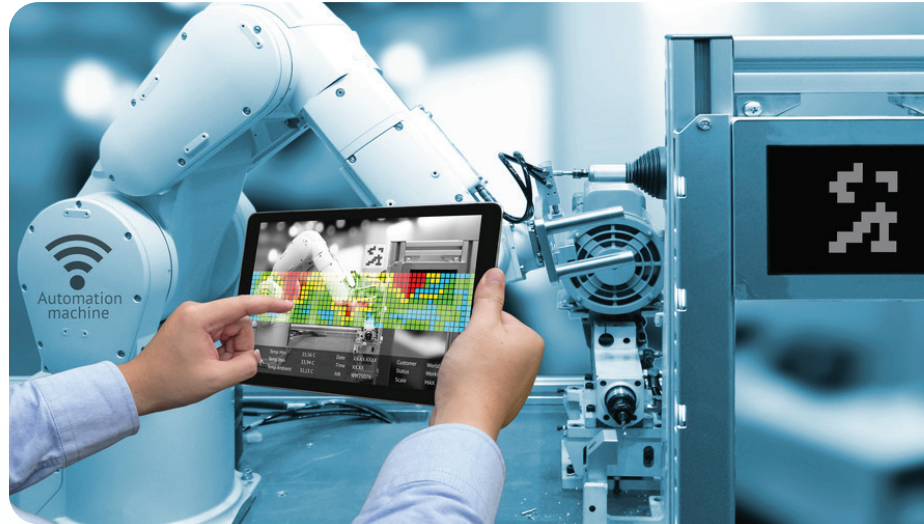




The Institute of  
Chartered Accountants  
of Pakistan

CA  
PAKISTAN



# ANNUAL REPORT 2022

Southern Regional  
Committee



# CONTENTS

---

Notice of the Meeting	1
The Committee for the year 2021-2022	2
Chairman's Report to the Members	3
Strategic Direction for the South Regional Committee	8
CPD Activities 2021-2022	14
Job Sector Information of Members	18
Independent Auditor's Report to the Members	19
Statement of Financial Position	22
Statement of Comprehensive Income	23
Statement of Cash Flows	24
Statement of Changes in Accumulated Fund	25
Notes to the Financial Statements	26

## **NOTICE OF MEETING**

Notice is hereby given that the 61<sup>st</sup> Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on Wednesday, December 07, 2022 at 6:30 p.m. at ICAP – Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

1. Confirmation of the minutes of 60<sup>th</sup> Annual General Meeting.
2. Consideration of the Southern Regional Committee's Report and Audited Financial Statements for the year ended June 30, 2022 together with the Auditor's Report thereon.
3. Any other business with the permission of the Chair.

**Osama Kapadia, FCA**  
Honorary Secretary

Karachi: November 23, 2022

## THE COMMITTEE FOR THE YEAR 2021 - 2022



Usama Rashid, FCA  
Chairman



Osama Kapadia, FCA  
Honourary Secretary



Shaikh Ahmed Salman, FCA  
CPD Convener Technical and Professional Affairs



Syed Junaid Ali, FCA  
CPD Convener Industry and Technology



Moneeza Usman Butt, FCA  
Facilitator Overseas / CASA / Library



Bashir Ahmed, ACA  
Coordinator Balochistan Affairs

## CHAIRMAN'S REPORT TO THE MEMBERS

### SOUTHERN REGIONAL COMMITTEE

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, advisory to the Council, management of library and coordination with Chartered Accountants Students' Association (CASA) – South.

### NEW OFFICE BEARERS

New SRC was formed in January 2022 after the elections that were held in September 2021. Following are the new Committee members with their roles and responsibilities:

- Mr. Usama Rashid, FCA Chairman
- Mr. Osama Kapadia, FCA Honorary Secretary
- Mr. Shaikh Ahmed Salman, FCA CPD Convener Technical and Professional Affairs
- Syed Junaid Ali, FCA CPD Convener Industry and Technology
- Ms. Moneeza Usman Butt, FCA Facilitator Overseas / CASA / Library
- Mr. Bashir Ahmed, ACA Coordinator Balochistan Affairs

On behalf of SRC, I am pleased to apprise you about SRC's activities in the year ended June 30, 2022.

### SRC 4 YEAR STRATEGIC PLAN

The incoming SRC decided to devise a 4-year strategic plan, following is an overview of the focus areas of the strategic plan:

- Professional development activities for members covering professional, technical, technological, entrepreneurial, leadership, regulatory, business, and industry segment wise topics,
- Special focus of SRC activities in Balochistan,
- Involvement of overseas members in affairs of SRC for the benefit of overseas members

as well as member community at large including professional development activities relevant for overseas members,

- Digital initiatives including digital learning, e-library, digital operations of bank accounts etc.,
- Improvement and expansion of library infrastructure and network through upgrades and collaborations as far as possible,
- Facilitate members' placements by advisory to MARCOM and actions in consultation with them such as introduction of new members to the industry, upgradation of job portal, strengthening connections with employers etc.,
- Advisory to ICAP's council from time to time on wide variety of topics,
- Extra-curricular activities for members through get together, sports events, social activities, blood donation drives, voluntary work for uplifting of underprivileged people and many more related events and activities, and
- Facilitation in education, grooming and development of ICAP students.

Detailed 4-year Strategic Plan is appended with this Annual Report 2022.

### **BALUCHISTAN ACTIVITIES**

During the year, SRC has arranged courtesy meetings of President with Chief Minister Balochistan and other dignitaries to apprise them about the initiatives of ICAP for Balochistan. Chief Minister highly appreciated the initiatives of ICAP for Balochistan and assured his support to ICAP. Furthermore, SRC has planned number of activities for Balochistan that will be initiated after finalization of rented office of ICAP at Quetta.

### **CPD ACTIVITIES**

This year, SRC organised 21 seminars, workshops and webinars spread over 273 CPD Hours, covering wide ranging topics such as Data Analysis, Strategic CFO, Finance Business Partnering, Islamic Banking, Expedition Leadership, Zakat Calculation, Quality Management, Internal Audit, Fraud Investigation, Taxation, International Financial Reporting Standards (IFRS), Soft Skills, Code of Ethics and Taxation etc.

## **SOCIAL EVENTS**

Due to the pandemic, this year SRC did not organise regular social events like Annual Dinner, Family Fun Fest, etc. Only 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 was also organised under the aegis of the SRC.

## **CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION, SOUTH**

The SRC also oversees the affairs of the Chartered Accountants Students' Association, South (CASA-S) and the library. A role of mentoring and guidance is provided to the elected members and opportunities for learning and development are created for the student body. Exam-based seminars and workshops were organised for the CA final students to provide them with an opportunity for better revision and techniques for attempting examinations. CASA-S elections were held in March 2022 and the new body was formed for a period of 1 year.

SRC along with CASA-S has met representatives of different libraries in Karachi for benchmarking of library facilities for the benefit of ICAP students. A paper is being submitted to the Council for upgrading library infrastructure.

## **ADVISORY TO THE COUNCIL**

During the year suggestions were given to council covering wide range of topics including education and training, brand and recognition, quality management, student affairs, service delivery, members' affairs including placements, introduction of new members to industry, promoting entrepreneurship, research, and governance.

## **PROJECT IN PROGRESS**

During the year, SRC has planned events that shall be executed in the next financial year.

These events include following:

- Unique Family Fun Festival for ICAP Members and their families at Adventure Land Bahria Town, Karachi.

- First of its kind CA Pakistan Cricket League involving Audit firms and corporate entities.
- IFRS workshop by an expert international trainer.
- Sports league 2022 for ICAP students through CASA

## FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 8.01 million for the current year. The surplus was primarily due to the fact that some of the social events mentioned earlier could not be held due to the pandemic. During the year, Rs. 3.72 million was received from ICAP on account of Members' subscription fee. Rs 22.76 million was collected from members for CPD activities. Rs 14.96 million was spent on CPD activities. Rs 0.49 million was spent on social events. SRC's investments held in the name of ICAP stand at Rs. 25 million at the end of the year.

## COMMITTEE MEETINGS

During the year 7 meetings were held, details of attendance are listed below:

### New Committee Members (January 28, 2022 to June 30, 2022):

Usama Rashid	5
Osama Kapadia	5
Shaikh Ahmed Salman	5
Moneeza Usman Butt	5
Syed Junaid Ali	5
Bashir Ahmed	4

### Outgoing Committee Members (July 1, 2021 to January 27, 2022):

Muhammad Zulfikar Akhtar	2
Abdul Rab	1
Hasnain R. Badami	2
Arslan Khalid	2
Syed Muhammad Adnan Rizvi	2
Noureen Al Amin	1



## CONDOLENCES

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

S No.	Member's Name	Membership No.
1	Taher Hasanbhoy Mochhala	0137
2	Majeed Uddin Khan	0221
3	Zahoor Ahmed Siddiqui	0232
4	Abdul Mabood Siddiqui	0277
5	Viqar Ahmed Khan	0377
6	Ahmed Hussain Mohammed Bhai Laliwala	0422
7	Abdul Hameed	0622
8	Hanif Ismail Lakhani	0786
9	Naseer Ashraf Sheikh	0997
10	Khalifa Mohammad Aminullah	1122
11	Mohammad Iqbal	1550
12	Asif Ahmad Mian	2408

## ACKNOWLEDGEMENT

On behalf of SRC, I would like to thank the President ICAP, Vice President South ICAP, Council Members and all members of south region 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.

-Sd-

**Usama Rashid, FCA**

Chairman Southern Regional Committee

November 23, 2022

## STRATEGIC DIRECTION FOR THE SOUTH REGIONAL COMMITTEE 2022-2026

“Chartered Accountancy is a prime finance and accountancy qualification which is a hallmark of professional excellence. ICAP’s Chartered Accountants are recognised locally as well as internationally for their knowledge, professional excellence and integrity. “

As per the Chartered Accountant Bye-Laws 1983, there shall be a Regional Committee for every Regional constituency. The Regional Committees shall at all times function subject to control, supervision and direction of the Council.

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) via programmes for professional updates and enhancement of soft skills.

The SRC believes in a healthy work-life balance, hence strives to provide social activities to its members and their families. A headline social event is the Annual Family Get together. Recently, an Annual Dinner for members has been introduced where members get the opportunity to socialise outside work. The SRC also aims to provide social evenings with families where the members can enjoy a taste of the softer side of life, such as light humour and comedy.

The bi-annual Members’ Convocation Ceremony for newly qualified Chartered Accountants is also organised under the aegis of the Southern Regional Committee.

In addition to catering for the CPD requirements of members the SRC also oversees the affairs of the Chartered Accountants Students’ Association, South (CASA-S) and the library. A role of mentoring and guidance is provided to the elected members and opportunities for learning and development are created for the student body.

### **MEMBERS:**

The current members of the Committee comprise of the following personnel:

- Mr. Usama Rashid
- Mr. Osama Kapadia
- Syed Junaid Ali
- Mr. Shaikh Ahmed Salman
- Ms. Moneeza Usman Butt
- Mr. Bashir Ahmed

## KEY AREAS:

The Committee has decided to prepare and present to the Council, a four year strategic plan for the committee which shall comprise of the initiatives along with business activities the committee plans to pursue in terms of fulfilling its duties and for the overall betterment of the profession and its members.

The plan shall comprise of the following key focus areas:

## CONTINUING PROFESSIONAL DEVELOPMENT:

CPD is the means by which members of professional associations maintain, improve, and broaden their knowledge and skills and develop the personal qualities required in their professional lives. CPD requires professionals to undertake learning activities that develop and maintain capabilities to perform competently within the professional environment. The business industry look at the members of any professional body with an expectation for updated knowledge and skills and will not accept any member of a professional association that does not conform to some form of CPD.

SRC is responsible to provide its members with a platform for Continuing Professional Development (CPD) via programmes for professional updates and enhancement of soft skills. The Committee has planned the following activities in terms of the calendar for CPD based work:

S.No	Description
1	A comprehensive and coherent CPD plan that addresses development needs of members in terms of current and future trends in focused areas as mentioned in the plan
2	Conduct workshops/seminars on topics that can help towards development of policies by Government and regulators
3	Events on futuristic trends and technologies, e.g., on block chain
4	Benefiting from members who have excelled whether in profession or industry, locally or overseas
5	Digital engagement through availability of e-learning platforms and e-library
6	Address professional development needs of SMPs through training and developments
7	Industry sector wise seminars and workshops
8	Bring opportunities for members to do research work in collaboration with subject matter experts for professional development and contribution as professionals

## MEMBERS' ENGAGEMENT:

The Committee plans to aim towards the involvement of members and to engage them towards the initiatives being taken on by the organization as a whole. It shall plan on conducting activities and projects that will be of interest to its existing members and shall bring at ease their daily hectic schedules.

S.No	Description
1	Reach out to members to update about initiatives by ICAP, getting to know suggestions or complaints
2	Sports and recreational activities for members such as family day, health, walk, blood donation, tree plantation, sports tournaments etc.
3	Recognition of members doing well locally, abroad and recognition of retired members
4	Work in collaboration with members department of ICAP to ensure updated members' data
5	Conduct quarterly open sessions with members for their feedback, suggestions and complaints.
6	Accounting exhibition focusing on smaller firms

## OVERSEAS MEMBERS:

The Committee has in mind to bring in initiatives to engage the overseas members in terms of meeting their professional needs by introducing a stream of regular online training sessions and other means of learning.

## BALUCHISTAN INITIATIVES:

The Committee has further decided to plan for initiatives for its members in Balochistan which shall include introduction of a CA educational institute i.e. RAETs for the ease of students and programs to market the brand into the Balochistan Market.

S.No	Description
1	Adopt measures falling within the ambit of SRC for promotion of CA Pakistan brand in Baluchistan, collaborate with Universities and Institutes to run as RAETs, provide training to teachers
2	Annual dinner of members and their families in Balochistan at Quetta
3	Develop functional library for members and students in Baluchistan, this should be done either ICAP on its own or in collaboration with other libraries.
4	Start CA Pakistan Balochistan Toastmasters' Club
5	Engagement with CEOs and CFOs/Head of companies & projects in Balochistan to create job opportunities for part/full qualified;
6	Review and strengthen scholarship program for students in Balochistan

### MEMBERS' PLACEMENT:

In a dynamic and challenging business environment, Chartered Accountants are looked upon as Complete Business Solution Providers. They are thoroughly trained practically in all avenues of Finance and Accounting.

The Committee aims to provides an opportunity both to employing organisations as well as young professional aspirants / experienced professionals to meet and explore the possibility of taking up positions in Industry.

Details of plans to be made are as follows:

S.No	Description
1	Facilitation in members' placement through strengthening of marketing function and collaborations. Also share proposals with and provide support to council for accepting CA Pakistan as a qualification for Government jobs.
2	Introduction of new members to the industry through graduate directories
3	Conduct employer's survey with the aim of strengthening ICAP's function in members' placement.
4	Focused interaction with CEOs, CFOs and Head of HR of target companies for members placements
5	Understand requirement of finance professionals in various regions of the world and facilitate placements through coordination with embassies and consulates
6	Conduct CASA elections on a timely basis
7	Engage with RAETs and suggest to council a process of quality control and its compliance

## STUDENTS:

Established in 1968, Chartered Accountants Students' Association (CASA) was primarily formed to bridge the existing gap between ICAP and the trainee students of the Institute. Throughout these 4 decades, CASA has dedicated itself for the development of the vast student body it represents.

The Committee has in mind methods to facilitate students in terms of their professional and academic growth and to be of benefit to the students by improving the quality of service provided.

S.No	Description
1	Conduct CASA elections on a timely basis
2	Engage with RAETs and suggest to council a process of quality control and its compliance
3	Introduce mentorship for students
4	Encourage student to hold events/activities for students to create greater engagement with the Institute and to develop and promote their talents and well being
5	Special courses for students for grooming and skills development
6	Refresher courses for ICAP students for their better preparation for ICAP exams

## LIBRARY:

With the increasing number of students admitting in the profession, the need for student libraries has increased immensely. The Committee is targeting to extend the network of ICAP libraries in the region and bearing in mind the current health and safety conditions, to bring in platforms like the e-libraries.

## ADVISORY TO COUNCIL:

The objectives of the SRC include being an advisory hand to the council. It aims at being a bridge to communicate the needs of the organisation's members and its students to ensure their needs are heard and communicated to the relevant authorities. Its plans include the following strategic actions:

S.No	Description
1	Engage with RAETs and suggest to council a process of quality control and its compliance
2	Develop suggestions for consideration by council to bring back into membership of ICAP as much as possible those ex-members who did not continue their membership voluntarily
3	Make recommendations to council for facilitation and support to members starting entrepreneurship journey through mentorship, connecting with incubators, office space etc.

### CONTRIBUTION TO SOCIETY:

Contributing to society means to participate in community and self-development activities. For example, participating in community decision making processes, volunteering for and donating to charities, constructive involvement in social networks, or concerted efforts to enrich one's own wellbeing and character.

For decades, ICAP has been a strong supporter of being a contributor to its society and fellow members. The Committee currently plans for initiatives in the educational space by for example facilitating the less privileged students in terms of assisting them in financial ways.

Further, trainings and seminars are planned for the Government officials to improve the financial practices in the country. Examples include the MOU with Government of Baluchistan for training and development of finance professionals, and development of ethical standards and business processes.

### DIGITAL INITIATIVE:

ICAP SRC Committee is cognizant of the changing needs of the members and has been working on different initiatives for the professional development for members by using latest technological developments.

The Committee has in plan to bring in its digital presence which shall start from bringing the Committee on ICAP's website where its mandate is highlighted along with the strategic plan and activities its plans on pursuing in the forthcoming years.

Further, it shall bring in facilitations for its members like the use of online applications for payments rather than bringing in cheques or physical cash.

CPD ACTIVITIES HELD FROM JULY 01, 2021 TO JUNE 30, 2022

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
1	June12 to Aug 22, 2021	Certificate Course on Data Analysis and Visualization using Power BI (Online)	32	43	83	126	Trainer: Mr. Saad Usman
2	June18 to July 23, 2021	Strategic CFO Workshop 2021 (Online)	8	27	5	32	Trainer: Mr. Saleem Sufi
3	June19 to October 24, 2021	Tax Masterclass (Income & Sales Tax) (Online)	66	9	20	29	Trainer: Mr. M. Muzammil Hemani, ACA Mr. Ejaz Bhutta, FCA  Guest Speakers: Mr. Asif Haroon, FCA Mr. M. Zeeshan Merchant, FCA Mr. Kamran Butt, FCA Mr. Muhammad Raza, FCA Ms. Tazeen Fatima, FCA Ms. Amna Khan, FCA Mr. Khalid Mehmood, FCA Mr. Zeeshan Zafar Khan Mr. Adnan Mufti, FCA Mr. Saud ul Hassan, FCA
4	July30 & August6, 2021	Workshop on Fraud Investigation (Online)	6	8	9	17	Trainer: Zeeshan Shahid, FCA
5	July30 to October22, 2021	Course on Internal Audit Masterclass (Online)	33	21	14	35	Trainer: Mr. Shehzad Yousuf, FCA Mr. Zeeshan Shahid, FCA Mr. Aamir Shaukat Hussain, FCA
6	August25, 2021	Workshop on Federal Sales Tax and Federal Excise Duty	8	2	16	18	Trainer: Mr. Zeeshan Zafar Khan  Guest Speaker: Mr. Haider Patel, FCA
7	September3, 4 & 5, 2021	Advanced Excel Training for Finance Professionals (Online)	12	20	16	36	Trainer: Mr. Muhammad Junaid Tayyab
8	October21, 2021	Workshop on Setting a Strategic Vision for life	8	19	7	26	Trainer: Mr. Suleman Ahmer
9	October27, 2021	Communication & Presentation Skills Masterclass	8	9	14	23	Trainer: Mr. Zaid Kaliya, FCA



S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
10	November 24, 2021	Workshop on Managing Corporate Tax Compliances - Practical Aspects	8	15	29	44	<b>Trainer:</b> Mr. M. Muzammil Hemani, ACA  <b>Guest Speaker:</b> Mr. Asif Haroon, FCA  <b>Chief Guest:</b> Mr. Aftab Iman
11	November 29 & 30, 2021	Workshop on Finance Business Partnering	16	19	25	44	<b>Trainer:</b> Mr. Saleem Sufi
12	March 3, 2022	Seminar on IFRS-9 Financial Instruments Refresher & Implementation at Banks	2	90	52	142	<b>Guest Speaker:</b> Mr. Arslan Khalid, FCA Mr. Muhammad Rehan, FCA  <b>Session Chairman:</b> Mr. Farrukh Rehman, FCA
13	March 11, 2022	Seminar on How Islamic Bank is Fueling Growth of Modern Business	3	30	3	33	<b>Guest Speaker:</b> Mr. Irfan Siddiqui Muhammad Rehan, FCA  <b>Session Chairman:</b> Farrukh Rehman, FCA
14	March 11 to April 2, 2022	Workshop on Financial Modelling (Online)	16	40	54	94	<b>Trainer:</b> Mr. Saad Usman, FCA
15	March 17, 2022	Seminar on Going Concern Way Forward	2	64	28	92	<b>Guest Speaker:</b> Mr. Khurram Jameel, FCA  <b>Session Chairman:</b> Mr. Nadeem Yousuf Adil, FCA
16	March 22, 2022	Seminar on Zakat Calculation	2	53	06	59	<b>Guest Speaker:</b> Mr. Ali M. Mahenti, FCA Mr. Shameer M. Haroon, ACA  <b>Panelists:</b> Mr. Asif S. Kasbati, FCA Mufti Ibrahim Essa Mufti Madani Raza Session  <b>Chairman:</b> Mr. M. Hussain Mehanti, FCA

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
17	March 24, 2022	Seminar on Legal Registration & Taxation Requirements for startups, E-commerce, IT Sector, Freelancers	3	32	35	67	<p><b>Guest Speaker:</b> Mr. M. Muzammil Hemani, ACA Mr. Mohammad Raza, FCA</p> <p><b>Host:</b> Mr. M. Ali Mooney</p> <p><b>Panelist:</b> Mr. Ibrahim Amin Mr. Baqar Jafri Ms. Sana Quadri</p>
18	March 25 & 26, 2022	2-Day Residential Program Leadership Retreat	16	15	5	20	<p><b>Trainer:</b> Mr. Naseem Zafar Iqbal</p>
19	May 25, 2022	Seminar on Quality Management Standards	3	75	19	94	<p><b>Host:</b> Mr. Shaikh Ahmed Salman, FCA</p> <p><b>Guest Speaker:</b> Mr. Khattab Baig, FCA Mr. Zulfikar Ali Causer, FCA</p> <p><b>Moderator:</b> Ms. Hena Sadiq, FCA</p> <p><b>Panelist:</b> Mr. Shabbir Yunus, FCA Mr. Waqas Aftab Sheikh, FCA Mr. Muhammad Asif Iqbal, FCA Ms. Moneeza Usman Butt, FCA</p>

S#	Date	Seminar / Workshop	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
20	June 13, 2022	Post Budget Conference	5	402	307	709	<p><b>Chief Guest:</b> Mr. Miftah Ismail Mr. Asim Ahmad</p> <p><b>President Address:</b> Mr. Ashfaq Yousuf Tola, FCA</p> <p><b>Host &amp; Welcome Address:</b> Mr. M. Ali Latif, FCA</p> <p><b>Host &amp; Vote of Thanks:</b> Mr. Zeeshan Ijaz, FCA</p> <p><b>DIRECT TAXATION</b></p> <p><b>Keynote Address:</b> Mr. Asif Haroon, FCA</p> <p><b>Panelists:</b> Mr. Haider Patel, FCA Mr. Aman Ghanchi Mr. Khalid Mahmood, FCA Mr. Asif Haroon, FCA</p> <p><b>Moderator:</b> Ms. Taha Khan Baqai, FCA</p> <p><b>INDIRECT TAXATION</b></p> <p><b>Keynote Address:</b> Mr. Asim Zulfiqar Ali, FCA</p> <p><b>Panelists:</b> Mr. Naeem Akhtar Sheikh, FCA Mr. Adnan Mufti, FCA Mr. Asif Kasbati, FCA Mr. Asim Zulfiqar Ali, FCA</p> <p><b>Moderator:</b> MR. M. Ali Latif, FCA</p> <p><b>ECONOMY &amp; INDUSTRY</b></p> <p><b>Keynote Address:</b> Dr. Vaqar Ahmed</p> <p><b>Panelists:</b> Mr. Wamiq Zuberi Syed Asad Ali Shah, FCA Dr. Vaqar Ahmed Dr. Nadeem ul Haque</p> <p><b>Moderator:</b> Mr. Zeeshan Ijaz, FCA</p>
21	June 22 & 23, 2022	2 Day-Workshop on EPC & Commercial Contracts	16	5	21	26	<p><b>Trainer:</b> Mr. Mustafa Kamal, FCA</p>
<b>Total</b>			<b>271</b>	<b>998</b>	<b>768</b>	<b>1766</b>	

## JOB SECTOR INFORMATION OF MEMBERS

June 30,2022

Category	Associates	Fellows	Total
<b>Based in Pakistan</b>			
Public Practice	72	263	335
Employed in Practice	430	41	471
Automotive	38	12	50
Cement / Ceramics / Glass	15	13	28
Chemicals/ Paints	18	15	33
Commerce and Industry	110	82	192
Construction and Real Estate	25	12	37
Consumer Goods	34	11	45
Education	26	32	58
Electronics and Electrical Goods	9	5	14
Engineering	13	17	30
Fertilizer / Agriculture	5	5	10
Financial Institutions / Banks	228	155	383
Financial / Management Consulting	22	7	29
Food / Beverages / Tourism	40	17	57
Government	18	14	32
Healthcare and Pharmaceutical	74	52	126
Information & Communication Technology	23	17	40
NGOs / Social Services	7	6	13
Oil and Gas	46	59	105
Power Generation and Distribution	60	36	96
Shipping and Marine	10	10	20
Sugar and Allied	9	8	17
Textile / Fashion and Apparels	50	31	81
Transport / Logistics / Courier Services	27	17	44
Print and Digital Media / Event Management	15	13	28
Miscellaneous	607	338	945
Senior Members	7	231	238
<b>Sub Total</b>	<b>2038</b>	<b>1519</b>	<b>3557</b>
<b>Based outside Pakistan</b>			
Public Practice	2	7	9
Employed in Practice	291	24	315
Other than Public Practice	578	561	1139
Senior Members		67	67
<b>Sub Total</b>	<b>871</b>	<b>659</b>	<b>1530</b>
<b>Total</b>	<b>2909</b>	<b>2178</b>	<b>5087</b>

## 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, 2022, the related statement of comprehensive income, the statement of changes in accumulated fund, the 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 Committee as at June 30, 2022, and its financial performance, the statement of changes in accumulated fund, the statement of cash flows 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 Standards 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 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.

**Muhammad Shabbir Kasbati**

Chartered Accountant

Karachi

Date: August 20, 2022

**STATEMENT OF FINANCIAL POSITION  
 AS AT JUNE 30, 2022**

	Note	2022 -----Rupees-----	2021
<b>NON-CURRENT ASSETS</b>			
Fixed assets	4	162,209	189,793
<b>CURRENT ASSETS</b>			
Short-term investments	5	25,030,822	21,004,027
Advances and other receivables	6	7,388,288	8,202,431
Cash and bank balances	8	2,477,401	1,262,822
		34,896,511	30,469,280
<b>CURRENT LIABILITIES</b>			
Creditors and other payables	9	1,075,049	4,686,894
<b>NET CURRENT ASSETS</b>		33,821,462	25,782,386
<b>LONG TERM LIABILITIES AND FUNDS</b>			
<b>Deferred income</b>			
Library Development Fund	10	18,957	22,196
<b>Restricted Funds</b>			
Library Development Fund	11	592,180	592,180
<b>NET ASSETS</b>		<u>33,372,534</u>	<u>25,357,803</u>
<b>REPRESENTED BY</b>			
Accumulated Fund		<u>33,372,534</u>	<u>25,357,803</u>
		<u>33,372,534</u>	<u>25,357,803</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

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

-Sd-  
 CHAIRMAN

-Sd-  
 HONORARY SECRETARY



**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 -----Rupees-----	2021
<b>INCOME</b>			
Members' subscriptions		3,724,125	3,554,625
Members' programmes		22,755,146	5,336,729
Students' conference and programmes		224,700	802,900
Others	10	<u>3,239</u>	<u>3,089</u>
		<u>26,707,210</u>	<u>9,697,343</u>
<b>EXPENDITURE</b>			
Cost incurred on members' programmes	13	<u>14,956,510</u>	<u>3,395,732</u>
Cost incurred on social events	14	493,850	14,180
Administrative expenses	15	2,776,349	2,443,333
Library operations	16	2,539,901	2,337,825
Cost incurred on students' conference and programmes		<u>174,466</u>	<u>1,436,756</u>
		<u>20,941,075</u>	<u>9,627,826</u>
Surplus of income over expenditure before income from investments		5,766,134	69,517
Income from investments		<u>2,248,597</u>	<u>1,345,882</u>
<b>SURPLUS FOR THE YEAR</b>		<u>8,014,731</u>	<u>1,415,399</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND</b>		<u><u>8,014,731</u></u>	<u><u>1,415,399</u></u>

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

-Sd-  
CHAIRMAN

-Sd-  
HONORARY SECRETARY

**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash received against:</b>		
Members' subscription	3,643,125	3,554,625
Members' programmes	20,559,582	1,489,858
Students' conference and programmes	224,700	802,900
	<u>24,427,407</u>	<u>5,847,383</u>
<b>Cash paid against:</b>		
Salaries, allowances and other benefit	<u>2,921,506</u>	<u>2,380,291</u>
Supplies and services	<u>18,495,486</u>	<u>5,964,372</u>
	<u>21,416,992</u>	<u>8,344,663</u>
Net cash generated from / (used in) operating activities	<u>3,010,415</u>	<u>(2,497,280)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	<u>(4,000,000)</u>	<u>(500,000)</u>
Return on investments received	<u>2,204,164</u>	<u>2,477,485</u>
Net cash (used in) / generated from investing activities	<u>(1,795,836)</u>	<u>1,977,485</u>
Net increase / (decrease) in cash and cash equivalents	1,214,579	(519,795)
Investment realizable within three months	5 25,030,822	-
Cash and cash equivalents at the beginning of the year	1,262,822	1,782,617
Cash and cash equivalents at the end of the year	<u>17 <u>27,508,223</u></u>	<u><u>1,262,822</u></u>

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

-Sd-  
 CHAIRMAN

-Sd-  
 HONORARY SECRETARY

STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Accumulated fund</u> --- Rupees ---
Balance as at June 30, 2020	23,942,404
Surplus for the year	1,415,399
Balance as at June 30, 2021	<u>25,357,803</u>
Surplus for the year	8,014,731
Balance as at June 30, 2022	<u><u>33,372,534</u></u>

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

-Sd-  
CHAIRMAN

-Sd-  
HONORARY SECRETARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 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, 2021 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.

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 classification 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 at fair value through profit and loss**

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 of 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 of 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 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	Books		Library		Equipment	Others			Total
	Furniture	Air conditioners	Furniture	Air conditioners		Furniture	Air conditioners	Computers	
<b>As at July 01, 2020</b>									
Cost	730,702	624,793	275,381	16,600	270,298	45,515	339,647	2,302,936	
Accumulated depreciation	(712,376)	(561,117)	(252,616)	(13,831)	(187,641)	(36,759)	(312,593)	(2,076,993)	
<b>Net book value</b>	<b>18,326</b>	<b>63,676</b>	<b>22,765</b>	<b>2,769</b>	<b>82,657</b>	<b>8,756</b>	<b>27,054</b>	<b>226,003</b>	
<b>Year ended June 30, 2021</b>									
Opening net book value	18,326	63,676	22,765	2,769	82,657	8,756	27,054	226,003	
Disposals	-	-	-	-	-	-	-	(63,380)	
Cost	-	-	-	-	-	-	-	61,871	
Accumulated depreciation	-	-	-	-	-	-	-	(1,509)	
Depreciation for the year	(6,049)	(7,345)	(3,924)	(217)	(7,318)	(647)	(9,201)	(34,701)	
<b>Closing net book value</b>	<b>12,277</b>	<b>56,331</b>	<b>18,841</b>	<b>2,552</b>	<b>75,339</b>	<b>8,109</b>	<b>16,344</b>	<b>189,793</b>	
<b>Year ended June 30, 2021</b>									
Cost	730,702	624,793	275,381	16,600	270,298	45,515	276,267	2,239,556	
Accumulated depreciation	(718,425)	(568,462)	(256,540)	(14,048)	(194,959)	(37,406)	(259,923)	(2,049,763)	
<b>Net book value</b>	<b>12,277</b>	<b>56,331</b>	<b>18,841</b>	<b>2,552</b>	<b>75,339</b>	<b>8,109</b>	<b>16,344</b>	<b>189,793</b>	
<b>Year ended June 30, 2022</b>									
Opening net book value	12,277	56,331	18,841	2,552	75,339	8,109	16,344	189,793	
Depreciation for the year	(4,052)	(6,652)	(3,402)	(185)	(6,586)	(548)	(6,159)	(27,584)	
<b>Closing net book value</b>	<b>8,225</b>	<b>49,679</b>	<b>15,439</b>	<b>2,367</b>	<b>68,753</b>	<b>7,561</b>	<b>10,185</b>	<b>162,209</b>	
<b>Year ended June 30, 2022</b>									
Cost	730,702	624,793	275,381	16,600	270,298	45,515	276,267	2,239,556	
Accumulated depreciation	(722,477)	(575,114)	(259,942)	(14,233)	(201,545)	(37,954)	(266,082)	(2,077,347)	
<b>Net book value</b>	<b>8,225</b>	<b>49,679</b>	<b>15,439</b>	<b>2,367</b>	<b>68,753</b>	<b>7,561</b>	<b>10,185</b>	<b>162,209</b>	
<b>Annual rate of depreciation (% per annum)</b>	<b>33</b>	<b>10</b>	<b>15</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>33</b>		

4.1 Depreciation for the year has been allocated as follows:

Note	2022		2021	
	-----Rupees-----			
15	13,293	17,166		
16	14,291	17,535		
	<b>27,584</b>	<b>34,701</b>		

2022                      2021  
 -----Rupees-----

## 5. SHORT-TERM INVESTMENTS

Financial assets at amortised cost		
Certificate of Islamic Investments	25,030,822	21,004,027

5.1 This represents investment in Shariah Compliant Term Deposit Certificate with a bank having facevalue of Rs. 25,000,000 (June 30, 2021: Rs. 21,000,000). This certificate carries profit at the rates ranging from 7% to 15% (June 30, 2021: 5.79% to 7%) per annum receivable on maturity and is maturing on September 28, 2022. Accrued profit amounting to Rs. 30,822 (June 30, 2021: Rs.4,027) is included in the carrying value.

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

## 6. ADVANCES AND OTHER RECEIVABLES

2022                      2021  
 -----Rupees-----

Current account with the Institute		
on account of expenses	(3,694,656)	492,535
on account of Seminar fee	6,570,793	6,109,357
on account of CASA	152,400	95,100
	3,028,537	6,696,992
Accrued profit on saving account	19,756	2,117
Seminar fee receivable	3,729,520	892,847
Advance to suppliers	610,475	610,475
Advance income tax	1,128,451	1,010,710
Less: Impairment allowance against advance income tax	(1,128,451)	(1,010,710)
	7,388,288	8,202,431

	Note	2022	2021
		-----Rupees-----	
<b>7. DUE FROM CHARTERED ACCOUNTANTS' STUDENTS ASSOCIATION (CASA) - SOUTH</b>			
Opening balance		-	479,720
Received on behalf of CASA		-	(1,479,102)
Expenses incurred on behalf of CASA		-	999,382
		<u>-</u>	<u>-</u>
<b>8. CASH AND BANK BALANCES</b>			
Cash in hand		43,876	79,520
Cash at banks in:			
Current account		237,916	276,618
Savings account	8.1	2,195,609	906,684
		<u>2,433,525</u>	<u>1,183,302</u>
		<u>2,477,401</u>	<u>1,262,822</u>
8.1 This carries profit at the rates ranging from 2.75% to 6.50% (2021: 2.80%) per annum.			
<b>9. CREDITORS AND OTHER PAYABLES</b>			
Creditors and accrued liabilities		958,049	1,623,548
Subscription received in advance from members		81,000	-
Fees received in advance against programmes		36,000	3,063,346
		<u>1,075,049</u>	<u>4,686,894</u>
<b>10. DEFERRED INCOME - LIBRARY DEVELOPMENT FUND</b>			
Opening balance		22,196	25,285
Amortization for the year		(3,239)	(3,089)
		<u>18,957</u>	<u>22,196</u>
<b>11. RESTRICTED FUND - LIBRARY DEVELOPMENT FUND</b>			

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 (2021: Rs. 592,180) represents the un-utilized fund.

**12. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at reporting date (2021: Nil).

	Note	2022 -----Rupees-----	2021
<b>13. COST INCURRED ON MEMBERS' PROGRAMMES</b>			
Printing, stationery and postage charges		889,775	198,712
Venue & meals charges		5,922,336	881,032
Speakers' fees and other charges		6,588,259	1,994,591
Travelling and accommodation		-	106,635
Photographs, projector, screen and sound system		1,213,689	133,000
Mementos / gifts		290,735	-
Others		51,716	81,762
		<u>14,956,510</u>	<u>3,395,732</u>

**14. COST INCURRED ON SOCIAL EVENTS**

Family get-together		493,850	-
Blood donation drive		-	14,180
		<u>493,850</u>	<u>14,180</u>

**15. ADMINISTRATIVE EXPENSES**

Salaries, allowances and other benefits	15.1	2,062,707	1,763,118
Printing and stationery		226,425	204,653
IT and communication expenses		24,136	58,989
Annual general meeting expenses		13,488	20,363
Audit fee		93,440	71,874
Conveyance		11,030	13,159
Depreciation	4.1	13,293	17,166
Impairment allowance against advance income tax		117,741	116,603
Others		214,089	177,408
		<u>2,776,349</u>	<u>2,443,333</u>

**15.1** This include Rs. 99,948 (2021: 90,879) in respect of staff retirement benefit.

16. LIBRARY OPERATIONS	Note	2022	2021
		-----Rupees-----	
Salaries, allowances and other benefits			
Depreciation	16.1	973,555	745,162
Refreshment for students	4.1	14,291	17,535
Newspaper, journals and magazine		54,000	42,000
Maintenance charges		11,000	9,000
Others		1,467,275	1,490,548
		19,780	33,580
		<u>2,539,901</u>	<u>2,337,825</u>

16.1 This include Rs. 37,764 (2021: 34,713) 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:

	Note	2022	2021
		-----Rupees-----	
Cash and bank balances			
Short-term investments	8	2,477,401	1,262,822
	5	25,030,822	-
		<u>27,508,223</u>	<u>1,262,822</u>

## 18. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES			2022	2021
	Income	Expenditure	Surplus / (deficit)	Surplus / (deficit)
	-----		-----Rupees-----	
Members' programmes	22,755,146	(14,956,510)	7,798,636	1,940,997
Social events	-	(493,850)	(493,850)	(14,180)
Students' conference and programmes	224,700	(174,466)	50,234	(633,856)
Library operations	3,239	(2,539,901)	(2,536,662)	(2,334,736)
	<u>22,983,085</u>	<u>(18,164,727)</u>	<u>4,818,358</u>	<u>(1,041,775)</u>
Members subscription			3,724,125	3,554,625
Return on investments			2,248,597	1,345,882
			<u>5,972,722</u>	<u>4,900,507</u>
Administrative expenses			(2,776,349)	(2,443,333)
Surplus for the year			<u>8,014,731</u>	<u>1,415,399</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	2022 -----Rupees-----	2021
<b>Transactions during the year:</b>			
Staff retirement benefit plans	Contribution paid to provident fund	137,712	125,592

## 20. FINANCIAL INSTRUMENTS BY CATEGORY

### 20.1 Financial Instruments by category 2022

Financial Assets	Note	Amortised Cost	Total
Short term investments - Debt securities		25,030,822	25,030,822
Other receivables	20.1.1	6,758,057	6,758,057
Profit receivable on bank deposit		19,756	19,756
Cash and bank balances		2,477,401	2,477,401
		<u>34,286,036</u>	<u>34,286,036</u>
<b>Financial Liabilities</b>			
Creditors and other payables	20.1.2	<u>958,049</u>	<u>958,049</u>

### Financial Instruments by category 2021

Financial Assets		Amortised Cost	Total
Short term investments - Debt securities		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
		<u>29,858,805</u>	<u>29,858,805</u>
<b>Financial Liabilities</b>			
Creditors and other payables		<u>1,623,548</u>	<u>1,623,548</u>

- 20.1.1 Advances (others) amounting to Rs. 610,475 (2021: 610,475) 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. 117,000 (2021: 3,063,346) 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 counter parties 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 ranging of 'AAA, AA' in long term and 'A-1+, 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 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:

	2022	2021
	----- Rupees -----	
Short term investments	25,030,822	21,004,027
Other receivables	3,749,276	894,964
Bank balances	2,433,525	1,183,302
	<u>31,213,623</u>	<u>23,082,293</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 and short-term investments

	2022	2021
	----- Rupees -----	
<b>Rating*</b>		
A+	-	21,004,027
A-1+	27,464,347	
AAA	-	906,684
AA	-	276,618
	<u>27,464,347</u>	<u>22,187,329</u>

\* Latest available rating assigned by JCR-VIS as at June 30, 2022.

### 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) -----			
<b>June 2022</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	958,049	958,049	-	-
	<u>958,049</u>	<u>958,049</u>	<u>-</u>	<u>-</u>
<b>June 2021</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	1,623,548	1,623,548	-	-
	<u>1,623,548</u>	<u>1,623,548</u>	<u>-</u>	<u>-</u>



#### 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

	2022	2021
	-----Rupees-----	
<b>Variable rate instruments</b>		
Short term investments	25,030,822	21,004,027
Balance maintained with banks	2,195,609	906,684
	<u>27,226,431</u>	<u>21,910,711</u>

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. 272,264 (2021: Rs. 219,107).

##### 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 their reporting periods.

The carrying values of all 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 (2021: 3) full time Institute's employees and 3 (2021: Nil) part time employees working for the Committee as at June 30, 2022.

**23. DATE OF AUTHORISATION**

These financial statements have been authorised for issue on August 20, 2022 by the Southern Regional Committee.

**24. GENERAL**

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

-Sd-  
CHAIRMAN

-Sd-  
HONORARY SECRETARY

## **Southern Regional Committee**

The Institute of Chartered Accountants of Pakistan  
Chartered Accountants Avenue, Block 8, Clifton, Karachi-75600 (Pakistan)  
UAN: 111-000-422, Ph: (92-21) 99251646  
URL: <http://www.icap.org.pk>, Email: [srcicap@icap.org.pk](mailto:srcicap@icap.org.pk)