



ANNUAL REPORT 2025

Southern
Regional
Committee



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NOTICE OF MEETING

Notice is hereby given that the 64th Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on Friday, October 24, 2025 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 63rd Annual General Meeting.
2. Consideration of the Southern Regional Committee's Report and Audited Financial Statements for the year ended June 30, 2025 together with the Auditor's Report thereon.
3. Any other business with the permission of the Chair.

Shaikh Ahmed Salman, FCA
Honorary Secretary

Karachi: October 10, 2025

THE COMMITTEE FOR THE YEAR 2024-2025



Moneeza Usman Butt, FCA
Chairperson



Shaikh Ahmed Salman, FCA
Honorary Secretary



Osama Kapadia, FCA
CPD Convener
Technical & Professional Affairs



Usama Rashid, FCA
CPD Convener
Industry & Technology



Syed Junaid Ali, 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:

Ms. Muneeza Usman Butt, FCA	Chairperson
Mr. Shaikh Ahmed Salman, FCA	Honorary Secretary
Mr. Osama Kapadia, FCA	CPD Convener Technical and Professional Affairs
Mr. Usama Rashid, FCA	CPD Convener Industry and Technology
Syed Junaid Ali, 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, 2025.

CPD ACTIVITIES

During the year, SRC organised the following seminars, workshops, masterclasses and 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:

- **Seminar on Registration and Taxation of Startups, E-Commerce, IT Sector and Freelancers**
- **Course on Tax Masterclass 3.0**
- **Webinar on Taxation of Non-Resident Individuals, Filing of Return in Pakistan & Tax Issues**
- **Seminar on Personal Branding**
- **Presentation of a Paper on Full Reserve Banking: A Path to Curbing Inflation, Reducing Debt, and Addressing Unemployment**
- **Future Ready Textile and Apparel Reporting with IFRS Sustainability Standards**
- **The AML Master Class**
- **Two-Day Workshop on International Taxation & Transfer Pricing**
- **Seminar on An Overview on Group Audits under Revised ISA 600**
- **Workshop on Corporate Restructuring & Turnaround Management A Pathway to Strategic**
- **Workshop on AI Leadership in Business**
- **Seminar on Navigating the Economic Challenges & Opportunities – US Tariffs and Upcoming Tax Measures**
- **Seminar on Key Changes in QCR Framework & Key Deficiencies Identified during QCR Review**
- **Post Budget Conference 2025**
- **Workshop on State-Owned Enterprises - Governance & Orientations**

SOCIAL EVENTS

FAMILY FUN FEST

The Southern Regional Committee continued its tradition of organizing memorable and family-inclusive social events for members and their families. The Family Fun Fest 2025, held on Saturday, April 12, 2025, at Bahria Adventure Land, Bahria Town, Karachi, marked the third consecutive year of this much-anticipated event. With its vibrant setting and a wide range of thrilling attractions, the Fest once again provided members and their families with the perfect opportunity to relax, reconnect, and create lasting memories..

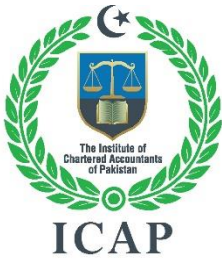
CA PAKISTAN CRICKET LEAGUE

The third season of the CA Pakistan Cricket League, CACL '24, commenced with great enthusiasm, building on the momentum of previous editions and further strengthening its stature as the flagship event of SRC. The tournament saw an exciting blend of returning contenders and fresh entrants. Established teams such as PARCO, A.F. Ferguson & Co., Jubilee Life Insurance, UBL, KPMG Taseer Hadi & Co., EY Ford Rhodes, and SIEMENS once again showcased their talent, while the inclusion of new teams like K-Electric Limited, EY Rapid Innovation, Habib Metropolitan Bank, Karachi Gateway Terminal, and Yousuf Adil Chartered Accountants infused additional energy and vibrancy into the competition. Rising to the occasion, Habib Metropolitan Bank clinched the CACL '24 championship title in spectacular fashion

Among the highlights this year was the Veterans' Match, a special feature honoring the enduring cricketing spirit of senior members. In a competitive showdown, Team KJ XI emerged victorious over Team OC XI in the final. A special note of gratitude is extended to our valued sponsors whose support made CACL '24 a resounding success. We proudly recognize PARCO (Gold Sponsor), UBL (Gold Sponsor), Jubilee Life Insurance (Silver Sponsor), Habib Metropolitan Bank (Silver Sponsor), and Dawood Family Takaful (Veterans' Match Sponsor) for their invaluable partnership and continued commitment to the success of this flagship event.

ICAP BOOK FORUM

The Southern Regional Committee successfully launched the ICAP Book Forum in 2024, creating a unique platform for members to engage in meaningful literary discussions and exchange diverse perspectives beyond professional boundaries. Since its inception, the Forum has featured thought-provoking sessions on acclaimed works, fostering intellectual curiosity, critical thinking, and a culture of continuous learning within the CA fraternity.



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 20, 2024 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 Annual Conference, CASA Sports League, CASA Picnic, Declamation Contest, Plantation Drive, Exam Focused Workshops, etc.

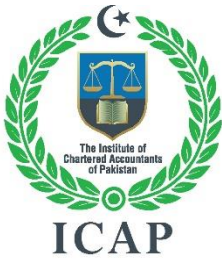
FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 2.17 million for the current year as compared to Rs. 3.28 million last year. During the year, Rs. 8.8 million was allocated from ICAP on account of Members’ subscription fee whereas Rs. 15.9 million and Rs. 9.1 million was earned from CPD activities and social events respectively. The SRC spent Rs. 11.9 million on CPD activities whereas Rs. 15.7 million was spent on social events. SRC’s investments held in the name of ICAP stood at Rs. 37.1 million at the end of the year.

COMMITTEE MEETINGS

During the year 4 meetings were held, details of attendance are listed below:

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



CONDOLENCES

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

S No.		Membership No.
1	Shamim-Ul-Hasan Khan	1149

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-

Moneeza Usman Butt, FCA
Chairperson Southern Regional Committee
October 10, 2025

CPD ACTIVITIES HELD FROM 1 JULY 2024 TO 30 JUNE 2025

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
1	July 26, 2024	Seminar on Registration and Taxation of Startups, E-Commerce, IT Sector and Freelancers	3	26	47	73	Speakers: Khalid Mehmood, FCA, M. Muzammil Hemani, ACA, Taha Baqai, FCA Closing Remarks: Salman Haq, FCA
2	September 07, 2024 to February 2024	Course on Tax Masterclass 3.0	80	2	19	21	Facilitators: M. Muzammil Hemani, ACA, Taha Baqai, FCA Zeeshan Zafar Khan Ejaz Ahmad Bhutta, ACA Guest Speakers: Anwar Kashif Mumtaz Abdul Hameed Shaikh Asif Haroon, FCA Haider Patel, FCA Muhammad Raza, FCA Adnan Mufti, FCA Atif Muffasir, FCA Khalid Mahmood, FCA Syed Zafar Ahmed Rehan Siddiqui, FCA Salman UI Haq, FCA Tazeen Fatima, FCA
3	September 17, 2024	Webinar on Taxation of Non-Resident Individuals, Filing of Return in Pakistan & Tax Issues	2				Speakers: M. Muzammil Hemani, ACA, Asif Haroon, FCA Session Chairman: Khalid Rehman, FCA
4	September 20, 2024	Seminar on Personal Branding	2	9	21	30	Speakers: Nabeel Shaikh, FCA
5	November 19, 2024	Presentation of a Paper on Full Reserve Banking: A Path to Curbing Inflation, Reducing Debt, and Addressing Unemployment	2	27	45	72	Speakers: Qanit Khalilullah, FCA Session Chairman: Syed Asad Ali Shah, FCA

CPD ACTIVITIES HELD FROM 1 JULY 2024 TO 30 JUNE 2025

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
6	January 13 & 14, 2025	Future Ready Textile and Apparel Reporting with IFRS Sustainability Standards	16	13	7	20	Speakers: Syed Fahim ul Hasan, FCA, Fouzia Safdar Khan, FCA Session Chairman: Farrukh Rehman, FCA
7	January 28 & 29, 2025	The AML Masterclass	14	5	28	33	Trainers: Sumera Baloch Raheel Rehman Armughan Ahmed Kausar Salim Thobani Session Chairman: Khalid Rehman, FCA
8	February 11, 2025	Zakar Calculation In – Depth Webinar	3	35	42	77	Speakers: Farzana Munaf, FCA Muhammad Umair, FCA Saad Bin Khalid Asif Kasbati, FCA Mufti Ibrahim Essa Mufti Raza Madni
9	February 18 & 19, 2025	Two-Day Workshop on International Taxation & Transfer Pricing	16	29	25	54	Facilitators: Zeeshan Zafar Khan, M. Muzammil Hemani, ACA, Taha Khan Baqai, FCA, Asif Zafar, FCA Guest Speakers: Adil Rao, Asif Haroon, FCA, Haidar Ali Patel, FCA, Muhammad Raza, FCA, Khalid Mahmood, FCA, Atif Mufassir, FCA
10	February 25, 2025	Seminar on An Overview on Group Audits under Revised ISA 600	2	33	54	87	Speakers: Khurram Jameel, FCA Panelists: Shaikh Ahmed Salman, FCA, Zeeshan Rashid, FCA Moderator: Hena Sadiq, FCA
11	April 21, 2025	Workshop on Corporate Restructuring & Turnaround Management A Pathway to Strategic Growth	8	12	11	23	Speakers: Noaman Abdul Majid

CPD ACTIVITIES HELD FROM 1 JULY 2024 TO 30 JUNE 2025

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
12	May 13, 2025	Workshop on AI Leadership in Business	8	3	17	20	Trainer: Warren Knight
13	May 17, 2025	Seminar on Navigating the Economic Challenges & Opportunities – US Tariffs and Upcoming Tax Measures	4	27	30	57	Speakers: Arif Habib, Asif Haroon, FCA, Arif Habib Haider Patel, FCA Ehsan Malik Adnan Mufti, FCA Dr. Huma Baqai Khalid Mahmood, FCA Muhammad Raza, FCA Moderator: Zeeshan Ijaz, FCA, Tazeen Fatima, FCA
14	May 29, 2025	Seminar on Key Changes in QCR Framework & Key Deficiencies Identified during QCR Review	1.3	44	39	83	Speakers: Sheikh Bilal Shams, FCA Syed Muzammil Ali, ACA, Muzammil Ahmed, ACA
15	June 13, 2025	Post Budget Conference 2025	6	174	193	367	Opening Remarks: Moneeza Usman Butt, FCA Session – 1 Direct Taxation: Keynote Address: Haider Patel, FCA Panelists: Anwar Kashif Mumtaz Khalid Mahmood, FCA Muhammad Raza, FCA Moderator: M. Muzmmil Hemani, ACA Session – 2 Indirect Taxation: Keynote Address: Asif Haroon, FCA Panelists: Adnan Mufti, FCA Asif Kasbati, FCA Moderator: Mehmood Bikiya, FCA

CPD ACTIVITIES HELD FROM 1 JULY 2024 TO 30 JUNE 2025

S. No.	Date	Seminar / Workshop / Conference	CPD Hours	No. of Participants			Speaker / Session Chairperson
				Members	Non-Members	Total	
15	June 13, 2025	Post Budget Conference 2025	6	174	193	367	Session – 3 Economy & Industry: Keynote Address: Zubair Motiwala Panelists: Asif Peer Asif Inam Moderator: Usama Rashid, FCA Concluding Session: Address: President ICAP, Saifullah, FCA
16	June 24, 2025	Workshop on State-Owned Enterprises - Governance & Orientations	8	9	27	36	Trainer: Abdul Rahim Suriya FCA Panelists: Qaiser Rafique , Muhammad Amin Rajput, FCA, Majid Soofi Session Chairman: Khalid Rehman, FCA

JOB SECTOR INFORMATION OF MEMBERS

June 30, 2025

Category	Associates	Fellows	Total
Based In Pakistan			
Agency / Authority/ Association	2	2	4
ASSET MANAGEMENT	1	3	4
AUTOMOTIVE	32	14	46
AVIATION	7	1	8
BANKS	97	84	181
CA FIRM	1	0	1
CABLE AND ELECTRICAL GOODS	2	4	6
CAPITAL MARKET	7	11	18
CEMENT / CERAMICS	12	19	31
CHEMICALS / PAINTS	15	13	28
Commerce and Industry	102	88	190
CONSTRUCTIONS	17	11	28
CONSUMER GOODS	36	13	49
CORPORATION	3	5	8
DISTRIBUTION & GENERATION BUSINESS	4	6	10
EDUCATION	27	28	55
ELECTRONICS	7	2	9
EMPLOYED IN PRACTICE	418	146	564
EMPLOYED IN PRACTICE (OVERSEAS)	454	38	492
ENERGY & POWER	13	6	19
ENGINEERING	10	11	21
FASHION AND APPARELS	9	0	9
FERTILIZER / AGRICULTURE	3	5	8
Financial / Management Consultancy	7	0	7
FINANCIAL / MANAGEMENT CONSULTING	12	11	23
FOOD, BEVERAGES AND RESTAURANTS	32	16	48
FUND MANAGERS	4	1	5
FUNDING & INVESMENTS	1	5	6
GLASS AND CERAMICS	0	1	1
GOVERNMENT	14	14	28
HARDWARE / METAL / MILL STORE	5	5	10
HEALTHCARE	15	7	22
HOSPITAL	7	11	18
HOTEL, TRAVEL AND TOURISM	2	5	7
INFORMATION TECHNOLOGY	6	13	19
INSURANCE	27	28	55
INVESTMENT / ADVISORY / MANAGEMENT COMPANY	78	18	96
LEASING	1	2	3
LEATHER AND TANNERIES	0	1	1
MEDIA / ENTERTAINMENT / EVENT MANAGEMENT	12	6	18
MODARABA	2	4	6

JOB SECTOR INFORMATION OF MEMBERS

June 30, 2025

Category	Associates	Fellows	Total
Based In Pakistan			
NGOs / SOCIAL SERVICES	2	6	8
NON BANKING FINANCE COMPANY	2	6	8
OIL AND GAS	39	48	87
OTHERS	645	525	1170
PACKAGING	3	4	7
PAPER AND BOARD	0	1	1
PETROLEUM	3	14	17
PHARMACEUTICALS	56	43	99
POWER GENERATION AND DISTRIBUTION	34	29	63
PROFESSIONAL SERVICE PROVIDERS	17	8	25
PUBLIC PRACTICE	110	285	395
PUBLISHERS	0	4	4
REAL ESTATE	4	2	6
RETAIL / STORES / SUPERMARKETS	3	2	5
SECURITIES	8	3	11
SHIPPING/ MARINE / WATER	8	10	18
SUGAR AND ALLIED	4	10	14
TECHNOLOGY AND COMMUNICATION	4	6	10
TELECOMMUNICATION	4	5	9
TEXTILE	38	35	73
TOBACCO	1	1	2
TRADING	3	3	6
TRANSPORT / LOGISTICS / COURIER SERVICES	24	18	42
Sub Total	2516	1726	4242
Based outside Pakistan			
Employed in Practice	81	72	153
Business & Industry	548	621	1169
Sub Total	629	693	1322
Total	3145	2419	5564

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

Opinion

We have audited the financial statements of Southern Regional Committee - ICAP (the "Committee") which comprise the statement of financial position as at June 30, 2025, 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 Material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Committee as at June 30, 2025, 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

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are 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 We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Committee for the year ended June 30, 2024, were audited by Mr. Muhammad Waseem (Chartered Accountant), who vide his audit report dated October 03, 2024 expressed an unmodified opinion thereon.

We 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 we identified during our audit.

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Waseem.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

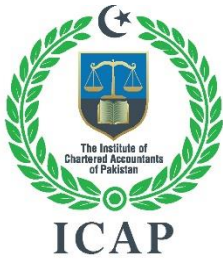
Date: October 08, 2025

UDIN: AR20251021310i6gabCQ

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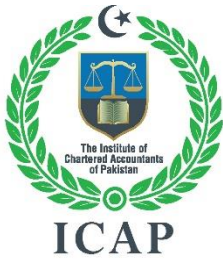
SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		2025	2024
	Note	----Rupees----	
NON-CURRENT ASSETS			
Fixed assets	5	87,798	114,389
CURRENT ASSETS			
Short-term investments	6	37,117,052	38,384,282
Advances and other receivables	7	9,118,121	7,757,395
Cash and bank balances	8	1,165,638	770,760
		47,400,811	46,912,437
CURRENT LIABILITIES			
Creditors and other payables	9	5,339,216	7,029,466
NET CURRENT ASSETS		42,061,595	39,882,971
LONG TERM LIABILITIES AND FUNDS			
Deferred income			
Library Development Fund		-	18,957
Restricted Fund			
Library Development Fund	10	592,180	592,180
NET ASSETS		41,557,213	39,386,223
REPRESENTED BY			
Accumulated Fund		41,557,213	39,386,223
		41,557,213	39,386,223
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes from 1 to 22 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, 2025**

		2025	2024
	Note	—Rupees—	
INCOME			
Members' subscriptions		8,884,512	3,942,612
Members' programmes		15,971,514	17,092,583
Fees charged on social and other events		9,106,429	7,239,301
Students' conference and programmes		3,861,100	1,099,168
		<u>37,823,555</u>	<u>29,373,664</u>
EXPENDITURE			
Cost incurred on members' programmes	12	11,989,491	14,036,969
Cost incurred on social and other events	13	15,757,611	10,268,309
Administrative expenses	14	5,470,585	5,289,084
Library operations	15	1,465,246	1,455,603
Cost incurred on students' conference and programmes		7,405,114	2,509,362
		<u>42,088,048</u>	<u>33,559,327</u>
Deficit of income over expenditure before income from investments		(4,264,493)	(4,185,663)
Income from investments		<u>6,435,482</u>	<u>7,469,014</u>
SURPLUS FOR THE YEAR		<u>2,170,990</u>	<u>3,283,351</u>
OTHER COMPREHENSIVE INCOME			
		-	-
SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND		<u>2,170,990</u>	<u>3,283,351</u>

The annexed notes from 1 to 22 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, 2025**

	Note	2025 ---Rupees---	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received against:			
Members' subscription		8,884,512	3,942,612
Members' programmes		14,583,640	18,266,551
Fees charged on social and other events		9,106,429	7,239,301
Students' conference and programmes		3,861,099	1,099,168
		<u>36,435,680</u>	<u>30,547,632</u>
Cash paid against:			
Salaries, allowances and other benefits		5,006,182	3,728,369
Supplies and services		40,054,808	26,993,023
		<u>45,060,990</u>	<u>30,721,392</u>
Net cash used in operating activities		<u>(8,625,310)</u>	<u>(173,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment made during the year		-	(40,118,104)
Investment redeem during the year		1,493,947	-
Proceed from sale of property, plant and equipment		46,688	-
Return on investments received		7,479,552	5,601,335
Net cash generated from investing activities		<u>9,020,187</u>	<u>(34,516,769)</u>
Net (decrease) / increase in cash and cash equivalents		394,878	(34,690,529)
Cash and cash equivalents at the beginning of the year		770,760	35,461,289
Cash and cash equivalents at the end of the year	8	<u>1,165,638</u>	<u>770,760</u>

The annexed notes from 1 to 22 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, 2025**

	SRC Fund	CASA Fund	Accumulated Fund
	Rupees		
Balance as at June 30, 2023	38,813,319	(2,710,447)	36,102,872
Surplus / (deficit) for the year	4,693,545	(1,410,194)	3,283,351
Balance as at June 30, 2024	43,506,864	(4,120,641)	39,386,223
Surplus / (deficit) for the year	5,715,004	(3,544,014)	2,170,990
Balance as at June 30, 2025	49,221,868	(7,664,655)	41,557,213

The annexed notes from 1 to 22 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, 2025

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 estimate to be removed as fixed assets amount is immaterial and hence, this estimate is not significant to be disclosed.

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, 2024 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 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.

3.1.1 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

3.1.2 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 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks as not having maturity of 3 months.

3.3 Revenue recognition

Income presented in the Statement of Comprehensive Income is recognized in accordance with IFRS 15 – Revenue from Contracts with Customers, which establishes the principles relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Revenue is recognized when (or as) the performance obligations are satisfied, measured at the transaction price allocated to each obligation.

- **Members' Programmes (CPD Activities):** Revenue from Continuing Professional Development (CPD) programmes is recognized at the point in time when the activity/event is held, as this is when the performance obligation is satisfied. Fees received in advance for activities relating to future financial periods are recognized as advance fees.
- **Members' Subscriptions:** Subscription revenue is recognized over the period of membership, as this reflects the continuous transfer of benefits and services to members throughout the subscription term.
- **Profit on Investments:** Income from investments is recognized using the effective interest method in accordance with IFRS 9 – Financial Instruments.
- **Profit on Savings Accounts:** Interest income on savings accounts is recognized on an accrual basis, consistent with the effective yield of the instrument.

3.4 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. **CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

4.1 **Amendments to existing standards that became effective during the year**

The following new or amended standards and interpretations became effective for the financial year and are considered relevant to the Company's financial statements:

IAS 1 – Classification of Liabilities as Current or Non-current (Amendments issued January 2020 and October 2022, effective January 1, 2024):

Under the previous requirements of IAS 1, a liability was classified as current if the Company did not have an unconditional right to defer settlement for at least twelve months after the reporting date. Following the amendments, the requirement for the right to be “unconditional” has been removed. Instead, the amendments specify that the right to defer settlement must be substantive and must exist as of the reporting date. Such a right may depend on the Company's compliance with conditions (covenants) set out in a loan agreement.

In October 2022, the IASB clarified that only covenants that the Company is required to comply with on or before the reporting date affect whether a liability is classified as current or non-current. Covenants that are tested after the reporting date (i.e., future covenants) do not impact classification at that date. However, if non-current liabilities are subject to future covenants, the Company must provide additional disclosures to enable users to understand the risk that such liabilities could become repayable within twelve months after the reporting date.

4.2 **IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments issued September 2022, effective January 1, 2024):**

The amendments affect how a seller-lessee accounts for variable lease payments arising from a sale-and-leaseback transaction. At the time of initial recognition, the seller-lessee is required to include variable lease payments when measuring the lease liability. Subsequently, the seller-lessee applies the general requirements for lease liability accounting in a way that ensures no gain or loss is recognised in relation to the right-of-use asset it retains. These amendments introduce a new accounting model for variable lease payments and may require seller-lessees to reassess and, in some cases, restate previously recognised sale-and-leaseback transactions.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are do not have any material impact on the Company's financial statements.

4.2.1 **Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

The following standards and amendments have been issued but are not effective for the financial year beginning July 1, 2024 and have not been early adopted by the Company:

IAS 21 – The Effects of Changes in Foreign Exchange Rates (Amendments: Lack of Exchangeability, effective January 1, 2025):

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates address circumstances where a currency is not exchangeable, often due to government restrictions. In such cases, entities are required to estimate the spot exchange rate that would apply in an orderly transaction at the measurement date. The amendments permit flexibility by allowing the use of observable exchange rates without adjustment or other estimation methods, provided these meet the overall estimation objective. When assessing this, entities should consider factors such as the existence of multiple exchange rates, their intended use, nature, and frequency of updates. The amendments also introduce new disclosure requirements, including details of the non-exchangeability, its financial impact, the spot rate applied, the estimation approach used, and

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective January 1, 2026):

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments – Classification and Measurement provide clarifications and updates in several areas. They refine the requirements around the timing of recognition and derecognition of certain financial assets and liabilities, introducing a new exception for financial liabilities settled via electronic cash transfer systems. The amendments also clarify and expand the guidance on assessing whether a financial asset meets the “solely payments of principal and interest” (SPPI) criterion. In addition, new disclosure requirements are introduced for instruments with contractual terms that can alter cash flows, such as those linked to environmental, social, and governance (ESG) targets. Further updates are also made to the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 17 – Insurance Contracts (effective January 1, 2026 in Pakistan, as directed by SECP vide SRO 1715(I)/2023):

IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity’s financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

Annual Improvements – Volume Eleven (effective January 1, 2026):

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- Gain or Loss on Derecognition (Amendments to IFRS 7) - To update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
 - Introduction (Amendments to Guidance on implementing IFRS 7) - To clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
 - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
 - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2025:

IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

Major Impact on Companies' Financial Statements:

IFRS 18 will require the Company to restructure their statement of profit or loss into operating, investing, and financing categories, which may alter familiar subtotals such as operating profit. This standard focuses on disaggregation will expand disclosures, requiring more detailed breakdowns of income, expenses, and significant transactions, rather than broad groupings. Adoption will also demand updates to reporting systems and processes, increasing compliance effort, but ultimately enhancing transparency, comparability, and investor confidence.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 – Subsidiaries without Public Accountability: Disclosures introduces reduced disclosure requirements for eligible subsidiaries that apply IFRS Accounting Standards. It applies to subsidiaries without public accountability whose parent prepares publicly available consolidated IFRS financial statements. Recognition and measurement remain fully aligned with IFRS, while disclosures are significantly simplified. The standard aims to ease the reporting burden without compromising the usefulness of information, and adoption is voluntary.

5. FIXED ASSETS

Description	Library				Others			Total
	Books	Furniture	Air conditioners	Equipment	Furniture	Air conditioners	Computers	
As at July 01, 2024								
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, 2024								
Opening net book value	5,511	43,697	12,603	2,210	62,825	7,095	-	133,941
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
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								
Cost	730,702	624,793	275,381	16,600	270,298	45,515	-	1,963,289
Accumulated depreciation	(727,911)	(587,087)	(265,621)	(14,547)	(213,416)	(40,318)	-	(1,848,900)
Net book value	2,791	37,706	9,760	2,053	56,882	5,197	-	114,389
Year ended June 30, 2025								
Opening net book value	2,791	37,706	9,760	2,053	56,882	5,197	-	114,389
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	(200,241)	-	(10,000)	-	-	(210,241)
Accumulated depreciation	-	-	190,481	-	8,906	-	-	199,387
Depreciation for the year	(2,791)	(5,991)	(9,760)	(157)	(4,900)	(1,898)	-	(15,737)
Closing net book value	-	31,715	-	1,896	50,888	3,299	-	87,798
Year ended June 30, 2025								
Cost	730,702	624,793	75,140	16,600	260,298	45,515	-	1,753,048
Accumulated depreciation	(730,702)	(593,078)	(75,140)	(14,704)	(209,410)	(42,216)	-	(1,665,250)
Net book value	-	31,715	-	1,896	50,888	3,299	-	87,798
Annual rate of depreciation (% per annum)								
33	10	15	15	15	10	15	33	

5.1 Depreciation for the year has been allocated as follows:

Note	Rupees	
	2025	2024
14	6,798	7,841
15	8,939	11,711
	15,737	19,552

	Note	2025 -----Rupees-----	2024
6. SHORT-TERM INVESTMENTS			
Financial assets at amortised cost			
Certificate of Islamic Investments	6.1	<u>37,117,052</u>	<u>38,384,282</u>
<p>6.1 This represents investment in Shariah Compliant Term Deposit Certificate with a bank having face value of Rs. 36,274,673 (June 30, 2024: Rs. 36,501,390). This certificate carries profit at the rates of 9.50% (June 30, 2024: 20.03%) per annum receivable on maturity and is maturing on April 04, 2026. Accrued profit amounting to Rs. 842,379 (June 30, 2024: Rs. 1,882,892) is included in the carrying value.</p> <p>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.</p>			
7. ADVANCES AND OTHER RECEIVABLES			
		2025	2024
		-----Rupees-----	
Current account with the Institute			
on account of expenses		(44,155,046)	(17,736,013)
on account of Seminar fee		<u>47,829,078</u>	<u>21,326,135</u>
		3,674,032	3,590,122
Accrued profit on savings account		7,746	11,302
Seminar fee receivable		4,741,164	3,493,325
Advance to suppliers		610,475	610,475
Advance income tax		<u>1,243,906</u>	<u>1,211,373</u>
		10,277,322	8,916,596
Less: Impairment allowance against advance income tax		<u>(1,159,201)</u>	<u>(1,159,201)</u>
		<u>9,118,121</u>	<u>7,757,395</u>

	Note	2025 -----Rupees-----	2024
8. CASH AND BANK BALANCES			
Cash in hand		55,317	3,700
Cash at banks in:			
Savings account	8.1	1,110,321	767,060
		<u>1,165,638</u>	<u>770,760</u>
8.1	This carries profit at the rates ranging from 5.87% to 10.01% (2024: 10% to 11.01%) per annum.		
9. CREDITORS AND OTHER PAYABLES			
Creditors and accrued liabilities		4,802,141	6,436,266
Fees received in advance against programmes		<u>537,075</u>	<u>593,200</u>
		<u>5,339,216</u>	<u>7,029,466</u>
10. RESTRICTED FUND - LIBRARY DEVELOPMENT FUND			
10.1	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 (2024: Rs. 592,180) represents the un-utilized fund.		
10.2	The Committee has decided to allocate the funds for library development during the 2025–2026 period		
11. CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments as at reporting date (2024: Nil).		
		2025	2024
		-----Rupees-----	
12. COST INCURRED ON MEMBERS' PROGRAMMES			
Printing, stationery and postage charges		520,700	1,073,295
Venue & meals charges		6,201,006	5,113,110
Speakers' fees and other charges		3,281,753	5,455,802
Travelling and accommodation		387,877	581,600
Photographs, projector, screen and sound system		1,325,465	1,406,044
Others		<u>17,390</u>	<u>110,318</u>
		<u>11,734,191</u>	<u>13,740,169</u>
13. COST INCURRED ON SOCIAL AND OTHER EVENTS			
Family get-together		3,313,351	3,817,970
Members annual dinner		5,498,000	978,298
CA cricket league		6,461,238	5,452,041
Padel day		485,022	-
Blood donation drive		-	20,000
		<u>15,757,611</u>	<u>10,268,309</u>

	Note	2025 -----Rupees-----	2024
14. ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	14.1	3,782,206	3,321,381
Printing and stationery		57,269	307,394
Professional services		760,000	984,934
IT and communication expenses		42,464	23,867
Annual general meeting expenses		185,883	132,140
Travelling and accommodation		-	104,851
Audit fee		135,066	105,996
Conveyance		20,129	17,600
Depreciation	5.1	7,841	7,841
Vehicle expense		316,136	-
Others		163,591	283,080
		<u>5,470,585</u>	<u>5,289,084</u>

14.1 This include Rs. 179,640 (2024: 160,263) in respect of staff retirement benefit.

	Note	2025 -----Rupees-----	2024
15. LIBRARY OPERATIONS			
Salaries, allowances and other benefits	15.1	1,340,100	1,374,634
Depreciation		7,896	11,711
Refreshment for students		-	12,000
Newspaper, journals and magazine		15,600	-
Others		101,650	57,258
		<u>1,465,246</u>	<u>1,455,603</u>

15.1 This include Rs. 65,532 (2024: 52,247) in respect of staff retirement benefit.

16. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Note	Income	Expenditure	2025	2024
				Surplus /	Surplus /
				(deficit)	(deficit)
----- Rupees -----					
Members' programmes		15,971,514	(11,989,491)	3,982,023	3,055,614
Social events		9,106,429	(15,757,611)	(6,651,182)	(3,029,008)
Students' conference and programmes		3,861,100	(7,405,114)	(3,544,014)	(1,410,194)
Library operations		-	(1,465,246)	(1,465,246)	(1,455,603)
		28,939,043	(36,617,462)	(7,678,419)	(2,839,191)
Members subscription				8,884,512	3,942,612
Return on investments				6,435,482	7,469,014
				15,319,994	11,411,626
Administrative expenses				(5,470,585)	(5,289,084)
Surplus for the year				2,170,990	3,283,351

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 transaction with related parties are as follows:

Relationship with the Committee	Nature of Transactions	2025	2024
		-----Rupees-----	
Transactions during the year:			
Staff retirement benefit plans	Contribution paid to provident fund	245,172	212,510

18. FINANCIAL INSTRUMENTS BY CATEGORY

18.1 Financial Instruments by category
2025

Financial Assets at amortised cost	Note	2025	2024
Short term investments	6	37,117,052	38,384,282
Other receivables	7	8,415,196	7,083,447
Profit receivable on bank deposit		7,746	11,302
Cash and bank balances	8	1,165,638	770,760
		46,705,631	46,249,791
Financial Liabilities			
Creditors and other payables **	9	4,802,141	6,436,266

Advances includes advance to vendors amounting to Rs. 610,475 (2024: 610,475) and advance tax amounting to Rs. 32,533 (2024: 52,172) 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. 537,075 (2024: 593,200) are not included

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 markup 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	2025	2024
		----- Rupees -----	
Short term investments	6	37,117,052	38,384,282
Other receivable	7	4,748,909	3,504,626
Bank balances	8	1,165,638	770,760
		<u>43,031,599</u>	<u>42,659,668</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

	2025	2024
	----- Rupees -----	
Rating*		
AA	-	21,304
AA+	21,304	-
AAA	38,206,069	39,130,038
	<u>38,227,373</u>	<u>39,151,342</u>

* Latest available rating assigned by JCR-VIS as at June 30, 2025.

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)			
June 2025				
Non-derivative financial liabilities				
Creditors and other payables	4,802,141	4,802,141	-	-
	4,802,141	4,802,141	-	-
June 2024				
Non-derivative financial liabilities				
Creditors and other payables	6,436,266	6,436,266	-	-
	6,436,266	6,436,266	-	-

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

	2025	2024
	(Rupees)	
Variable rate instruments		
Short term investments	37,117,052	38,384,282
Balance maintained with banks	1,110,321	767,060
	38,227,373	39,151,342

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. 382,274 (2024: Rs. 382,274).

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.

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.

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

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

20. NUMBER OF EMPLOYEES

There are 4 full time Institute's employees working for the Committee as at June 30, 2025 (2024: 3).

21. DATE OF AUTHORISATION

These financial statements have been authorised for issue on ----- by the Southern Regional Committee.

22. GENERAL

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

CHAIRMAN

HONORARY SECRETARY

Southern Regional Committee

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