	-	128,377
Photography video and multimedia	25,000	4,500	3,000	-	3,000	35,500
Branding expenses	190,290	75,100	-	-	-	265,390
Other expenses	24,795	11,600	-	-	-	36,395
<b>JUNE 2020</b>	<b>1,215,005</b>	<b>313,483</b>	<b>152,764</b>	<b>37,861</b>	<b>206,586</b>	<b>1,925,699</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 17 SOCIAL EVENTS

	Lahore	Faisalabad /Peshawar	Multan	Total
<b>RECEIPTS</b>				
----- Rupees -----				
<b>JUNE 2021</b>	-	-	-	-
JUNE 2020	149,200	94,000	71,500	314,700
<b>EXPENDITURE</b>				
----- Rupees -----				
Refreshment / dinner / Musical Program	-	-	-	-
Postage	-	-	-	-
Children activity / Lucky Draw	-	-	-	-
Photography video and multimedia	-	-	-	-
Others	-	-	-	-
<b>JUNE 2021</b>	-	-	-	-
	Lahore	Faisalabad /Peshawar	Multan	Total
	----- Rupees -----			
Refreshment / dinner / Musical Program	690,471	329,358	149,757	1,169,586
Postage	8,000	10,000	-	18,000
Children activity / Lucky Draw	109,956	56,078	12,534	178,568
Photography video and multimedia	104,974	5,000	24,600	134,574
Others	12,000	-	-	12,000
JUNE 2020	925,401	400,436	186,891	1,512,728

	Note	2021	2020
----Rupees----			
Income for library fund realized	6.1	30,730	45,421
Old credit balances written back		-	21,774
Miscellaneous income		-	11,340
		<b>30,730</b>	<b>78,535</b>

## 19 OTHER EXPENSES

Salaries and allowances	19.1	2,021,693	1,986,967
Printing and stationery		337,350	421,600
Meeting expenses		101,112	184,018
Travelling and conveyance - Members and staff		-	280,886
Auditors' remuneration - Audit fee	19.2	86,213	69,300
Library - Repairs and maintenance		-	17,634
Insurance		44,577	42,702
Vehicle running expenses	19.3	384,425	443,605
Internet expenses		17,000	8,500
Bank charges		3,631	19,228
Impairment allowance against advance income tax	8.2	13,919	40,844
Depreciation		43,426	63,779
		<b>3,053,346</b>	<b>3,579,063</b>

19.1 Salaries and allowances include contribution to provident fund amounting to Rs. 74,727 (2020: Rs. 73,078).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
---Rupees---			
<b>19.2 AUDITORS' REMUNERATION - AUDIT FEE</b>			
Kreston Hyder Bhimji & Co. - NRC			
Audit fee		<b>72,903</b>	69,300
Out of pocket expense		<b>13,310</b>	-
		<b>86,213</b>	69,300

19.3 These include Rs. 162,006 (2020: 203,198) on account of rental / usage amount charged by the ICAP to NRC for the use of its vehicle.

## 20 INCOME FROM INVESTMENTS

### *Income from financial assets*

Profit on short term investments		<b>349,789</b>	572,754
Profit on saving bank accounts		<b>76,625</b>	277,136
		<b>426,414</b>	849,890

## 21 CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:

Cash and bank balances	10	<b>2,928,217</b>	3,359,330
Short term investments	7	<b>5,000,000</b>	5,000,000
		<b>7,928,217</b>	8,359,330

## 22 OPERATING RESULTS BY ACTIVITIES

	Note	Income	Expenditure	2021 Surplus / (deficit)	2020
<b>ACTIVITIES</b>					
Rupees					
Members' events					
Seminar and CPD activities	15.1	<b>478,793</b>	<b>529,209</b>	<b>(50,416)</b>	(134,474)
E-learning / webinars	15	-	-	-	68,768
		<b>478,793</b>	<b>(529,209)</b>	<b>(50,416)</b>	(65,706)
Social events	17	-	-	-	(1,198,028)
		<b>478,793</b>	<b>(529,209)</b>	<b>(50,416)</b>	(1,263,734)
<b>Unallocated income</b>					
Members subscription				<b>2,950,125</b>	2,882,118
Income from investments	20			<b>426,414</b>	849,890
Other income	18			<b>30,730</b>	78,535
				<b>3,407,269</b>	3,810,543
Operating results				<b>3,356,853</b>	2,546,809
Other expenses	19			<b>(3,053,346)</b>	(3,579,063)
Surplus / (Deficit) for the year				<b>303,507</b>	(1,032,254)

## 23 OPERATING SEGMENT RESULTS

The committee was engaged into the following main activities:

- (i) Seminar and CPD Activities
- (ii) Social Events
- (iii) E- learning Seminars

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Seminar CPD Activities		Social Events		E-Learning / webinars		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Receipts</b>	<b>478,793</b>	1,791,225	-	314,700	-	68,768	<b>478,793</b>	2,174,693
<b>Others - unallocated income</b>								
Members' subscription							<b>2,950,125</b>	2,882,118
Income from investments							<b>426,414</b>	849,890
Amortization of Deferred Income							<b>30,730</b>	45,421
Old credit balances written back							-	21,774
Miscellaneous income							-	11,340
							<b>3,407,269</b>	3,810,543
<b>Total Income</b>							<b>3,886,062</b>	5,985,236
<b>Expenditure</b>								
Refreshment	<b>357,616</b>	1,231,765	-	1,169,586	-	-	<b>357,616</b>	2,401,351
Speaker honorarium and shield	<b>170,678</b>	165,162	-	-	-	-	<b>170,678</b>	165,162
Printing stationery and postage	-	63,110	-	18,000	-	-	-	81,110
Travelling and related expenses	-	128,377	-	-	-	-	-	128,377
Photography video and multimedia	-	35,500	-	134,574	-	-	-	170,074
Branding expenses	-	265,390	-	-	-	-	-	265,390
Magic show/ Children activity	-	-	-	178,568	-	-	-	178,568
Others	<b>915</b>	36,395	-	12,000	-	-	<b>915</b>	48,395
<b>Total expenditure</b>	<b>529,209</b>	1,925,699	-	1,512,728	-	-	<b>529,209</b>	3,438,427
<b>Segment results - surplus / (deficit)</b>	<b>(50,416)</b>	(134,474)	-	(1,198,028)	-	68,768	<b>3,356,853</b>	2,546,809
<b>Other expenses</b>							<b>3,053,346</b>	3,579,063
<b>Surplus / (Deficit) for the year</b>							<b>303,507</b>	(1,032,254)

## 24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of Institute of Chartered Accountants of Pakistan (ICAP), NRC members, Chartered Accountants Students Association (CASA) and Employees Provident Fund. The company has carried out transactions with related parties on arm's length basis. The detail of transactions with related parties during the year and outstanding balances with them is as follows:

Name of party	Relationship	Nature of transaction	Note	2021	2020
				----Rupees----	
ICAP	Associate	Payment of expenses on behalf of the committee		-	230,192
ICAP	Associate	Rental / usage amount charged by the associate		162,006	203,198
Post employment benefit plans	Employees benefits	Employee contribution to Provident Fund Trust for the year		74,727	73,078
<b>Balances as at JUNE 30</b>					
Due from CASA				744,830	661,460
Due to ICAP				309,788	347,152



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 25 FINANCIAL INSTRUMENTS BY CATEGORY

### 25.1 Financial Instruments by category - 2021

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
Rupees				
<b>Financial assets</b>				
Short-term investments	5,000,000	-	-	5,000,000
Other receivables	744,830	-	-	744,830
Profit receivable on bank deposits	15,721	-	-	15,721
Cash and bank balances	2,928,217	-	-	2,928,217
	<b>8,688,768</b>	<b>-</b>	<b>-</b>	<b>8,688,768</b>
<b>Financial liabilities carried at amortised cost</b>				
Creditors and other liabilities	-	-	392,976	392,976

### Financial Instruments by category - 2020

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
Rupees				
<b>Financial assets</b>				
Short-term investments	5,000,000	-	-	5,000,000
Other receivables	674,960	-	-	674,960
Profit receivable on bank deposits	21,651	-	-	21,651
Cash and bank balances	3,359,330	-	-	3,359,330
	<b>9,055,941</b>	<b>-</b>	<b>-</b>	<b>9,055,941</b>
<b>Financial liabilities carried at amortised cost</b>				
Creditors and other liabilities	-	-	407,652	407,652

## 26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Committee finances its operations from the revenue received through members subscriptions, member program fees & social events and receipts from students conference. Apart from this, the Committee also earns income from profit received on investments and bank deposits.

### 26.1 Financial risk factors

The Committee has overall responsibility for the establishment and oversight of the risk management framework. The Committee's operations expose it to financial risk, credit risk, liquidity risk and interest rate risk.

#### 26.1.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date, if counter parties failed completely to perform as contracted.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Committee is exposed to credit risk on all financial assets except cash in hand. The Committee seeks to minimize the credit risk exposure through having exposures only with the banks having minimum credit rating of 'A' in long term and 'A1' in short term rated by independent credit rating agencies. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

The carrying amounts of financial assets that represent Institute's maximum credit exposure as at the reporting date are as follows:

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		---Rupees---	
Short-term investments		5,000,000	5,000,000
Other receivables		15,721	35,151
Due from CASA		744,830	661,460
Bank balances		2,860,389	3,262,472
		<b>8,620,940</b>	<b>8,959,083</b>

## 26.1.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

## Cash at bank and short-term investments

Rating*			
A1+		7,788,271	8,191,700
A-2		72,118	70,772
		<b>7,860,389</b>	<b>8,262,472</b>

\* Latest available rating assigned by JCR-VIS and PACRA as at June 30, 2021.

## 26.1.3 Liquidity risk

Liquidity risk is the risk that the Committee will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Committee could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Committee's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Committee's reputation.

	Contractual cash Flows	Six Months or less	Six to twelve months	Two to Five years
	Rupees			
<b>Jun-21</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	392,976	392,976	-	-
<b>June 2020</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	407,652	407,652	-	-

## 26.1.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Committee is exposed to interest rate risk only.

## 26.1.4.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial instruments which are exposed to interest rate risk comprise of short term investments and saving bank account. As at year end, had there been an increase / decrease of 100 basis points in the profit rates, with all other variables held constant, total comprehensive deficit for the year would have been lower / higher by Rs. 65,709 (2020: 69,277).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 26.1.4.2 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Committee does not have any financial instruments in foreign currencies at the reporting date.

## 26.1.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Committee is not exposed to other price risk as at year end.

## 26.1.5 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Committee is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently, there are no financial assets or liabilities measured at fair value in the financial statements which are classified under Level 1, 2 or 3.

There were no transfers amongst the levels during the current and preceding year. The Committee's policy is to recognize transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

### Valuation techniques used to determine fair values

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 27 NUMBER OF EMPLOYEES

The Committee had one (2020: one) full time employee and two (2020: two) part time employees as at June 30, 2021.

## 28 DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on October 29, 2021 by the Committee Members.

## 29 GENERAL

29.1 The Committee has been making payments/contributions of its employees on account of their retirement benefits, which have been maintained by The Institute of Chartered Accountants of Pakistan (ICAP). Accordingly, the related disclosures as regard to the Employees Retirement Benefits have also been made in the financial statements of the ICAP.

29.2 Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. However, there were no reclassifications made in the corresponding figures.



**CA**  
PAKISTAN

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