



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN



ANNUAL REPORT 2023

Southern Regional
Committee

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NOTICE OF MEETING

Notice is hereby given that the 62nd Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on Tuesday, December 19, 2023 at 9:00 a.m. at ICAP – Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

1. Confirmation of the minutes of 61st Annual General Meeting.
2. Consideration of the Southern Regional Committee's Report and Audited Financial Statements for the year ended June 30, 2023 together with the Auditor's Report thereon.
3. Any other business with the permission of the Chair.

Syed Junaid Ali, FCA
Honorary Secretary

Karachi: December 05, 2023

THE COMMITTEE FOR THE YEAR 2022-2023



Osama Kapadia, FCA
Chairman



Syed Junaid Ali, FCA
Honorary Secretary



Moneeza Usman Butt, FCA
CPD Convener
Technical & Professional Affairs



Shaikh Ahmed Salman, FCA
CPD Convener
Industry & Technology



Usama Rashid, FCA
Facilitator Overseas / CASA / Library



Bashir Ahmed, ACA
Lead 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) and enhancement of skills, advisory to the Council, management of library and coordination with Chartered Accountants Students' Association (CASA) – South.

NEW OFFICE BEARERS

Following are the current Committee members with their roles and responsibilities:

Mr. Osama Kapadia, FCA	Chairman
Syed Junaid Ali, FCA	Honorary Secretary
Mr. Shaikh Ahmed Salman, FCA	CPD Convener Industry and Technology
Ms. Moneeza Usman Butt, FCA	CPD Convener Technical and Professional Affairs
Mr. Usama Rashid, 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 during the year ended June 30, 2023.

SRC 4 YEAR STRATEGIC PLAN

The SRC has devised a 4-year strategic plan. The 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.

CPD ACTIVITIES

During the year, SRC organised seminars, workshops, and an offsite leadership training covering wide ranging topics such as Taxation, Internal & External Auditing, Artificial Intelligence in Business, Investing & Risky Behaviors, Financial Instruments, Leases & Revenue, Basel 2 & Basel 3, Leadership, Zakat Calculation, International Financial Reporting Standards (IFRS), etc. The sessions resulted in 168 hours of CPD activities.

SOCIAL EVENTS

The SRC reorganised and revived their flagship annual social events like Members' Annual Dinner and Family Fun Fest which marked the revival of these events after gap of three years due to COVID.

The Members' Annual Dinner was held at The Governor House on Friday, January 27, 2023. The event also included a "Mazahiya Mushairah" which was performed by some renowned poets of humor and satire from different parts of Pakistan.

The Family Fun Fest was organized at Bahria Adventure Land at Bahria Town Karachi. This was the first time such an exciting venue was selected and it proved to be a delightful and exciting event for the members with an overall positive feedback.

The biggest highlight of the year was the CA Pakistan Cricket League 2022 which was the very first sporting event of its kind organized by the SRC. The tournament had a total participation of 12 teams along with a friendly Veteran's Match of our esteemed senior members. The runner-up was Team Allied and the winner of the first ever CA Pakistan Cricket League was Team Salam Takaful.

CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION, SOUTH

The SRC also oversees the affairs of the Chartered Accountants Students' Association, South (CASA-S) and library affairs. 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 students to provide them with an opportunity for better revision and techniques for attempting examinations. CASA-S elections were held in March 2023 and the new body was formed for a period of 1 year.

SRC along with CASA-S organised many activities for the students which included both recreational activities along with academic / informative workshops as well. A few notable mentions are the CASA Sports League, Annual Picnic, Plantation Dive, Exam Focused Workshops etc. but the biggest highlight for this year was the International CA Students' Conference 2023 with event with many speakers, discussions and even qawali.

FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 2.73 million for the current year as compared to Rs. 8.01 million last year as more social events were held this year after COVID restrictions were lifted. During the year, Rs. 3.8 million was allocated from ICAP on account of Members' subscription fee whereas Rs. 18.9 million and Rs. 8 million was earned from CPD activities and social events respectively. The SRC spent Rs. 15.05 million on CPD activities whereas Rs. 11.09 million was spent on social events. SRC's investments held in the name of ICAP stood at Rs. 34.82 million at the end of the year.

COMMITTEE MEETINGS

During the year 9 meetings were held, details of attendance are listed below:

Osama Kapadia	9
Syed Junaid Ali	9
Shaikh Ahmed Salman	9
Moneeza Usman Butt	8
Usama Rashid	9
Bashir Ahmed	6

CONDOLENCES

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

S No.		Membership No.
1	Nusserwanji Mehli Rustomjee	0049
2	Zahoor-ud-din Khawaja	0792
3	Abdul Munaf Yusuf	0850
4	Noor Mohammed	1151
5	Syed Omair A. Jafri	5482

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.

-Sd-

Osama Kapadia, FCA
Chairman Southern Regional Committee
December 05, 2023

CPD ACTIVITIES HELD FROM 1 JULY 2022 TO 30 JUNE 2023

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
1	July 22, 2022	Seminar on Sustainability Reporting	3	40	40	80	<p>Speaker: Sohail Malik, FCA Syed Fahim ul Hasan, FCA</p> <p>Session Chairman: Farrukh Rehman, FCA</p> <p>Keynote Address: Dr. Shamshad Akhtar</p> <p>Q&A Session: Michael Zimonyi Dr. Tim Kasim</p>
2	July 28, 2022	Seminar on IFRS-17 Implementation & Challenges	3.5	63	64	127	<p>Speakers: Ali Omer Golam Morshed, FCA Arslan Khalid, FCA Waseem Khan</p> <p>Panelists: Nawaid Jamal Ali Qureshi. Zeeshan Rashid Syed Nayyar Hussain</p> <p>Session Chairman: Farrukh Rehman</p> <p>Moderator: Hena Sadiq, FCA</p>
3	August 26, 2022	Workshop on Basel 2 & Basel 3 How to Manage the Balance Sheet under Basel	8	10	18	28	<p>Speaker: Tahir Sartaj</p>
4	September 10, 2022	Seminar on Finance Act 2022	3	42	13	55	<p>Keynote Speakers: Asif Haroon, FCA, Naeem Akhtar Shaikh, FCA</p> <p>Panelists: M. Ali Latif, FCA, Adnan Mufti, FCA, Asim Zulfiqar Ali, FCA Haider Ali Patel, FCA</p> <p>Chief Guest: Ashfaq Yousuf Tola, FCA</p> <p>Moderator: Taha Khan Baqai, FCA,</p>

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
5	November 05, 2022 to 25 Feb 2023 (Every Saturday)	Course on Tax Masterclass	75	9	26	35	Trainers: Ejaz Ahmad, ACA, Mohammed Muzammil, ACA, Zeeshan Zafar Khan Guest Speakers: Asif Haroon, FCA Adnan Mufti, FCA Mohammed Raza, FCA Hadier Patel, FCA Khalid Mehmood, FCA Salman Haq, FCA Tazeen Fatima, FCA Taha Khan Baqai, FCA Mehmood Bikiya, ACA
6	November 07-08, 2022	2-day Workshop on International Financial Reporting Standards Financial Instruments, Leases & Revenues	16	27	21	48	Speaker: Dr. Laszio Peter Lakatos
7	January 4 & 5, 2023	Seminar on Capacity Building of External Shariah Auditors SRC with collaboration of (SBP)	14	24	23	47	Speakers: Mufti Ibrahim Essa, Mufti Muhammad Najeeb Khan, Mufti Muhammad Naveed Alam, Arshil Rafique, Ahmed Ali Siddiqui
8	January 19, 2023	Seminar on Application of Artificial Intelligence in Businesses	2	24	26	50	Keynote Speaker & Moderator: Dr. Aqeel Yusuf Panelists: Ahmed Javaid, Saad Kaliya, FCA, Farhan Akram Session Chairman: Muhammad Samiullah, FCA

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
9	February 3, 2023	Workshop on Internal Audit Walk the Talk Tips	3	20	45	65	Speaker: Aamir Shaukat Hussain, FCA
10	March 2, 2023	Seminar on Current Taxation Issues	2	57	37	94	Speakers: Asif Haroon, FCA, Abid Shaban
11	March 13, 2023	Seminar on Zakat Calculation	3	25	12	37	Speakers: Saad Bin Khalid, FCA Iftikhar Ahmed Khan, Nasir Gulzar. FCA Session Chairman: M. Ali Latif, FCA Panelists: Mufti Syed Ubaidullah, Mufti Muhammad Ismail Noorani Moderator: Asif Kasbati, FCA
12	May 3, 2023	Seminar on Effective External Audit Reporting	2	35	28	63	Guest Speakers: Arif Nazeer, FCA, Khurram Jameel, FCA Session Chairman: Arslan Khalid, FCA
13	May 19-22, 2023	Leadership Xpedition 3 days Wilderness Program	24	17	8	25	Trainer: Naeem Zafar Iqbal
14	May 31, 2023	Seminar on Financial Storytelling	2	39	30	69	Keynote Speaker & Moderator: Sana Quadri, ACA Panelists: Muhammad Irfan Husain, FCA, Kashan Mansoori, FCA Session Chairman: Arslan Khalid, FCA

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non Members	Total	
15	June 12, 2023	Post Budget Conference 2023	7.5	336	289	625	<p>Welcome Address M. Ali Latif</p> <p>SESSION - 1 DIRECT TAXATION Session Opening Remarks Ammara S. Gondal</p> <p>Keynote Address Asim Zulfiqar</p> <p>Panelists: Imran Afzal, FCA, Habib Fakhruddin, FCA, Haider Patel, FCA, Mansoor Zaighum, Khalid Mahmood, FCA,</p> <p>Moderator: Asad Feroze</p> <p>SESSION - 2 INDIRECT TAXATION Session Opening Remarks Osama Kapadia Keynote Address Asif Haroon</p> <p>Panelists: Naeem Akhtar Sheikh, FCA, Asif Kasbati, FCA, Badar ul Hassan, FCA,</p> <p>Moderator: Muzammil Hemani</p> <p>SESSIONS - 3 ECONOMY & INDUSTRY Keynote Address Dr. Khaqan Hassan Najeeb</p> <p>Panelists: Wamiq Zuberi, M. Zubair Motiwala, Asad Ali Shah, FCA, Dr. Vaqar Ahmed,</p> <p>CONCLUDING SESSION Address by Guest of Honor Ashfaq Yousuf Tola Address by Chief Guest Honorable Ishaq Dar</p> <p>Closing Remarks Asad Feroze</p>
Total			168	768	680	1448	

JOB SECTOR INFORMATION OF MEMBERS

June 30, 2023

Category	Associates	Fellows	Total
Based inside Pakistan			
Public Practice	104	277	381
Employed in Practice	595	147	742
Automotive	37	11	48
Cement / Ceramics / Glass	12	14	26
Chemicals/ Paints	15	14	29
Commerce and Industry	104	84	188
Construction and Real Estate	23	15	38
Consumer Goods	33	10	43
Education	21	28	49
Electronics and Electrical Goods	8	5	13
Engineering	12	13	25
Fertilizer / Agriculture	6	5	11
Financial Institutions / Banks	214	163	377
Financial / Management Consulting	18	10	28
Food / Beverages / Tourism	41	18	59
Government	14	14	28
Healthcare and Pharmaceutical	75	59	134
Information & Communication Technology	20	16	36
NGOs / Social Services	4	6	10
Oil and Gas	40	53	93
Power Generation and Distribution	58	34	92
Shipping and Marine	10	9	19
Sugar and Allied	6	8	14
Textile / Fashion and Apparels	44	34	78
Transport / Logistics / Courier Services	25	17	42
Print and Digital Media / Event Management	12	11	23
Miscellaneous	568	256	824
Senior Members	7	241	248
Sub Total	2126	1572	3698
Based outside Pakistan			
Public Practice	1	6	7
Employed in Practice	279	35	314
Other than Public Practice	567	551	1118
Senior Members		70	70
Sub Total	847	662	1509
TOTAL	2973	2234	5207

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN REGIONAL COMMITTEE - ICAP

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, 2023, 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, 2023, 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 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.


Muhammad Shabbir Kasbati
Chartered Accountant
Date: December 5, 2023
Karachi

UDIN: AR202310192sgMd1ShHn

Southern Regional Committee - ICAP
Statement of Financial Position
As at June 30, 2023

	Note	2023 -----Rupees-----	2022
Assets			
Non-current assets			
Fixed assets	4	133,941	162,209
Current assets			
Short-term investments	5	34,824,720	25,030,822
Advances and other receivables	6	8,468,178	7,388,288
Cash and bank balances	7	636,569	2,477,401
		43,929,467	34,896,511
Current liabilities			
Creditors and other payables	8	7,349,399	1,075,049
Net current assets		36,580,068	33,821,462
Long term liabilities and funds			
Deferred income			
Library development fund		18,957	18,957
Restricted funds			
Library development fund	9	592,180	592,180
Net assets		<u>36,102,872</u>	<u>33,372,534</u>
Represented by			
Accumulated fund		<u>36,102,872</u>	<u>33,372,534</u>
		<u>36,102,872</u>	<u>33,372,534</u>
Contingencies and commitments	10		

The annexed notes from 1 to 23 form an integral part of these financial statements.

-sd-
Chairman

-sd-
Honorary Secretary

**Southern Regional Committee - ICAP
Statement of Comprehensive Income
For the year ended June 30, 2023**

	Note	2023 -----Rupees-----	2022
Income			
Members' subscriptions		3,803,064	3,724,125
Members' programmes		18,896,536	22,755,146
Fees charged on social and other events		8,000,345	-
Students' conference and programmes		2,541,125	224,700
Others		-	3,239
		<u>33,241,070</u>	<u>26,707,210</u>
Expenditure			
Cost incurred on members' programmes	11	15,051,791	14,956,510
Cost incurred on social and other events	12	11,092,312	493,850
Administrative expenses	13	3,157,698	2,776,349
Library operations	14	1,507,313	2,539,901
Cost incurred on students' conference and programmes		4,874,182	174,466
		<u>35,683,296</u>	<u>20,941,076</u>
(Deficit)/Surplus of income over expenditure before income from investments		(2,442,226)	5,766,134
Income from investments		5,172,564	2,248,597
Surplus for the year		<u>2,730,338</u>	<u>8,014,731</u>
Other comprehensive income		-	-
Surplus for the year transferred to accumulated fund		<u>2,730,338</u>	<u>8,014,731</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

-sd-
Chairman

-sd-
Honorary Secretary

Southern Regional Committee - ICAP
Statement of Cash Flows
For the year ended June 30, 2023

	2023	2022
	Note	----Rupees----
Cash flows from operating activities		
Cash received against:		
Members' subscription	3,722,064	3,643,125
Members' programmes	17,954,378	20,559,582
Fees charged on social and other events	8,000,345	-
Students' conference and programmes	2,541,125	224,700
	<u>32,217,912</u>	<u>24,427,407</u>
Cash paid against:		
Salaries, allowances and other benefits	<u>3,484,003</u>	<u>2,921,506</u>
Supplies and services	<u>25,924,345</u>	<u>18,495,486</u>
	<u>29,408,348</u>	<u>21,416,992</u>
Net cash generated from operating activities	2,809,564	3,010,415
Cash flows from investing activities		
Investments - net	-	(4,000,000)
Return on investments received	5,143,502	2,204,164
Net cash generated from / (used in) investing activities	<u>5,143,502</u>	<u>(1,795,836)</u>
Net increase in cash and cash equivalents	7,953,066	1,214,579
Cash and cash equivalents at the beginning of the year	27,508,223	26,293,644
Cash and cash equivalents at the end of the year	15 <u>35,461,289</u>	<u>27,508,223</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

-sd-
Chairman

-sd-
Honorary Secretary

**Southern Regional Committee - ICAP
Statement of Changes in Accumulated Fund
For the year ended June 30, 2023**

	Accumulated fund <u>Rupees</u>
Balance as at June 30, 2021	25,357,803
Surplus for the year	8,014,731
Balance as at June 30, 2022	<u>33,372,534</u>
Surplus for the year	2,730,338
Balance as at June 30, 2023	<u><u>36,102,872</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

-sd-
Chairman

-sd-
Honorary Secretary

Southern Regional Committee - ICAP Notes to the Financial Statements For the year ended June 30, 2023

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 certain financial assets which are carried at amortised cost.

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, 2022 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 Committee 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

- 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 Committee 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.
- Fees charged on social events are recognised as income when activities are held.
- 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 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, 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
Year ended June 30, 2022							
Opening net book value	12,277	56,331	18,841	2,552	75,339	8,109	16,344
Disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated depreciation	(4,052)	(6,652)	(3,402)	(185)	(6,586)	(548)	(6,159)
Closing net book value	8,225	49,679	15,439	2,367	68,753	7,561	10,185
Year ended June 30, 2022							
Cost	730,702	624,793	275,381	16,600	270,298	45,515	276,267
Accumulated depreciation	(722,477)	(575,114)	(259,942)	(14,233)	(201,545)	(37,954)	(266,082)
Net book value	8,225	49,679	15,439	2,367	68,753	7,561	10,185
Year ended June 30, 2023							
Opening net book value	8,225	49,679	15,439	2,367	68,753	7,561	10,185
Disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated depreciation	(2,714)	(5,982)	(2,836)	(157)	(5,928)	(466)	(3,330)
Closing net book value	5,511	43,697	12,603	2,210	62,825	7,095	-
Year ended June 30, 2023							
Cost	730,702	624,793	275,381	16,600	270,298	45,515	210,767
Accumulated depreciation	(725,191)	(581,096)	(262,778)	(14,390)	(207,473)	(38,420)	(210,767)
Net book value	5,511	43,697	12,603	2,210	62,825	7,095	-
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	2023		2022	
	10	15	15	33
Administrative expenses			9,724	13,293
Library operations			11,689	14,291
			21,413	27,584

	Note	2023	2022
		----Rupees----	
5. SHORT-TERM INVESTMENTS			
Financial assets at amortised cost	5.1		
Certificate of Islamic Investments		<u>34,824,720</u>	<u>25,030,822</u>
5.1	This represents investment in Shariah Compliant Term Deposit Certificate with a bank having face value of Rs. 34,767,568 (June 30, 2022: Rs. 25,000,000). This certificate carries profit at the rates ranging from 15% to 20% (June 30, 2022: 7% to 15%) per annum receivable on maturity and is maturing on September 28, 2023. Accrued profit amounting to Rs. 57,152 (June 30, 2022: Rs. 30,822) is included in the carrying value.		
5.2	Persuant 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	Note		
Current account with the Institute on account of expenses on account of Seminar fee on account of CASA		(5,297,948) 6,399,363 -	(3,694,656) 6,570,793 152,400
Accrued profit on saving account		1,101,415	3,028,537
Seminar fee receivable		22,488	19,756
Advance to suppliers		6,733,800	3,729,520
Advance income tax		610,475	610,475
		<u>1,159,201</u>	<u>1,128,451</u>
		9,627,379	8,516,738
Less: Impairment allowance against advance income tax		(1,159,201)	(1,128,451)
		<u>8,468,178</u>	<u>7,388,288</u>
7. CASH AND BANK BALANCES			
Cash in hand		15,380	43,876
Cash at banks in:			
Current account		254,840	237,916
Savings account	7.1	366,349	2,195,609
		<u>621,189</u>	<u>2,433,525</u>
		<u>636,569</u>	<u>2,477,401</u>
7.1	This carries profit at the rates ranging from to 6.50-10.00% (2022: 2.75-6.50%) per annum.		
8. CREDITORS AND OTHER PAYABLES			
Creditors and accrued liabilities		7,178,399	958,049
Subscription received in advance from members		-	81,000
Fees received in advance against programmes		171,000	36,000
		<u>7,349,399</u>	<u>1,075,049</u>

9. 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 (2022: Rs. 592,180) represents the un-utilized fund.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date (2022: Nil).

	Note	2023 -----Rupees-----	2022
11. COST INCURRED ON MEMBERS' PROGRAMMES			
Printing, stationery and postage charges		1,069,055	889,775
Venue & meals charges		5,618,838	5,922,336
Speakers' fees and other charges		5,536,659	6,588,259
Travelling and accommodation		850,219	-
Photographs, projector, screen and sound system		1,540,292	1,213,689
Mementos / gifts		270,000	290,735
Others		166,728	51,716
		<u>15,051,791</u>	<u>14,956,510</u>

12. COST INCURRED ON SOCIAL AND OTHER EVENTS

Family get-together		3,836,369	493,850
Members annual dinner		3,358,279	-
CA cricket league		3,897,664	-
		<u>11,092,312</u>	<u>493,850</u>

13. ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	13.1	2,627,043	2,062,707
Printing and stationery		108,174	226,425
IT and communication expenses		25,494	24,136
Annual general meeting expenses		8,924	13,488
Audit fee		102,784	93,440
Conveyance		8,850	11,030
Depreciation	4.1	9,724	13,293
Impairment allowance against advance income tax		30,750	117,741
Others		235,158	214,089
		<u>3,157,698</u>	<u>2,776,349</u>

13.1. This include Rs. 87,486 (2022: Rs. 99,948) in respect of staff retirement benefit.

	Note	2023 -----Rupees-----	2022
14. LIBRARY OPERATIONS			
Salaries, allowances and other benefits	14.1	1,390,684	973,555
Depreciation	4.1	11,689	14,291
Refreshment for students		39,650	54,000
Newspaper, journals and magazine		8,200	11,000
Maintenance charges		-	1,467,275
Others		57,090	19,780
		<u>1,507,313</u>	<u>2,539,901</u>

14.1. This include Rs. 42,300 (2022: Rs. 37,764) in respect of staff retirement benefit.

15. CASH AND CASH EQUIVALENTS

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

	Note	2023	2022
-----Rupees-----			
Cash and bank balances	7	636,569	2,477,401
Short-term investments	5	34,824,720	25,030,822
		<u>35,461,289</u>	<u>27,508,223</u>

16. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Income	Expenditure	2023	2022
			Surplus / (deficit)	Surplus / (deficit)
----- Rupees -----				
Members' programmes	18,896,536	(15,051,791)	3,844,745	7,798,636
Social and other events	8,000,345	(11,092,312)	(3,091,967)	(493,850)
Students' conference and programmes	2,541,125	(4,874,182)	(2,333,057)	50,234
Library operations	-	(1,507,313)	(1,507,313)	(2,536,662)
	<u>29,438,006</u>	<u>(32,525,598)</u>	<u>(3,087,592)</u>	<u>4,818,358</u>
Members subscription			3,803,064	3,724,125
Return on investments			5,172,564	2,248,597
			<u>8,975,628</u>	<u>5,972,722</u>
Administrative expenses			(3,157,698)	(2,776,349)
Surplus for the year			<u>2,730,338</u>	<u>8,014,731</u>

17. 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 transactions with related parties are as follows:

Relationship with the Committee	Nature of Transaction	2023	2022
		-----Rupees-----	
Transactions during the year:			
Staff Retirement Benefit	Contribution paid to provident fund	129,786	137,712

18. FINANCIAL INSTRUMENTS BY CATEGORY

18.1. Financial Instruments by category

2023

Financial assets	Note	Amortised cost	Total
Short term investments	5	34,824,720	34,824,720
Advance & other receivables *	6	7,835,215	7,835,215
Profit receivable on bank deposit		22,488	22,488
Cash and bank balances	7	636,569	636,569
		<u>43,318,992</u>	<u>43,318,992</u>
Financial liabilities			
Creditors and other payables **	8	7,178,399	7,178,399

Financial Instruments by category

2022

Financial assets		Amortised cost	Total
Short term investments	5	25,030,822	25,030,822
Advances & other receivables *	6	6,758,057	6,758,057
Profit receivable on bank deposit		19,756	19,756
Cash and bank balances	7	2,477,401	2,477,401
		<u>34,286,036</u>	<u>34,286,036</u>
Financial liabilities			
Creditors and other payables **	8	958,049	958,049

* Advances includes amounting to Rs. 610,475 (2022: Rs.610,475) that are not financial assets are not included in these balances.

** Creditors and other payables that are not financial liabilities i.e. fee received in advance against programmes amounting to Rs. 171,000 (2022: Rs.117,000) are not included in these balances.

19. 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 profit received on investments and bank deposits.

19.1 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.

19.1.1 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 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 counterparty default rates.

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

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Short term investments	5	34,824,720	25,030,822
Advances and other receivable	6	6,756,288	3,749,276
Bank balances	7	621,189	2,433,525
		<u>42,202,197</u>	<u>31,213,623</u>

19.1.2 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

	2023 ----- Rupees -----	2022 ----- Rupees -----
Rating*		
A+	34,824,720	-
A-1+	254,840	27,464,347
AAA	366,349	-
	<u>35,445,909</u>	<u>27,464,347</u>

* Latest available rating assigned by JCR-VIS as at June 30, 2023.

19.1.3 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) -----			
Non-derivative financial liabilities				
Creditors and other payables	7,178,399	7,178,399		
June 2023	<u>7,178,399</u>	<u>7,178,399</u>	<u>-</u>	<u>-</u>
Non-derivative financial liabilities				
Creditors and other payables	958,049	958,049		
June 2022	<u>958,049</u>	<u>958,049</u>	<u>-</u>	<u>-</u>

19.1.4 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.

19.1.4.1 Interest rate risk

	Note	2023 -----Rupees-----	2022
Variable rate instruments			
Short term investments	5	34,824,720	25,030,822
Bank balance in saving account	7	366,349	2,195,609
		<u>35,191,069</u>	<u>27,226,431</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. 351,910 (2022: Rs. 272,264).

19.1.4.2 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.

19.1.4.3 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.

19.1.5 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 financial assets and liabilities reflected in the financial statements approximate their fair values.

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for the purpose of better presentation and comparison, wherever necessary.

21. NUMBER OF EMPLOYEES

There are 3 full time Institute's employees working for the Committee as at June 30, 2023 (2022: 3).

22. DATE OF AUTHORISATION

These financial statements have been authorised for issue on December 5, 2023 by the Southern Regional Committee.

23. GENERAL

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

-sd-
Chairman

-sd-
Honorary Secretary

Southern Regional Committee

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