



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

ANNUAL REPORT 2024

Southern
Regional
Committee

3388
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1880
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2833





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NOTICE OF MEETING

Notice is hereby given that the 63rd Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on Friday, October 18, 2024 at 9:45 a.m. at ICAP – Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

1. Confirmation of the minutes of 62nd Annual General Meeting.
2. Consideration of the Southern Regional Committee's Report and Audited Financial Statements for the year ended June 30, 2024 together with the Auditor's Report thereon.
3. Any other business with the permission of the Chair.

Moneeza Usman Butt, FCA
Honorary Secretary

Karachi: October 04, 2024

THE COMMITTEE FOR THE YEAR 2023-2024



Syed Junaid Ali, FCA
Chairman



Moneeza Usman Butt, FCA
Honorary Secretary



Osama Kapadia, FCA
CPD Convener
Technical & Professional Affairs



Usama Rashid, FCA
CPD Convener
Industry & Technology



Shaikh Ahmed Salman, 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:

Syed Junaid Ali, FCA	Chairman
Ms.Muneeza Usman Butt,FCA	Honorary Secretary
Mr.Usama Rashid, FCA	CPD Convener Industry and Technology
Mr. Osma Kapadia, FCA	CPD Convener Technical and Professional Affairs
Mr. Shaikh Ahmed Salam, FCA	Facilitator Overseas / CASA / Library
Mr. Bashir Ahmed, ACA	Lead Balochistan Affairs

On behalf of SRC, I am pleased to apprise you about SRC’s activities during the year ended June 30, 2024.

CPD ACTIVITIES

During the year, SRC organised the following seminars, workshops, masterclasses and soft skills trainings which enabled the members to acquire the necessary knowledge and expertise to keep them abreast with the latest developments. These programs were conducted by topnotch instructors and experts in their respective fields.

TOPICS COVERED DURING THE YEAR:

- **Workshop on Finance Act 2023**
- **Seminar on Environmental Social & Governance (ESG) Reporting**
- **Seminar on Investing & Risky Behaviors - The Role of Chartered Accountants**
- **Seminar on Opportunities for Export of Accounting Services**
- **Seminar on Competition Law in Pakistan**
- **Internal Audit Masterclass**
- **Seminar on Calculation of Green House Gas (GHG) Emissions Implementation of IFRS Sustainability Disclosure Standards in Pakistan**
- **Seminar on Zakat Calculation**
- **Masterclass on Decoding Sustainability Reporting Standards S1 & S2**
- **Seminar on Human Rights for Peace, Stability and Sustainability**
- **Seminar on IFRS 17 Implementation**
- **Seminar on The Ultimate Key to Happiness**
- **Seminar on Draft ICAP Code of Ethics for CAs (Revised 2024)**
- **Seminar on Exploring UAE Job Market; Career Progression Pathways**
- **Leadership Xpedition 2024**
- **Post Budget Conference 2024**

SOCIAL EVENTS

FAMILY FUN FEST

The Southern Regional Committee upheld its tradition of hosting memorable and family-inclusive social events for members and their families. This year's highly anticipated Family Fun Fest once again held at Bahria Adventure Land in Bahria Town, Karachi. This marked the second consecutive year that the Family Fun Fest took place at this prime location, the event provided the perfect setting for members to relax, reconnect, and enjoy a variety of thrilling attractions.

CA PAKISTAN CRICKET LEAGUE

The second season of the CA Pakistan Cricket League, CACL 23, kicked off with great momentum, continuing the legacy established last year and further cementing its status as the flagship event of SRC. Once again, it emerged as one of the year's biggest highlights. This year's tournament saw participation from 12 teams from the corporate sector and firms, which included PARCO, NCCPL, A.F. Ferguson & Co., Allied Engineering, KPMG Taseer hadi & Co., Jubilee Life Insurance, Adamjee Life Assurance, EY Ford Rhodes, HUBCO, UBL, SIEMENS, Lucky Cement. The winner of the tournament was team A.F. Ferguson & Co.

A special feature of the league were the Friendly CA Veterans' Matches. These matches were played in four teams, lead by; Mr. Farrukh Rehman, Mr. Omer Chughtai, Mr. Khurram Jameel & Mr. Adnan Rizvi. After well played matches amongst these All-Star Teams, the final was won by Team Khurram Jameel.

ANNUAL DINNER - QUETTA

As part of SRC's continued efforts to establish footprint of ICAP in the Balochistan region, Annual Dinner of the members and the students was arranged on April 27, 2024 at Sareena Hotel, Quetta. The event was also graced by the honorable Ms. Ghazala Gola, Deputy Speaker of the Provincial Assembly of Balochistan, as the guest of honor, who greatly appreciated the efforts made and spoke on the importance of Education and how crucial it is to continue these efforts for a prosperous future of the Balochistan region.

VISIT TO SOS CHILDREN'S VILLAGE QUETTA

With the objective to contribute towards the betterment of the society, SRC along with Council Member Mr. Shahab Qadir visited the SOS Children Villages Quetta. The SRC Members were given a tour of the entire facility and met with the talented children there. gifts were also distributed among the children on behalf of SRC as a small token to encourage them to prioritize their educations and become valuable members of the society.

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 CA students through CASA-S. The CASA-S elections were held in March 2023 and the new body was formed for a period of 1 year.

CASA-S organised various 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, Declamation Contest, Plantation Drive, Exam Focused Workshops, Islamic Banking Seminar, Blood Donation Drive, Mental Health Webinar etc.

FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 3.28 million for the current year as compared to Rs. 2.73 million last year. During the year, Rs. 3.94 million was allocated from ICAP on account of Members' subscription fee whereas Rs. 17.09 million and Rs. 7.24 million was earned from CPD activities and social events respectively. The SRC spent Rs. 14.04 million on CPD activities whereas Rs. 10.27 million was spent on social events. SRC's investments held in the name of ICAP stood at Rs. 38.38 million at the end of the year.

COMMITTEE MEETINGS

During the year 5 meetings were held, details of attendance are listed below:

Syed Junaid Ali	5
Ms. Muneeza Usman Butt	4
Mr. Osama Kapadia	5
Mr. Usama Rashid	5
Mr. Shaikh Ahmed Salam	5
Mr. Bashir Ahmed	3

CONDOLENCES

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

S No.		Membership No.
1	Sirajuddin Cassim	0247
2	Syed Muhammad Khalid	0351
3	Mushtaq Ahmed Vohra	0477
4	Abdul Jabbar Kazi	0590
5	Shahabuddin Ahmad Siddiqui	0807
6	Zia Uddin	0975
7	Amin	2065
8	Farah Qureshi	2082
9	Muhammed Ali Siddiqui	3858
10	Mohsin Modi	8997

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-

Syed Junaid Ali, FCA
Chairman Southern Regional Committee
October 04, 2024

CPD ACTIVITIES HELD FROM 1 JULY 2023 TO 30 JUNE 2024

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non- Members	Total	
1	July 11, 2023	Workshop on Finance Act 2023	6	23	31	54	Speakers: Zeeshan Zafar Khan Taha Khan Baqai, FCA Closing Remarks: Salman Haq, FCA
2	August 10, 2023	Seminar on Environmental Social & Governance (ESG) Reporting	4	71	61	132	Speakers: Rana Nadeem, FCA Syed Ahson Ali Shah, FCA Panelists: Farhan M. Haroon Armughan Ahmed Kauser, FCA Aly Yousuf, FCA Syed Fahim ul Hasan, FCA Moderator: Zehra Aneek Guest of Honor: Musarat Jabeen Farrukh Khan Chief Guest: Shamshad Akhtar Session Chairman: Farrukh Rehman, FCA
3	August 17, 2023	Seminar on Investing & Risky Behaviors - The Role of Chartered Accountants	2	20	10	30	Speaker & Moderator: Asad Khan, FCA Panelists: Muhammad Asad M. Farhanullah Khan Session Chairman: Farrukh Rehman, FCA
4	August 31, 2023	Seminar on Opportunities for Export of Accounting Services	3	196	55	251	Speakers: Riaz A. Rehman Chamdia, FCA Fahad Younus, FCA Aisha Makhdum Panelists: Asad Abbas Khan, FCA Danish Noorani, ACA Chief Guest: Farrukh Rehman, FCA Moderator: Moneeza Usman Butt, FCA

CPD ACTIVITIES HELD FROM 1 JULY 2023 TO 30 JUNE 2024

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
5	November 23, 2023	Seminar on Competition Law in Pakistan	3	32	36	68	Speakers: Shahzad Hussain Ahmed Qadir Guest of Honor: Salman Amin Session Chairman: Arslan Khalid, FCA
6	December 07, 2023 till January 20, 2024	Internal Audit Masterclass	28	04	42	46	Trainers: Aamir Shaukat Hussain, FCA Muhammad Ibrahim, ACA Guest Speakers: Hussein Hassanali, FCA Muhammad Saleem Asema Tapal, FCA Mashkoor Ahmed Khan Rauf Ali Jan, FCA
7	January 09, 2024	Seminar on Calculation of Green House Gas (GHG) Emissions - Implementation of IFRS Sustainability Disclosure Standards in Pakistan	4	48	45	93	Speakers: Akif Saeed Ravi Abeywardana Fauzia Safdar Khan Nazish Shekha Panelists: Farrukh Rehman, FCA Imran Mirza Imran Sabir Zehra Aneek Syed Ahson Ali Shah Session Chairman: Farrukh Rehman, FCA Moderator: Moneeza Usman Butt, FCA
8	February 20, 2024	Seminar on Zakat Calculation	3	15	18	33	Speakers: Shameer Haroon Jamal Anees Abbasi Muhammad Umair Panelists: Mufti Muhammad Asif Mufti M. Najeeb Khan Session Chairman: Zeeshan Ijaz, FCA Moderator: Asif Kasbati, FCA

CPD ACTIVITIES HELD FROM 1 JULY 2023 TO 30 JUNE 2024

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
9	February 28 & 29, 2024	Masterclass on Decoding Sustainability Reporting Standards S1 & S2	16	27	19	46	Trainers: Syed Fahim ul Hasan, FCA Fauzia Safdar Khan, FCA Speakers: Syed Ahson Ali Shah, FCA Omer Asim Salman Session Chairman: Farrukh Rehman, FCA
10	April 06, 2024	Seminar on Human Rights for Peace, Stability and Sustainability	2	28	25	53	Guest Speaker: Dr. Khalid Al-Qaddumi
11	April 23, 2024	Seminar on IFRS 17 Implementation	8	27	39	66	Opening Remarks: Khalid Rehman, FCA Speakers: Jeong-Hyeok Park (Jay) ChunHo Lee Jiseong Yu YeLim Seo Minsup Song Aamir Khan Falak Soomro Panelists: Hena Sadiq, FCA Jeong-Hyeok Park Falak Soomro Nawaid Jamal, FCA Usama Dangra Omer Morshid, FCA Session Chairman: Rana Usman Khan, FCA
12	April 30, 2024	Seminar on The Ultimate Key to Happiness	1.3	18	16	34	Speaker: Shaykh Mufti Tauqeer

CPD ACTIVITIES HELD FROM 1 JULY 2023 TO 30 JUNE 2024

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
13	May 03, 2024	Seminar on Draft ICAP Code of Ethics for Chartered Accountants (Revised 2024)	4	54	09	63	Speakers: Tasawar Hussain, ACA Hena Sadiq, FCA Panelists: Khurram Jameel, FCA Shaikh Salman, FCA Waqas Aftab Sheikh, FCA Session Chairman: Farrukh Rehman, FCA Moderator: Farheen Mirza, FCA
14	May 08, 2024	Seminar on Exploring UAE Job Market; Career Progression Pathways	2	33	59	92	Guest of Honor: H.E. Bakheet Ateeq Al-Rumaithi, Consulate General United Arab Emirates Speaker: Naffar Hussain, ACA Panelists: Naffar Hussain, ACA Yasir Gadit, FCA Osama Kapadia, FCA Moderator: Moneeza Usman Butt, FCA
15	May 31- June 03, 2024	Leadership Xpedition 2024	24	07	18	25	Trainers: Training Impact Team; Haris Mehmood Mir Muhammad Ali Umair Hasan
16	June 14, 2024	Post Budget Conference 2024	6.3	222	138	360	Welcome Address: Muhammad Awais, FCA Opening Remarks: Syed Junaid Ali, FCA Session – 1 Direct Taxation: Keynote Address: Asim Zulfiqar, FCA Panelists: Imran Afzal, FCA Nadeem Akhtar Sheikh, FCA Haider Ali Patel, FCA Khalid Mahmood, FCA Asif Haroon, FCA

CPD ACTIVITIES HELD FROM 1 JULY 2023 TO 30 JUNE 2024

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non- Members	Total	
16	June 14, 2024	Post Budget Conference 2024	6.3	222	138	360	<p>Moderators: Ahmad Salman, FCA Taha Baqai, FCA</p> <p>Session – 2 Indirect Taxation: Keynote Address: Adnan Mufti, FCA</p> <p>Panelists: Kamran Iqbal Butt, FCA Aamir Younas, FCA Maqsood Ahmad, FCA Sharif Ud Din Khilji, FCA Rashid Ibrahim, FCA</p> <p>Moderators: Asad Feroze, FCA Aneel Peter, FCA</p> <p>Session – 3 Economy & Industry: Keynote Address: Dr. Vaqar Ahmed</p> <p>Panelists: Syed Amir Ali, FCA Khurram Schehzad Sohail Altaf, FCA Hassan Daud Butt Ashfaq Yousuf Tola, FCA</p> <p>Moderators: Sana Quadri Khayyam Mushir</p> <p>Concluding Session: Address: President ICAP, Farrukh Rehman, FCA</p> <p>Vote of Thanks: Zeeshan Ijaz, FCA</p>
		Total	117	825	621	1446	

JOB SECTOR INFORMATION OF MEMBERS

June 30, 2024

Category	Associates	Fellows	Total
Based inside Pakistan			
Commerce and Industry	96	88	184
Without Sector	280	25	305
Healthcare	14	7	21
Banks	99	87	186
Technology and Communication	4	5	9
Hardware / Metal / Mill Store	6	5	11
Trading	2	2	4
Retail / Stores / Supermarkets	3	1	4
Fertilizer / Agriculture	4	6	10
Pharmaceuticals	55	40	95
Power Generation And Distribution	39	25	64
Education	20	26	46
Chemicals / Paints	16	13	29
Financial / Management Consulting	18	10	28
Government	13	14	27
NGOs / Social Services	4	6	10
Glass and Ceramics	0	1	1
Publishers	1	4	5
Shipping/ Marine / Water	8	9	17
Investment / Advisory / Management Company	40	19	59
Corporation	3	6	9
Sugar and Allied	6	8	14
Real Estate	3	2	5
Paper And Board	1	1	2
Leasing	0	2	2
Petroleum	4	14	18
Aviation	5	1	6
Food, Beverages and Restaurants	28	16	44
Engineering	12	11	23
Telecommunication	3	2	5
Fashion and Apparels	8	0	8
Media / Entertainment / Event Management	10	6	16
Information Technology	9	11	20
Cable and Electrical Goods	3	3	6
Oil and Gas	34	45	79
Fund Managers	4	2	6
Hotel, Travel and Tourism	2	5	7
Financial / Management Consulting	10	10	20
Cement / Ceramics	12	16	28
Modaraba	3	3	6
Public Practice	50	3	53
Energy & Power	10	6	16
Sugar and Allied	6	8	14
Tobacco	1	1	2

JOB SECTOR INFORMATION OF MEMBERS

June 30, 2024

Category	Associates	Fellows	Total
Based inside Pakistan			
Leather and Tanneries	0	1	1
Electronics	5	3	8
Capital Market	8	14	22
Transport / Logistics / Courier Services	22	19	41
Packaging	7	2	9
Non-Banking Finance Company	2	6	8
Consumer Goods	34	11	45
Employed in Practice	482	134	616
Automotive	35	10	45
Textile	39	29	68
Constructions	16	13	29
Securities	9	3	12
Professional Service Providers	8	7	15
Agency / Authority/ Association	2	2	4
Funding & Investments	3	4	7
Insurance	23	30	53
Hospital	7	9	16
Asset Management	1	1	2
Distribution & Generation Business	3	6	9
Financial / Management Consultancy	6	1	7
Management Consultant	0	1	1
Partnership	30	169	199
Sole Proprieter	40	96	136
Without Sector	468	268	736
Senior Member	7	246	253
Sub Total	2182	1642	3824
Based outside Pakistan			
Public Practice	0	6	6
Employed in Practice	265	36	301
Other than Public Practice	561	570	1131
Senior Members	0	70	70
Sub Total	826	682	1508
TOTAL	3008	2324	5332

Muhammad Waseem
Chartered Accountant
180, Block A, SMCH Society
Karachi, Pakistan

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, 2024, 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, 2024, 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.

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Muhammad Waseem
Chartered Accountant
180, Block A, SMCH Society
Karachi, Pakistan

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 up to 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.

Other Matter

The financial statements of the Committee for the year ended June 30, 2023, were audited by Mr. Muhammad Shabbir Kasbati (Chartered Accountant), who vide his audit report dated December 5, 2023 expressed an unmodified opinion thereon.

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 Waseem

Muhammad Waseem
Chartered Accountant
Karachi

Date: October 03, 2024
UDIN: AR202410213NHxaG0z98

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	2024	2023
Note	-----Rupees-----	
NON-CURRENT ASSETS		
Fixed assets	5	114,389
CURRENT ASSETS		
Short-term investments	6	38,384,282
Advances and other receivables	7	7,757,395
Cash and bank balances	8	770,760
		46,912,437
CURRENT LIABILITIES		
Creditors and other payables	9	7,029,466
		43,929,467
NET CURRENT ASSETS		39,882,971
		36,580,068
LONG TERM LIABILITIES AND FUNDS		
Deferred income		
Library Development Fund		18,957
		18,957
Restricted Funds		
Library Development Fund	10	592,180
		592,180
NET ASSETS		39,386,223
		36,102,872
REPRESENTED BY		
Accumulated Fund		39,386,223
		36,102,872
CONTINGENCIES AND COMMITMENTS	11	

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

CHAIRMAN

HONORARY SECRETARY

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 ----Rupees----	2023
INCOME			
Members' subscriptions		3,942,612	3,803,064
Members' programmes		17,092,583	18,896,536
Fees charged on social and other events		7,239,301	8,000,345
Students' conference and programmes		1,099,168	2,541,125
		29,373,664	33,241,070
EXPENDITURE			
Cost incurred on members' programmes	12	14,036,969	15,051,791
Cost incurred on social and other events	13	10,268,309	11,092,312
Administrative expenses	14	5,289,084	3,157,698
Library operations	15	1,455,603	1,507,313
Cost incurred on students' conference and programmes		2,509,362	4,874,182
		33,559,327	35,683,296
Deficit of income over expenditure before income from investments		(4,185,663)	(2,442,226)
Income from investments		7,469,014	5,172,564
SURPLUS FOR THE YEAR		3,283,351	2,730,338
OTHER COMPREHENSIVE INCOME			
		-	-
SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND		3,283,351	2,730,338

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

CHAIRMAN

HONORARY SECRETARY

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received against:		
Members' subscription	3,942,612	3,722,064
Members' programmes	18,266,551	17,954,378
Fees charged on social and other events	7,239,301	8,000,345
Students' conference and programmes	1,099,168	2,541,125
	30,547,632	32,217,912
Cash paid against:		
Salaries, allowances and other benefits	3,728,369	3,484,003
Supplies and services	26,993,023	25,924,345
	30,721,392	29,408,348
Net cash (used in) / generated from operating activities	(173,760)	2,809,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(1,733,822)	-
Return on investments received	5,601,335	5,143,502
Net cash generated from investing activities	3,867,513	5,143,502
Net increase in cash and cash equivalents	3,693,753	7,953,066
Cash and cash equivalents at the beginning of the year	35,461,289	27,508,223
Cash and cash equivalents at the end of the year	16 39,155,042	35,461,289

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

CHAIRMAN

HONORARY SECRETARY

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Accumulated fund
	--- Rupees ---
Balance as at June 30, 2022	33,372,534
Surplus for the year	2,730,338
Balance as at June 30, 2023	<u>36,102,872</u>
Surplus for the year	3,283,351
Balance as at June 30, 2024	<u><u>39,386,223</u></u>

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

CHAIRMAN

HONORARY SECRETARY

SOUTHERN REGIONAL COMMITTEE - ICAP NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, Block-8, 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, 2023 and are considered not to be relevant for the Committee's financial statements and hence have not been detailed here.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Fixed assets

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

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

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

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

3.2 Financial instruments

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

3.2.1 Financial assets

(a) At amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

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

(b) At Fair Value through Other Comprehensive Income

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

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

(c) At Fair Value through Profit or Loss

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

Initial recognition and subsequent measurement of financial assets 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

3.2.2 Financial liabilities

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

3.2.3 Offsetting of financial instruments

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

3.3 Impairment

3.3.1 Impairment in financial assets

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

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

3.3.2 Impairment in non-financial assets

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

3.4 Cash and cash equivalents

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

3.5 Creditors, accrued and other liabilities

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

3.6 Provisions

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

3.7 Revenue recognition

Income as presented in the statement of comprehensive income is the revenue as defined under IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

- Members' programmes represent fees from CPD activities that are recognised as income when CPD activities are held. Fees received for periods beyond the current financial year are shown as advance fee.
- Members' subscriptions are taken to income 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. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Committee's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Committee adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Committee to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

4.2 New accounting standards, amendments and ip

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Committee's operations or are not expected to have significant impact on the Committee's financial statements other than certain

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
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5. FIXED ASSETS

Description	Books		Library		Equipment	Furniture		Others		Total
	Books	Furniture	Furniture	Air conditioners		Air conditioners	Furniture	Air conditioners	Computers	
As at July 01, 2023										
Cost	730,702	624,793	275,381	16,600	270,298	45,515	210,767	2,174,056		
Accumulated depreciation	(725,191)	(581,096)	(262,778)	(14,390)	(207,473)	(38,420)	(210,767)	(2,040,115)		
Net book value	5,511	43,697	12,603	2,210	62,825	7,095	-	133,941		
Year ended June 30, 2023										
Opening net book value	8,225	49,679	15,439	2,367	68,753	7,561	10,185	162,209		
Disposals	-	-	-	-	-	-	-	(65,500)		
Cost	-	-	-	-	-	-	-	58,645		
Accumulated depreciation	(2,714)	(5,982)	(2,836)	(157)	(5,928)	(466)	(3,330)	(6,855)		
Depreciation for the year	5,511	43,697	12,603	2,210	62,825	7,095	-	133,941		
Closing net book value	5,511	43,697	12,603	2,210	62,825	7,095	-	133,941		
Year ended June 30, 2024										
Opening net book value	730,702	624,793	275,381	16,600	270,298	45,515	210,767	2,174,056		
Disposals	(725,191)	(581,096)	(262,778)	(14,390)	(207,473)	(38,420)	(210,767)	(2,040,115)		
Cost	5,511	43,697	12,603	2,210	62,825	7,095	-	133,941		
Accumulated depreciation	-	-	-	-	-	-	-	-		
Depreciation for the year	(2,720)	(5,991)	(2,843)	(157)	(5,943)	(1,898)	-	(19,552)		
Closing net book value	2,791	37,706	9,760	2,053	56,882	5,197	-	114,389		
Year ended June 30, 2024										
Opening net book value	730,702	624,793	275,381	16,600	270,298	45,515	210,767	2,174,056		
Disposals	(727,911)	(587,087)	(265,621)	(14,547)	(213,416)	(40,318)	(210,767)	(2,059,667)		
Cost	2,791	37,706	9,760	2,053	56,882	5,197	-	114,389		
Accumulated depreciation	-	-	-	-	-	-	-	-		
Depreciation for the year	33	10	15	15	10	15	33	33		
Annual rate of depreciation (% per annum)										

5.1 Depreciation for the year has been allocated as follows:

Note	Rupees	
	2024	2023
14	7,841	9,724
15	11,711	11,689
	19,552	21,413

	2024	2023
Note	-----Rupees-----	
6. SHORT-TERM INVESTMENTS		
Financial assets at amortised cost		
Certificate of Islamic Investments	6.1 38,384,282	34,824,720

6.1 This represents investment in Shariah Compliant Term Deposit Certificate with a bank having face value of Rs. 36,501,390 (June 30, 2023: Rs. 33,250,000). This certificate carries profit at the rates of 20.03 % (June 30, 2023: 20%) per annum receivable on maturity and is maturing on March 29, 2025. Accrued profit amounting to Rs. 1,882,892 (June 30, 2023: Rs. 57,152) is included in the carrying value.

6.2 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.

	2024	2023
	-----Rupees-----	
7. ADVANCES AND OTHER RECEIVABLES		
Current account with the Institute		
on account of expenses	(17,736,013)	(5,297,948)
on account of Seminar fee	21,326,135	6,399,363
	3,590,122	1,101,415
Accrued profit on saving account	11,302	22,488
Seminar fee receivable	3,493,325	6,733,800
Advance to suppliers	610,475	610,475
Advance income tax	1,211,373	1,159,201
	8,916,596	9,627,379
Less: Impairment allowance against advance income tax	(1,159,201)	(1,159,201)
	<u>7,757,395</u>	<u>8,468,178</u>

	Note	2024	2023
----Rupees----			
8. CASH AND BANK BALANCES			
Cash in hand		3,700	15,380
Cash at banks in:			
Current account		-	254,840
Savings account	8.1	767,060	366,349
		767,060	621,189
		770,760	636,569

8.1 This carries profit at the rates ranging from 10% to 11.01% (2023: 6.50 - 10%) per annum.

9. CREDITORS AND OTHER PAYABLES

Creditors and accrued liabilities	6,436,266	7,178,399
Fees received in advance against programmes	593,200	171,000
	7,029,466	7,349,399

10. 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 (2023: Rs. 592,180) represents the un-utilized fund.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date (2023: Nil).

	2024	2023
----Rupees----		
12. COST INCURRED ON MEMBERS' PROGRAMMES		
Printing, stationery and postage charges	1,073,295	1,069,055
Venue & meals charges	5,113,110	5,618,838
Speakers' fees and other charges	5,455,802	5,536,659
Travelling and accommodation	581,600	850,219
Photographs, projector, screen and sound system	1,406,044	1,540,292
Mementos / gifts	296,800	270,000
Others	110,318	166,728
	14,036,969	15,051,791

13. COST INCURRED ON SOCIAL AND OTHER EVENTS

Family get-together	3,817,970	3,836,369
Members annual dinner	978,298	3,358,279
Blood donation drive	20,000	-
CA cricket league	5,452,041	3,897,664
	10,268,309	11,092,312

	Note	2024 -----Rupees-----	2023
14. ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	14.1	3,321,381	2,627,043
Printing and stationery		307,394	108,174
Professional services		984,934	-
IT and communication expenses		23,867	25,494
Annual general meeting expenses		132,140	8,924
Travelling and accommodation		104,851	-
Audit fee		105,996	102,784
Conveyance		17,600	8,850
Depreciation	5.1	7,841	9,724
Impairment allowance against advance income tax		-	31,547
Others		283,080	235,158
		<u>5,289,084</u>	<u>3,157,698</u>

14.1 This include Rs. 160,263 (2023: 87,486) in respect of staff retirement benefit.

	Note	2024 -----Rupees-----	2023
15. LIBRARY OPERATIONS			
Salaries, allowances and other benefits	15.1	1,374,634	1,390,684
Depreciation	5.1	11,711	11,689
Refreshment for students		12,000	39,650
Newspaper, journals and magazine		-	8,200
Others		57,258	57,090
		<u>1,455,603</u>	<u>1,507,313</u>

15.1 This include Rs. 52,247 (2023: 42,300) in respect of staff retirement benefit.

16. CASH AND CASH EQUIVALENTS

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

	Note	2024 -----Rupees-----	2023
Cash and bank balances	8	770,760	636,569
Short-term investments	6	38,384,282	34,824,720
		<u>39,155,042</u>	<u>35,461,289</u>

17. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Note	Income	Expenditure	2024	2023
				Surplus / (deficit)	Surplus / (deficit)
----- Rupees -----					
Members' programmes		17,092,583	(14,036,969)	3,055,614	3,844,745
Social events		7,239,301	(10,268,309)	(3,029,008)	(3,091,967)
Students' conference and programmes		1,099,168	(2,509,362)	(1,410,194)	(2,333,057)
Library operations		-	(1,455,603)	(1,455,603)	(1,507,313)
		<u>25,431,052</u>	<u>(28,270,243)</u>	<u>(2,839,190)</u>	<u>(3,087,592)</u>
Members subscription				3,942,612	3,803,064
Return on investments				7,469,014	5,172,564
				<u>11,411,626</u>	<u>8,975,628</u>
Administrative expenses				(5,289,084)	(3,157,698)
Surplus for the year				<u>3,283,352</u>	<u>2,730,338</u>

18. 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	2024	2023
		-----Rupees-----	
Transactions during the year:			
Staff retirement benefit plans	Contribution paid to provident fund	212,510	129,786

19. FINANCIAL INSTRUMENTS BY CATEGORY

19.1 Financial Instruments by category
2024

Financial Assets at amortised cost	Note	2024	2023
		-----Rupees-----	
Short term investments	6	38,384,282	34,824,720
Advances & other receivables *	7	7,083,447	7,835,215
Profit receivable on bank deposit		11,302	22,488
Cash and bank balances	8	770,760	636,569
		<u>46,249,791</u>	<u>43,318,992</u>
Financial Liabilities			
Creditors and other payables **	9	6,436,266	7,178,399

- * Advances includes amounting to Rs. 610,475 (2023: 610,475) that are not financial assets are not included.
- ** Other payables that are not financial liabilities i.e. fee received in advance against programmes amounting to Rs. 593,200 (2023: 171,000) are not included

20. 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.

20.1 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.

20.1.1 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	2024	2023
		----- Rupees -----	
Short term investments	6	38,384,282	34,824,720
Other receivable	7	3,504,626	6,756,288
Bank balances	8	767,060	621,189
		<u>42,655,968</u>	<u>42,202,197</u>

20.1.2 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

	2024	2023
	----- Rupees -----	
Rating*		
A+	-	34,824,720
A-1+	-	254,840
AA	21,304	-
AAA	39,130,038	366,349
	<u>39,151,342</u>	<u>35,445,909</u>

* Latest available rating assigned by JCR-VIS as at June 30, 2024.

20.1.3 Liquidity risk

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

	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years
	----- (Rupees) -----			
June 2024				
Non-derivative financial liabilities				
Creditors and other payables	6,436,266	6,436,266	-	-
	<u>6,436,266</u>	<u>6,436,266</u>	<u>-</u>	<u>-</u>
June 2023				
Non-derivative financial liabilities				
Creditors and other payables	7,178,399	7,178,399	-	-
	<u>7,178,399</u>	<u>7,178,399</u>	<u>-</u>	<u>-</u>

20.1.4 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.

20.1.4.1 Interest rate risk

	2024	2023
	----Rupees----	
Variable rate instruments		
Short term investments	38,384,282	34,824,720
Balance maintained with banks	<u>767,060</u>	<u>366,349</u>
	<u>39,151,342</u>	<u>35,191,069</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. 391,513 (2023: Rs. 351,910).

20.1.4.2 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.

20.1.4.3 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.

20.1.5 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.

21. NUMBER OF EMPLOYEES

There are 3 full time Institute's employees working for the Committee as at June 30, 2024 (2023: 3).

22. DATE OF AUTHORISATION

These financial statements have been authorised for issue on October 04, 2024 by the Southern Regional Committee.

23. GENERAL

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

CHAIRMAN

HONORARY SECRETARY

Southern Regional Committee

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