

ANNUAL REPORT 2021



CA
PAKISTAN

SOUTHERN REGIONAL COMMITTEE

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NOTICE OF THE MEETING

Notice is hereby given that the 60th Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on October 15, 2021 at 5:00 pm at ICAP – Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

1. Confirmation of the minutes of 59th Annual General Meeting.
2. Consideration of the Southern Regional Committee’s report and audited financial statements for the year ended June 30, 2021 together with the auditor’s report thereon.
3. Any other business with the permission of the Chair.

-Sd-

Abdul Rab, FCA
Honourary Secretary

Karachi: September 27, 2021

THE COMMITTEE FOR THE YEAR 2020 - 2021



Mohammad Zulfikar Akhtar, FCA
Chairman



Abdul Rab, FCA
Honourary Secretary



Hasnain R. Badami, FCA
CPD Convener



Arslan Khalid, FCA
Coordinator for CASA Activities / Library



Syed Muhammad Adnan Rizvi, FCA
Coordinator for CASA Activities / Library



Naureen Al Amin, FCA
CPD / CASA Coordinator



CHAIRMAN'S REPORT TO THE MEMBERS

Dear Members

The Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) is responsible to provide its members with a platform for Continuing Professional Development (CPD) for professional updates, enhancement of soft skills, management of library and coordination with Chartered Accountants Students' Association (CASA) – South.

The COVID-19 pandemic (the Pandemic) emergence in the last year impacted our lifestyles and socio-economic environment immensely and accordingly the professional development events of ICAP were shifted mostly to the video-conferencing platforms.

On behalf of SRC, I am pleased to apprise you about SRC's activities during the year.

CPD ACTIVITIES

SRC organised 19 workshops and webinars spread over 140.5 CPD Hours, covering topics such as Audit, Accounting, Taxation, Strategy, Spreadsheet Modelling, Economy and Communication. These programmes were attended by a vast number of members and non-members. Since these programmes were conducted online, participants from North and overseas also attended these programs.

In June 2021, SRC together with CPD Committee of ICAP collaborated with Coursera to provide access to the world-class online learning platform to all our members, students and affiliates. As part of this initiative, we provided access to over 3000 courses and unlimited number of guided projects. This initiative has been widely appreciated and within a span of 2 months, more than 10,000 users enrolled, 6,500 hours of learning completed and over 500 verified certificates of completion issued by top universities to our members and students.

In addition to this, SRC also introduced Skill Development Programs of 2 to 4 months' duration on trending topics like Data Analysis & Power BI (50 hours), Tax Masterclass, Including Practical Aspects of Income and Sales Tax (75 hours), and Internal Audit Masterclass (40 hours).

To help our members plan their CPD activities, we developed a coherent catalogue of SRC CPD

Programmes envisaged for the year ahead. The catalogue included 19 new topics from wide variety of areas including Internal Auditing, Financial Reporting, Taxation, Leadership, Soft skills, etc.

This year, a webinar series titled Professional Development Series was also conducted in which top speakers delivered sessions on Career, Finance, Personal Branding and Leadership. These sessions were well appreciated with 250-300 attendees in each session.

Following is a detailed breakdown of CPD Activities.

Category	2020-21		2019-20	
	Number of Seminars / Webinars	CPD Credit Hours	Number of Seminars / Webinars	CPD Credit Hours
Financial Reporting	-	-	2	18.5
Audit	3	23	-	-
Strategy	3	12.5	2	18
Macro Economics / Law	-	-	3	7.5
Taxation	4	32	2	6.5
Soft Skills / Entrepreneurship / Other *	9	73	16	67.5
Total	19	140.50	28	118

* Six of the above listed events in 2020-21 and Fifteen in 2019-20 were webinars.

SOCIAL EVENTS

Due to the Pandemic, this year SRC did not organise certain usual social events like Annual Dinner, Ghazal Evening, Family Fun Fest, etc. A Blood donation drive was arranged in collaboration with the Indus Hospital in which members, students as well as ICAP employees enthusiastically volunteered.

MEMBERS' CONVOCATION CEREMONY

The bi-annual Members' Convocation Ceremony for the newly qualified Chartered Accountants is also organised under the aegis of the Southern Regional Committee. Two ceremonies were conducted this year.

CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION, SOUTH (CASA-S)

In addition to catering for the CPD requirements of members, SRC also oversees the affairs of CASA–South and the library. Mentoring and guidance are provided by SRC to the elected members of CASA–South and opportunities for learning and development are created for the student body.

In the wake of the Pandemic, CASA (South & North) under the guidance of Southern & Northern Regional Committees organised a virtual International Students' Conference with the theme 'Rising from the Ashes' on October 5, 2020. Eminent speakers from different countries were invited to share meaningful insights on the changes expected in the profession going forward along with the key skills to be acquired. Speakers from Pakistan, Canada, Sri Lanka, India, Nepal and Bangladesh encouraged the students and suggested ways to excel in the post pandemic world. The conference was attended by more than 200 students online.

SRC also facilitated CASA – South in conducting web-based exam workshops to provide an opportunity for better revision and examination techniques.

CASA – South also organised the annual CA Sports League 2021 for the entire CA Fraternity (inclusive of students and the members). The event witnessed a tremendous success with immense participation of 22 Cricket Teams, 11 Futsal Teams, 2 Teams of Throw Ball and around 100 plus participants in Badminton, Table Tennis and Chess.

FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 1.41 million for the current year. During the year Rs. 3.56 million were received from ICAP on account of Members' subscriptions and Rs. 5.34 million were collected for CPD activities whereas Rs. 3.40 million were spent on CPD activities. Further, Rs. 2.34 million, Rs 1.44 million and Rs. 2.44 million respectively were used for library operations, CASA – South related activities and administrative expenses. Investments of SRC are managed by ICAP on its behalf.

COMMITTEE MEETINGS

During the year 8 meetings were held. Details of attendance are listed below:

Mohammad Zulfikar Akhtar	8
Abdul Rab	8
Hasnain R. Badami	8
Arslan Khalid	8
Syed Muhammad Adnan Rizvi	7
Noureen Al Amin	3

CONDOLENCES

The following members of our Institute from the Southern Region departed for heavenly abode.

S #	Member's Name	Membership No.
1	Abdul Wahid Wakil	0101
2	Syed Hamid Mukhtar	0309
3	Mohammad Raushan	0471
4	Saghir Ahmad	0537
5	Mushtaq Ahmed Shaikh	0669
6	Asad Saeed Kirmani	0743
7	Mohammed Rafiuddin Hyder	0757
8	Muhammad Farooq	0868
9	Aquil A. Khan	0897
10	Mohammad Ashraf Kothari	0971
11	Pervez Hanif	1113
12	Ali Mohammed Mesia	1265
13	Mohammad Ovais Obaidullah Khan	1323
14	Abdul Rashid	1762
15	Abdul Ghafoor Ateeq	1788
16	Pervez Muslim	2543
17	Ali Asghar Vasnani	5354
18	Raheel Shahnawaz	6186

The SRC acknowledges the valuable contribution of the deceased members towards the institute. We pray that may Allah Almighty give them a place in heaven and may their families have the strength to bear with this irrecoverable loss.

ACKNOWLEDGEMENT

On behalf of SRC, I would like to thank the President ICAP, Vice President South ICAP, Council Members and Fellow Members for their guidance, support and patronage.

We are also thankful to the ICAP Secretary and his entire team as well as all staff members working at the SRC office for the support provided by them throughout the year.

Thanks and regards,

-Sd-

Mohammad Zulfikar Akhtar
Chairman-Southern Regional Committee

September 27, 2021

CPD ACTIVITIES HELD FROM JULY 01, 2020 TO JUNE 30, 2021

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
1	Oct 07, 2020	Live Webinar - Can we better prepare for the Financial Crises? Some of the lesson from the previous great financial crises in the light of COVID-19	1.5	114	0	114	Speaker: Dr. Mark Michalski
2	Oct 14 & 15, 2020	2-Day Workshop on MS Excel & Power BI for Finance Professionals	16	4	10	14	Trainer: Rahim Zulfiqar Ali
3	Oct 22, 2020	Workshop on Strategic Planning & Risk Based Internal Auditing	7	12	13	25	Trainer: Muhammad Shahzad Yousuf, FCA
4	Oct 27, 2020	Live Webinar on Organisational Strategy Development for Success	1.5	118	0	118	Speaker: Dr. Barry Doublestein
5	Jan 12 & 13, 2021	2-Day Workshop on Data Analytics with Excel	16	9	17	26	Trainer: Raheel Rupani
6	Jan 29, 2021	Workshop on Culture Audit	7	7	13	20	Trainer: Muhammad Shehzad Yousuf, FCA
7	March 25 & 26, 2021	2-Day Workshop on Statistical Data Analysis and Advanced Data Mining	16	10	15	25	Trainer: Raheel Rupani
8	March 31, 2021	Workshop on ACE The Audit Report: Communicate Clearly, Concisely and Effectively	8	10	8	18	Trainer: Talha Bin Hamid, FCA
9	April 06, 2021	Workshop on Managing Corporate Tax Compliances Practical Aspects	8	10	15	25	Trainer: M. Muzammil Hemani, ACA
10	April 12, 2021	Workshop on Managing Corporate Tax Compliances Practical Aspects	8	5	19	24	Trainer: M. Muzammil Hemani, ACA
11	April 17, 2021	Professional Development Series (Season 1) - EP 1 Personal Branding using LinkedIn	1	-	-	-	Host: Hasnain R. Badami, ACA Speaker: Hammad Siddiqui

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
12	April 23, 2021	Professional Development Series (Season 1) - EP 2 Challenges & Myths of Further Education After CA	1.5	-	-	-	Host: Hasnain R. Badami, ACA Panelists: Haris Maqsood, ACA Hamza Ahmed, ACA Farrukh Najam, ACA Rashid Masood Alam, FCA
13	May 11, 2021	Professional Development Series (Season 1) - EP 3 The Digital Accountant	1.5	-	-	-	Host: Hasnain R. Badami, ACA Speaker: Juliana Guaqueta
14	May 18, 2021	Professional Development Series (Season 1) - EP 4 Preparing for the Future of Finance	1.5	-	-	-	Host: Hasnain R. Badami, ACA Panelists: Saleem Sufi Ahsan Anis, FCA Mustafa Kamal, FCA
15	June 10, 2021	Workshop on Internal Auditor as Strategic Advisor	8	15	12	27	Trainer: Muhammad Shehzad Yousof, FCA
16	June, 2021	Certificate Course on Data Analysis and Visualisation using Power BI	18	43	83	126	Host: Hasnain R. Badami, ACA Opening Remarks: Khalilullah Shaikh, FCA Trainers: Raheel Rupani Umair Ismail

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
17	June 16, 2021	Post Budget Conference 2021: Pakistan's Economy Towards Growth and Prosperity	4	-	-	-	Chief Guest: Shaukat Tarin President Address: Ifukhar Taj, FCA Opennig Remarks: Muhammad Ali Latif, FCA Hosts: Ashfaq Yousuf Tola, FCA Muhammad Awais, FCA Session Chairman: Saqib Masood, FCA Imran Afzal, FCA Asad Ali Shah, FCA Speakers: Haider Patel, FCA Asim Zulfiqar Ali, FCA Panelists: Rashid Ibharim, FCA Sadia Nazeer, FCA Aman Ghanchi Adnan Mufti, FCA Zubair Motiwala Wamiq Zuberi Moderators: Asif Haroon, FCA Rizwan Bashir, FCA Khalilullah Skaikh, FCA Vote of Thanks: Mohammad Zulfikar Akhtar, FCA Shahid Iqbal Khatak, FCA Ashfaq Yousuf Tola, FCA Master of Ceremony: Saira Nasir, FCA
18	June, 2021	Strategic CFO Workshop 2021	4	27	5	32	Host: Hasnain R. Badami, ACA Trainer: Saleem Sufi
19	June, 2021	Tax Masterclass - Income Tax & Sales Tax	12	9	20	29	Host: Hasnain R. Badami, ACA Trainer: M. Muzammil Hemani, ACA
		Total	140.5				

JOB SECTOR INFORMATION OF MEMBERS

Based in Pakistan		June 30, 2021	
Category	Associates	Fellows	Total
Public Practice	78	259	337
Employed in Practice	404	33	437
Automotive	35	13	48
Cement / Ceramics / Glass	15	9	24
Chemicals/ Paints	20	13	33
Commerce and Industry	96	70	166
Construction and Real Estate	22	12	34
Consumer Goods	35	9	44
Education	22	33	55
Electronics and Electrical Goods	8	5	13
Engineering	12	17	29
Fertilizer / Agriculture	7	5	12
Financial Institutions / Banks	193	147	340
Financial / Management Consulting	18	6	24
Food / Beverages / Tourism	38	12	50
Government	14	15	29
Healthcare and Pharmaceutical	71	50	121
Information & Communication Technology	24	11	35
NGOs / Social Services	6	6	12
Oil and Gas	46	57	103
Power Generation and Distribution	43	27	70
Shipping and Marine	10	11	21
Sugar and Allied	8	6	14
Textile / Fashion and Apparels	49	29	78
Transport / Logistics / Courier Services	20	13	33
Print and Digital Media / Event Management	14	14	28
Senior Members	6	223	229
Misc	672	309	981
Sub Total	1986	1414	3400
Based outside Pakistan			
Public Practice	3	7	10
Employed in Practice	235	24	259
Other than Public Practice	607	538	1145
Senior Members	0	62	62
Sub Total	845	631	1476
Total	2831	2045	4876

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS

Opinion

I have audited the financial statements of Southern Regional Committee – ICAP (the “Committee”) which comprise the statement of financial position as at June 30, 2021, the related statement of comprehensive income, statement of cash flows and the statement of changes in accumulated fund 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 Committee as at June 30, 2021, and its financial performance and its cash flows and changes in accumulated fund 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 the International Standards on Auditing (ISAs) 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 Committee in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by 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 the International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) as notified by the SECP, and for such internal control as the management determine 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 Committee’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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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 ISAs 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 ISAs 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 the 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.
- 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 Committee'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 the material uncertainty exists related to events

or conditions that may cast significant doubt on the Committee’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 upto the date of my auditor’s report. However, future events and conditions may cause the Committee 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 statement represents 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.

- Sd -

Muhammad Shabbir Kasbati
Chartered Accountant
Karachi

Date: September 20, 2021

**STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2021**

	Note	2021 -----Rupees-----	2020
NON-CURRENT ASSETS			
Fixed assets	4	189,793	226,003
CURRENT ASSETS			
Short-term investments	5	21,004,027	21,635,443
Advances and other receivables	6	8,202,431	681,926
Due from Chartered Accountants Students' Association (CASA) - South	7	-	479,720
Cash and bank balances	8	1,262,822	1,782,617
		30,469,280	24,579,706
CURRENT LIABILITIES			
Creditors and other payables	9	4,686,894	245,840
NET CURRENT ASSETS			
		25,782,386	24,333,866
LONG TERM LIABILITIES AND FUNDS			
Deferred income			
Library Development Fund	10	22,196	25,285
Restricted Funds			
Library Development Fund	11	592,180	592,180
NET ASSETS			
		<u>25,357,803</u>	<u>23,942,404</u>
REPRESENTED BY			
Accumulated Fund		<u>25,357,803</u>	<u>23,942,404</u>
		<u>25,357,803</u>	<u>23,942,404</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 24 form an integral part of these financial statements.

- Sd -
 CHAIRMAN

- Sd -
 HONOURARY SECRETARY

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

	2021	2020
Note	-----Rupees-----	
INCOME		
Members' subscriptions	3,554,625	3,536,394
Members' programmes	5,336,729	10,804,958
Fees charged on social events	-	498,000
Students' conference and programmes	802,900	1,459,305
Others	3,089	4,656
	9,697,343	16,303,313
EXPENDITURE		
Cost incurred on members' programmes	13 3,395,732	10,735,214
Cost incurred on social events	14 14,180	4,384,456
Administrative expenses	15 2,443,333	3,051,064
Library operations	16 2,337,825	1,987,500
Cost incurred on students' conference and programmes	1,436,756	2,536,427
	9,627,826	22,694,661
Surplus / (deficit) of income over expenditure before income from investments	69,517	(6,391,348)
Income from investments	1,345,882	2,682,807
SURPLUS / (DEFICIT) FOR THE YEAR	1,415,399	(3,708,541)
OTHER COMPREHENSIVE INCOME	-	-
SURPLUS / (DEFICIT) FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND	1,415,399	(3,708,541)

The annexed notes from 1 to 24 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
Note	----Rupees----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received against:		
Members' subscription	3,554,625	3,044,394
Members' programmes	1,489,858	17,606,773
Fees charged on social events	-	1,961,961
Students' conference and programmes	802,900	-
	5,847,383	22,613,128
Cash paid against:		
Salaries, allowances and other benefits	2,380,291	4,433,744
Supplies and services	5,964,372	25,179,393
	8,344,662	29,613,137
Net cash used in operating activities	(2,497,280)	(7,000,009)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(500,000)	(20,500,000)
Return on investments received	2,477,485	1,571,573
Net cash generated from / (used) from investing activities	1,977,485	(18,928,427)
Net decrease in cash and cash equivalents	(519,795)	(25,928,436)
Cash and cash equivalents at the beginning of the year	1,782,617	27,711,053
Cash and cash equivalents at the end of the year	17 1,262,822	1,782,617

The annexed notes from 1 to 24 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

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

	Accumulated fund
	--- Rupees ---
Balance as at June 30, 2019	27,650,945
Deficit for the year	(3,708,541)
Balance as at June 30, 2020	<u>23,942,404</u>
Surplus for the year	1,415,399
Balance as at June 30, 2021	<u><u>25,357,803</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

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

1. LEGAL STATUS AND OPERATIONS

The Southern Regional Committee (the Committee) has been constituted by the Council of the Institute of Chartered Accountants of Pakistan (Institute) or (ICAP) 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. The registered address of the Committee is situated at Chartered Accountants Avenue, Clifton, Karachi.

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 Accounting convention

These financial statements have been prepared under the historical cost convention except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Committee.

2.4 Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the basis as stated in note 2.2 requires the use of certain critical accounting estimates. It also requires the Committee to exercise its judgment in the process of applying the Committee's accounting policies. The area involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements includes determination of the useful life and residual value of operating fixed assets.

2.4.1 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 and are considered not to be relevant for the Committee's financial statements and hence have not been detailed here.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged using the reducing balance method at the rates specified in note 4. Depreciation on additions is charged from the day on which the asset becomes available for use and on disposals, up to the day the asset has been in use.

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 recognised prospectively as a change of accounting estimate in the statement of comprehensive income.

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

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with, will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the total comprehensive income as and when incurred.

3.2 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 recognising 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 amortised 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.

3.2.1 Financial assets

(a) At amortised cost

A financial asset is measured at amortised 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 selling the 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.

(b) At Fair Value through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both of 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) At Fair Value through Profit or Loss

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

Initial recognition and subsequent measurement of financial assets

Financial Asset at initial recognition is measured at its fair value of the consideration given. Subsequent to initial recognition, financial assets is classified at amortised cost using effective interest method, fair value through other comprehensive income with changes in fair value recognised in other comprehensive income and fair value through profit or loss with changes in fair value recognised in profit or loss.

3.2.2 Financial liabilities

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

3.2.3 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 recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.3 Impairment

3.3.1 Impairment in financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. The Institute assesses on forward looking basis expected credit losses (ECLs) associated with its financial assets carried at amortized cost and fair value through other comprehensive income. Loss allowance for ECLs on a financial asset is recognised to account for impairment.

If a financial asset has low credit risk at the date of initial application, then the Committee has assumed that the credit risk on the asset had not increased significantly since its initial recognition. Loss allowances are recognised in the statement of comprehensive income as at reporting date.

3.3.2 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.

3.4 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks and short term investments realizable within three months.

3.5 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable 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.

3.6 Provisions

Provisions are recognised in the statement of financial position when the Committee has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.7 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.

- Members' programmes represent fees from CPD activities that are recognised as income when CPD activities are held. Fees received for periods beyond the current financial year are shown as advance fee.
- Members' subscriptions are taken to income upon on receipt basis.
- Profit on investments is accrued on the basis of effective yield of respective investments
- Profit on savings account is recognised on accrual basis.

3.8 Related party transactions

Transactions with related parties are based on arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

3.9 Restricted funds

Funds received directly as grants or received as contribution from the donors are classified as Restricted funds. Restricted funds representing direct grants are classified as grant funds.

Funds utilised for capital expenses including capital work-in-progress are transferred to the deferred income account, with an amount equal to the annual charge for depreciation on assets purchased being released from this account and recognised as income and reflected as 'Amortization of deferred income' in the statement of comprehensive income.

4. FIXED ASSETS

Description	Library			Others			Total
	Books	Furniture	Air conditioners	Equipment	Furniture	Air conditioners	
As at July 01, 2019							
Cost	730,702	624,793	275,381	16,600	270,298	45,515	405,647
Accumulated depreciation	(703,311)	(554,577)	(248,048)	(13,574)	(177,835)	(36,694)	(350,313)
Net book value	27,391	70,216	27,333	3,026	92,463	8,821	55,334
Year ended June 30, 2020							
Opening net book value	27,391	70,216	27,333	3,026	92,463	8,821	55,334
Disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(66,000)
Accumulated depreciation	-	-	-	-	-	-	55,498
Depreciation for the year	(9,065)	(6,540)	(4,568)	(257)	(9,806)	(65)	(10,502)
Closing net book value	18,326	63,676	22,765	2,769	82,657	8,756	27,054
Year ended June 30, 2020							
Cost	730,702	624,793	275,381	16,600	270,298	45,515	339,647
Accumulated depreciation	(712,376)	(561,117)	(252,616)	(13,831)	(187,641)	(36,759)	(312,593)
Net book value	18,326	63,676	22,765	2,769	82,657	8,756	27,054
Year ended June 30, 2021							
Opening net book value	18,326	63,676	22,765	2,769	82,657	8,756	27,054
Disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(63,380)
Accumulated depreciation	-	-	-	-	-	-	61,871
Depreciation for the year	(6,049)	(7,345)	(3,924)	(217)	(7,318)	(647)	(1,509)
Closing net book value	12,277	56,331	18,841	2,552	75,339	8,109	16,344
Year ended June 30, 2021							
Cost	730,702	624,793	275,381	16,600	270,298	45,515	276,267
Accumulated depreciation	(718,425)	(568,462)	(256,540)	(14,048)	(194,959)	(37,406)	(259,923)
Net book value	12,277	56,331	18,841	2,552	75,339	8,109	16,344
Annual rate of depreciation (% per annum)	33	10	15	15	10	15	33

4.1 Depreciation for the year has been allocated as follows:

Note	2021	2020
	-----Rupees-----	
15	17,166	27,649
16	17,535	20,430
	<u>34,701</u>	<u>48,079</u>

5. SHORT-TERM INVESTMENTS

2021 2020

----Rupees----

 Financial assets at amortised cost
 Certificate of Islamic Investments

21,004,027	21,635,443
------------	------------

5.1 This represents investment in Shariah Compliant Term Deposit Certificate with a bank having face value of Rs. 21,000,000 (June 30, 2020: Rs. 20,500,000). This certificate carries profit at the rates ranging from 5.79% to 7% (June 30, 2020: 7% to 13.50%) per annum receivable on maturity and is maturing on December 30, 2021. Accrued profit amounting to Rs. 4,027 (June 30, 2020: Rs. 1,135,443) is included in the carrying value.

5.2 Pursuant to the decision of the council dated: April 25-26, 2019, these investment have been made in the name of ICAP and SRC has the beneficial interest in such investment.

6. ADVANCES AND OTHER RECEIVABLES

2021 2020

----Rupees----

 Current account with the Institute
 on account of expenses
 on account of Seminar fee
 on account of CASA

492,535	(877,567)
6,109,357	1,424,439
95,100	12,000

6,696,992	558,872
-----------	---------

Accrued profit on saving account

2,117	2,304
-------	-------

Seminar fee receivable

892,847	120,750
---------	---------

Advance to suppliers

610,475	-
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Advance income tax

1,010,710	894,106
-----------	---------

Less: Impairment allowance against advance income tax

(1,010,710)	(894,106)
-------------	-----------

8,202,431	681,926
-----------	---------

7. DUE FROM CHARTERED ACCOUNTANTS' STUDENTS ASSOCIATION (CASA) - SOUTH

Opening balance

479,720	533,945
---------	---------

Received on behalf of CASA

(1,479,102)	(199,700)
-------------	-----------

Expenses incurred on behalf of CASA

999,382	145,475
---------	---------

-	479,720
---	---------

8. CASH AND BANK BALANCES	Note	2021	2020
-----Rupees-----			
Cash in hand		79,520	225
Cash at banks in:			
Current account		276,618	919,871
Savings account	8.1	906,684	862,521
		<u>1,183,302</u>	<u>1,782,392</u>
		<u>1,262,822</u>	<u>1,782,617</u>

8.1 This carries profit at a rate of 2.80% (2020: 3.25%) per annum.

9. CREDITORS AND OTHER PAYABLES

Creditors and accrued liabilities	1,623,548	245,840
Fees received in advance against programmes	3,063,346	-
	<u>4,686,894</u>	<u>245,840</u>

10. DEFERRED INCOME - LIBRARY DEVELOPMENT FUND

Opening balance	25,285	29,941
Amortization for the year	(3,089)	(4,656)
	<u>22,196</u>	<u>25,285</u>

11. RESTRICTED FUND - LIBRARY DEVELOPMENT FUND

The Committee received Library Development Endowment Fund aggregating to Rs. 755,000 from the Institute for renovation / upgradation of library in 2012. The balance of Rs. 592,180 (2020: Rs. 592,180) represents the un-utilized fund.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date (2020: Nil).

13. COST INCURRED ON MEMBERS' PROGRAMMES	Note	2021	2020
-----Rupees-----			
Salaries, allowances and other benefits	13.1	-	1,951,624
Advertisement		-	258,974
Printing, stationery and postage charges		198,712	931,232
Venue & meals charges		881,032	3,067,919
Speakers' fees and other charges		1,994,591	2,392,964
Travelling and accommodation		106,635	368,015
Photographs, projector, screen and sound system		133,000	1,403,000
Mementos / gifts		-	211,932
Others		81,762	149,554
		<u>3,395,732</u>	<u>10,735,214</u>

13.1 This include Rs. Nil (2020: 94,379) in respect of staff retirement benefit.

14. COST INCURRED ON SOCIAL EVENTS	Note	2021	2020
-----Rupees-----			
Family get-together		-	1,859,136
Blood donation drive		14,180	31,462
Members annual dinner		-	2,493,858
		<u>14,180</u>	<u>4,384,456</u>

15. ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	15.1	1,763,118	1,862,093
Printing and stationery		204,653	486,608
IT and communication expenses		58,989	49,391
Annual general meeting expenses		20,363	27,060
Audit fee		71,874	60,500
Conveyance		13,159	12,510
Depreciation	4.1	17,166	27,649
Impairment allowance against advance income tax		116,603	82,596
Vehicle running expense	15.2	-	266,870
Others		177,408	175,787
		<u>2,443,333</u>	<u>3,051,064</u>

15.1 This include Rs. 90,879 (2020: 88,871) in respect of staff retirement benefit.

15.2 These include Rs. Nil (2020: 138,833) on account of rental / usage amount charged by the ICAP to SRC for the use of its vehicle.

16. LIBRARY OPERATIONS	Note	2021	2020
-----Rupees-----			
Salaries, allowances and other benefits	16.1	745,162	735,302
Depreciation	4.1	17,535	20,430
Refreshment for students		42,000	36,000
Newspaper, journals and magazine		9,000	30,370
Maintenance charges		1,490,548	1,151,796
Others		33,580	13,602
		<u>2,337,825</u>	<u>1,987,500</u>

16.1 This include Rs. 34,713 (2020: 33,952) in respect of staff retirement benefit.

17. CASH AND CASH EQUIVALENTS

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

Cash and bank balances	8	<u>1,262,822</u>	<u>1,782,617</u>
		<u>1,262,822</u>	<u>1,782,617</u>

18. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Note	Income	Expenditure	2021	2020
				Surplus / (deficit)	Surplus / (deficit)
----- Rupees -----					
Members' programs		5,336,729	(3,395,732)	1,940,997	69,744
Social events		-	(14,180)	(14,180)	(3,886,456)
Students' conference and programmes		802,900	(1,436,756)	(633,856)	(1,077,122)
Library operations		3,089	(2,337,825)	(2,334,736)	(1,982,844)
		<u>6,142,718</u>	<u>(7,184,493)</u>	<u>(1,041,775)</u>	<u>(6,876,678)</u>
Members subscription				3,554,625	3,536,394
Return on investments				1,345,882	2,682,807
				<u>4,900,507</u>	<u>6,219,201</u>
Other expenses				(2,443,333)	(3,051,064)
Surplus / (deficit) for the year				<u>1,415,399</u>	<u>(3,708,541)</u>

19. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Committee comprise of employees retirement benefit plans, the Institute and the Committee Members. Amounts due from and to related parties are shown under receivables and payables. Other significant transaction with related parties are as follows:

Relationship with the Committee	Nature of Transactions	2021	2020
		-----Rupees-----	
Transactions during the year:			
Staff retirement benefit plans	Contribution paid to provident fund	125,592	217,202

20. FINANCIAL INSTRUMENTS BY CATEGORY

20.1 Financial Instruments by category 2021

Financial Assets	Note	Amortised Cost	Total
Short term investments - Debt securities	20.1.1	21,004,027	21,004,027
Other receivables		7,589,839	7,589,839
Profit receivable on bank deposit		2,117	2,117
Cash and bank balances		1,262,822	1,262,822
			29,858,805
Financial Liabilities			
Creditors and other payables	20.1.2	1,623,548	1,623,548

Financial Instruments by category 2020

Financial Assets	Amortised Cost	Total
Short term investments - Debt securities	21,635,443	21,635,443
Other receivables	1,159,342	1,159,342
Profit receivable on bank deposit	2,304	2,304
Cash and bank balances	1,782,392	1,782,392
		24,579,481
Financial Liabilities		
Creditors and other payables	245,840	245,840

20.1.1 Advances others amounting to Rs. 610,475 (2020: Nil) that are not financial assets are not included.

20.1.2 Other payables that are not financial liabilities i.e. fee received in advance against programmes amounting to Rs. 3,063,346 (2020: Nil) are not included

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Committee finances its operations from the revenue received through members subscriptions and program fees. Apart from this, the Committee also earns income from markup received on investments and bank deposits.

21.1 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.

21.1.1 Credit risk

Credit risk represents the accounting loss that would be recognised 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 and receivable from ICAP. The Committee seeks to minimize the credit risk exposure through having exposures only with the banks having minimum credit rating of 'AA+' in long term and 'A-1+' 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 counter party default rates.

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

	2021	2020
	----- Rupees -----	
Short term investments	21,004,027	21,635,443
Other receivables	894,964	123,054
Due from CASA - South	-	479,720
Bank balances	1,183,302	1,782,392
	<u>23,082,293</u>	<u>24,020,609</u>

21.1.2 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, short-term investments and long-term investments

	2021	2020
	----- Rupees -----	
Rating*		
A+	21,004,027	-
AAA	906,684	862,521
AA	276,618	22,555,314
	<u>22,187,329</u>	<u>23,417,835</u>

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

21.1.3 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) -----				
June 2021				
Non-derivative financial liabilities				
Creditors and other payables	1,623,548	1,623,548	-	-
	1,623,548	1,623,548	-	-
June 2020				
Non-derivative financial liabilities				
Creditors and other payables	245,840	245,840	-	-
	245,840	245,840	-	-

21.1.4 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.

21.1.4.1 Interest rate risk

	2021	2020
-----Rupees-----		
Variable rate instruments		
Short term investments	21,004,027	21,635,443
Balance maintained with banks	906,684	862,521
	21,910,711	22,497,964

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 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, comprehensive surplus for the year would have been higher / lower by Rs. 219,107 (2020: 224,980).

21.1.4.2 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.

21.1.4.3 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.

21.1.5 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 recognise 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.

22. NUMBER OF EMPLOYEES

There are 3 full time Institute's employees working for the Committee as at June 30, 2021 (2020: 3).

23. DATE OF AUTHORISATION

These financial statements have been authorised for issue on September 20, 2021 by the Southern Regional Committee.

24. GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.

- Sd -

CHAIRMAN

- Sd -

HONOURARY SECRETARY

Southern Regional Committee

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