

COMMITTED  
TO MAKE AN  
**IMPACT**

ANNUAL  
REPORT  
**2022**



The Institute of  
Chartered Accountants  
of Pakistan

**CA**  
PAKISTAN

**THE NORTHERN REGIONAL COMMITTEE**

## MEMBER OF THE NORTHERN REGIONAL COMMITTEE 2021-22



**Mr. Mohsin Jamil, Mr. Zeeshan Ali, Mr. Farooq Hameed Khawaja, Ms. Amara S. Gondal, Mr. Ahmad Salman Arshad, Mr. Aneel Peter.**  
(From Left to Right)

# CONTENTS

**1** ABOUT THE  
NORTHERN REGIONAL  
COMMITTEE

**5** PLACEMENT OF  
MEMBERS OF  
NORTH REGION

**6** CHAIRMAN'S  
REPORT

**29** INDEPENDENT AUDITOR'S REPORT  
**31** STATEMENT OF FINANCIAL POSITION  
**32** STATEMENT OF COMPREHENSIVE INCOME  
**33** STATEMENT OF CASH FLOWS  
**34** STATEMENT OF CHANGES IN FUNDS  
**35** NOTES TO THE FINANCIAL STATEMENTS

**8** DETAIL OF  
SEMINARS IN  
NORTH

**27** NOTICE OF  
ANNUAL GENERAL  
MEETING

**28** FINANCIAL  
STATEMENTS

## ABOUT THE NORTHERN REGIONAL COMMITTEE (NRC)

The Northern Regional Committee “The Committee” is formed under the Chartered Accountants Bye - Laws, 1983, The Committee is represented by six elected members: five members from Zone A and one member from Zone B. The Zone “A” of northern region comprises of the Province of Punjab and Federal Capital Territory while the Zone “B” comprises of Khyber Pakhtunkhwa, Northern & Tribal Areas and Azad Kashmir.

The Committee is obliged to support the ICAP’s council in achieving its aims and objectives, to make representation to the Council in connection with matters of professional and business interest in the region, to organize seminars, workshops, symposia and conferences for Continuing Professional Development of the members in the region, to maintain libraries and reading rooms for the use of the members and students in the region and to arrange for regular meetings and get together of the members.

### OUR MISSION

Our mission at NRC is to achieve excellence in facilitating continued professional development and learning; add value to personal competencies, professional growth and skills development : up-holding ethical conventions while recognizing the needs of professionals.

### MANAGEMENT

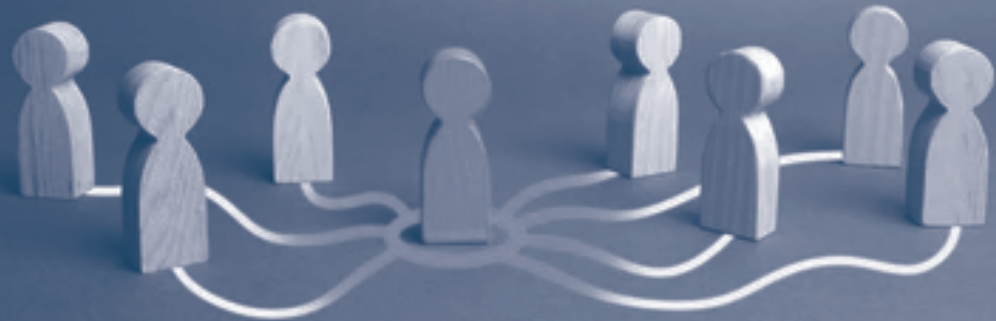
<b>The Regional Committee</b>	Mr. Farooq Hameed Khawaja, FCA	Member NRC	Chairman
	Ms. Amara S. Gondal, ACA	Member NRC	Honorary Secretary
	Mr. Ahmad Salman Arshad, FCA	Member NRC	CPD Convener Industry & Technology
	Mr. Aneel Peter, FCA	Member NRC	Members Coordination Group (MCG)
	Mr. Mohsin Jamil, FCA	Member NRC	CASA & Library Committee
	Mr. Zeeshan Ali, FCA	Member NRC	CPD Convener Technical & Professional Affairs
<b>Auditor</b>	Mr. Abdul Qadeer		
<b>Bankers</b>	MCB Bank Limited, Silk Bank Limited, UBL Bank, Habib Metropolitan Bank, National Bank of Pakistan, Bank Islami		

## CPD - INDUSTRY AND TECHNOLOGY COMMITTEE 2021-22

1	Mr. Ahmad Salman Arshad	FCA	6574	Chairman / Convener
2	Mr. Adnan Aslam	ACA	7943	Member
3	Mr. Ahmed Jabbar	FCA	3440	Member
4	Fauzia Safdar	FCA	4438	Member
5	Hafiza Faryal Riaz Chatha	ACA	10224	Member
6	Mr. Javed Anjum	FCA	3278	Member
7	Mr. JehanZeb Amin	FCA	3437	Member
8	Mirza Zunair Zafar	ACA	7302	Member
9	Mr. Mohsin Jamil	FCA	4991	Member
10	Mr. Muhammad Furqan Atique	ACA	9577	Member
11	Mr. Muhammad Nadeem	ACA	10696	Member
12	Muhammad Nasir	FCA	6908	Member
13	Muhammad Shahid	ACA	9512	Member
14	Mr. Muhammad Usman Khan	FCA	6188	Member
15	Mr. Omer Khan Ghaznavi	FCA	5066	Member
16	Mr. Saad Sohail	FCA	5219	Member
17	Mr. Saqib Riaz	ACA	6364	Member
18	Shaukat Hussain	ACA	7200	Member
19	Talha Zahid	ACA	10675	Member
20	Umair Saleem	ACA	9215	Member
21	Muhammad Farooq Khan	ACA	6737	Member
22	Talha Ahmed	ACA	8073	Member
23	Muhammad Sarfraz Javed	ACA	8797	Member
24	Mudassar Raza	FCA	3324	Member

## CPD - TECHNICAL AND PROFESSIONAL AFFAIRS COMMITTEE 2021-22

1	Zeeshan Ali	FCA	3836	Chairman/ Convener
2	Ahmad Salman Arshad	FCA	6574	Deputy Convener
3	Adnan Rashid	FCA	3089	Member
4	Ahmed Jabbar	FCA	3440	Member
5	Aqeel Alam	ACA	8716	Member
6	Javed Anjum	FCA	3278	Member
7	JehanZeb Amin	FCA	3437	Member
8	Khalid Mehmood	FCA	4910	Member
9	Muhammad Ehtisham	FCA	3020	Member
10	Noshawan Ali Abbas Khawaja	ACA	9984	Member
11	Shams ul Islam	ACA	9690	Member
12	Shuja ul Mulk	FCA	5352	Member
13	Syed Muhammad Hassan Ali	FCA	7119	Member
14	Syed Saim Raza Zaidi	FCA	7454	Member
15	Tayyaba Umbreen	ACA	6151	Member
16	Waqar Naeem	FCA	3394	Member
17	Zeshan Chishti	ACA	10374	Member
18	Mudassar Raza	FCA	3324	Member
19	Muhammad Abu Bakar	FCA	7109	Member
20	Atif Riaz	ACA	7423	Member



## MEMBERS CO-ORDINATION GROUP (MCG) 2021-22

1	Aneel Peter	FCA	6856	Chairman
2	Abdullah Sarwar	ACA	8166	Member
3	Ahmad Suleman Zahid	ACA	11002	Member
4	Arsalan Salahuddin Vardag	FCA	3330	Member
5	Babar Ali Khan	ACA	6139	Member
6	Bushra Aslam	FCA	2601	Member
7	Fahad Malik	ACA	10270	Member
8	Hasnain Adam Ali	FCA	5628	Member
9	Huzaiifa Ahmed	ACA	8233	Member
10	Javed Anjum	FCA	3278	Member
11	Masood Pervaiz	FCA	4212	Member
12	Mohammad Younas Ghazi	FCA	1213	Member
13	Muhammad Furqan Atique	ACA	9577	Member
14	Saad Manzoor Bhatti	ACA	8740	Member
15	Sabahat Kamran	ACA	10831	Member
16	Talha Ahmed	ACA	8073	Member
17	Zeeshan Ali	FCA	3836	Member



## LIBRARY COMMITTEE NORTH 2021-22

1	Mohsin Jamil	FCA	4991	Chairman
2	Arsalan Salahuddin Vardag	FCA	3330	Member
3	Asad Naseer Malik	FCA	5247	Member
4	Asjad Amin	FCA	5062	Member
5	Fatima Shumaila	ACA	9846	Member
6	Muhammad Fahad Asad Khan	FCA	4767	Member
7	Muhammad Shahid	ACA	9512	Member
8	Muhammad Zeeshan Abid	FCA	3909	Member
9	Rao Muhammad Sohail Nawab	ACA	10258	Member

## CPD COMMITTEE ISLAMABAD/RAWALPINDI 2021-22

1	Mr. JehanZeb Amin	FCA	3437	Chairman
2	Mr. Aneel Peter	FCA	6856	Member
3	Mr. Burhan Ur Rehman	ACA	6957	Member
4	Mr. Imran Ilyas	FCA	2984	Member
5	Mr. Muhammad Uzair	FCA	4122	Member

## CPD COMMITTEE MULTAN 2021-22

1	Javed Anjum	FCA	3278	Chairman
2	Ejaz Hussain	FCA	6015	Member
3	Ijaz Tariq	ACA	6973	Member
4	Mohammad Younas Ghazi	FCA	1213	Member
5	Muhammad Jameel Tahir	FCA	7297	Member
6	Muhammad Usman Khan	ACA	8487	Member

## CPD COMMITTEE FAISALABAD 2021-22

1	Usman Ghani	FCA	6157	Chairman
2	Saad Manzoor Bhatti	ACA	8740	Member
3	Ahmad Suleman Zahid	ACA	11002	Member
4	Ahsan Rasheed	ACA	6693	Member
5	Ahmed Jabbar	FCA	3440	Member
6	Abdus Salam	ACA	7627	Member

# PLACEMENT OF MEMBERS OF NORTH REGION

PAKISTAN			
DESCRIPTION	ACA	FCA	TOTAL
Public Practice	323	460	783
Employed In Practice	224	32	256
Automotive	12	8	20
Cement / Ceramics / Glass	25	20	45
Chemicals / Paints / Leather And Tanneries	6	7	13
Commerce And Industry	118	59	177
Real Estate / Constructions	50	20	70
Consumer Goods	34	15	49
Education	37	40	77
Cable And Electrical Goods	12	4	16
Engineering	15	16	31
Fertilizer / Agriculture	32	32	64
Financial Institutions / Banks	69	61	130
Financial / Management Consulting	56	32	88
Food, Beverages Restaurants / Tourism	57	24	81
Government / Agency / Authority	37	22	59
Healthcare / Pharmaceuticals / Hospital	60	18	78
Information & Communication Technology	86	46	132
Ngos / Social Services / Corporation	26	12	38
Oil And Gas / Petroleum	43	40	83
Power Generation And Distribution	33	29	62
Shipping/ Marine / Water	5	1	6
Sugar And Allied	9	11	20
Fashion And Apparels / Textile	110	54	164
Transport / Logistics / Courier Services	13	7	20
Media / Entertainment / Event Management	2	4	6
Without Sector	438	256	694
Paper And Board / Packaging	14	9	23
Sports	3	3	6
Insurance	13	6	19
Senior Member	6	87	93
Trading	1	1	2
Aviation	7	2	9
Subtotal	1976	1438	3414
OUTSIDE OF PAKISTAN			
Overseas Practicing	1	8	9
EMPLOYED IN PRACTICE (OVERSEAS)	118	6	124
Overseas Non-Practicing	301	360	661
Overseas Senior Members	2	19	21
SUBTOTAL	422	393	815
TOTAL	2398	1831	4229





## CHAIRMAN'S REPORT

### NORTHERN REGIONAL COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2022

It is my pleasure to present the annual report of Northern Regional Committee (NRC) for the year ended June 30, 2022.

#### Strategy Plan 2022-2026

Your NRC immediately after taking charge in February 2022 conducted dedicated sessions to formulate strategy for the next 4 years aligned with our mandate and stakeholders' feedback. Our strategy revolves around focused Members Development, regular Stakeholders' Engagement, Digital Drive and Student Development.

Stakeholders' engagement is at the heart of our strategy accordingly we have formulated Members Coordination Group to regularly interact with members and take their valuable feedback. For this, sessions are being planned in all major cities of North in coming months. In line with our strategy to arrange focused CPD activities we have branched our CPD into "Industry & Technology" and "Technical and Professional Affairs". We have also planned workshops on topics that require in depth learning such as Enterprise Risk Management, Advanced Microsoft Excel, and Data Analytics. Students are our future, accordingly we intend to focus on their development providing them opportunity to learn and interact with each other and seniors.

#### CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

CPD program strives to provide highest quality of professional development opportunities to meet the rapidly evolving CPD needs of our members. Whilst planning for professional development, we strived to ensure that a diverse range of topics are carried out from the NRC platform. Also, all efforts were made to live telecast physical CPD activities to all ICAP offices in North through Zoom.

We have organized various seminars and workshops addressing vast topics of professional interest. Some of the out of the box themes introduced this year include:

- Helping SMPs Meet the Challenges and Seizing the Opportunities of Tomorrow;
- ECL Modelling – Challenges in IFRS 9;
- Second and Third Amendment Finance Act and National Sales Tax Return;
- IFRS 16, ESG and IASB vision;
- Worker's Welfare Fund & Companies Profit [WORKERS PARTICIPATION] Fund, EOBI and PESSI;
- Post Budget Conference;
- Role of Tax Ombudsman in Pakistan
- Financing Your Business Needs;
- Quality Management Standards;
- IFRS -17 Implementation & Challenges;
- ESG and Sustainability;
- Income Tax Returns and Heads of Income (4 hours workshop);
- International Financial Reporting Standards (12 hours workshop)
- Workshop on Enterprise Risk (56 hours workshop);
- Taxation & Compliance Services Course (8 hours workshop); and
- Advanced Microsoft Excel (16 hours workshop).

To provide opportunities to members across North to participate in these activities, your NRC has also live telecasted various physical CPD activities through video conferencing and Zoom to all ICAP offices in North.

These seminar/ workshops & webinars attracted a larger than expected responses from members as well as other finance professionals and business leaders. Thousands of participants viewed the numerous webinars through digital platform.

# CHAIRMAN'S REPORT - NORTHERN REGIONAL COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2022

## RECREATIONAL ACTIVITIES: Our Families our souls

To provide social and recreational opportunities to the members and their families, we organized family get-to-gather in Lahore and more are planned in other cities in coming months. To bring our families and professional fraternity more close, your NRC had the pleasure to go all out in facilitating local committees in arranging classic get togethers at North Stations.

The event in Lahore was marked with great family time, wide range of activities including Magic Show, Puppet Show, Face painting, Tall-Man, Cartoon Characters, Jumping Castle, Musical Chair and Quiz competition and sumptuous buffet dinner/lunch, delightful socializing and networking opportunities for members & their families.

## LIBRARIES

Libraries play a vital role in educational and research process. Gaining Access to information and knowledge are fundamental for education purposes and for improving the quality of life of people living in different regions. We managed and operated eight libraries in various cities of the country in order to cater needs of the members and the students in the academic area.

## CHARTERED ACCOUNTANTS' STUDENT ASSOCIATION – NORTH (CASA)

With a firm commitment to be beacon of guidance of upcoming professionals and students, your NRC strongly believes in investing in our students. We have extended all possible support to the management of CASA-N in arranging various academic and sports events at multiple locations. The CASA North Election was held on June 25, 2022 in all ICAP Houses of the north region and followed by the Annual General Meeting at ICAP House Lahore and online in all other ICAP Houses of the North region. Due to pending litigation regarding rejection of nomination of a candidate, provisional results were announced while new members of CASA will take charge subject to final decision by the court in line with the interim decision.

## Teamwork: Activities of various working group of the institute

Your NRC always believed in team spirit and standing for the cause of our Institute. Thus be it event of CA women committee, fiscal laws event, accounting matters moot, auditing related session, a marketing department congregation, job fares, presentation skills contests, CA Toastmasters club meetings, students counselling session or independence day events; your NRC was there for our Institute.

## NRC FINANCES

The financial results of your NRC clearly reflect that how centric our members have been in our thoughts and activities. Whilst the year-on-year allocation from central pool remained same per member but we managed to support our members substantially through generosity of our sponsors; who believed in our cause.

## ACKNOWLEDGEMENT

I would like to express my sincere gratitude to all the members, in general; and, those who served on various committees, in particular, for their extended support, dedication and help in carrying out informative, engaging and diverse activities throughout the year. CASA-N Management Committee, CPD, Library Committees of all cities in North and NRC dedicated resources have my special thanks, who have each contributed to their best, for value added services for keeping the tradition of excellence of our Institute on progressive notes.

My fellow NRC members including Ms. Ammara Shamim Gondal ACA – Secretary NRC, Mr. Ahmad Salman Arshad FCA, Mr. Aneel Peter FCA, Mr. Mohsin Jamil FCA, and Mr. Zeeshan Ali FCA, deserve a special note of appreciation, for their dedicated efforts and devotion, in making the NRC journey a success, in playing significant role in ensuring the spirit of NRC stay alive against the odds of times.

I would like to extend my heartiest gratitude for the support extended by the President ICAP, Vice Presidents ICAP, Council Members and executive staff of ICAP.

For and on behalf of the Committee

**Farooq Hameed Khawaja**

September 20, 2022

## SEMINARS DETAIL CPD COMMITTEE LAHORE

DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
July 15, 2021	Helping SMPs Meet the Challenges and Seizing the Opportunities of Tomorrow	Welcome Address: Mr. Saifullah, FCA ; Speaker : Mr. Adnan Hameed Khokhar, ACA; Ms. Fauzia Safdar, FCA, Mr. Faisal Shuja Khan, FCA , Moderated by Rajlain H. Qazi, ACA Closing Remarks: Mr. M. Ali Latif, FCA	In Person at ICAP Lahore and through online at Faisalabad	2
August 06, 2021	ECL Modelling – Challenges in IFRS 9	Host: Mr. Rafqat Hussain, FCA ; Welcome Address : Mr. JehanZeb Amin, FCA; Speaker : Mr. Yasir Riaz,FCA Closing Remarks: Mr. M. Ali Latif, FCA	ICAP Lahore	2
March 03, 2022	Second and Third Amendment Finance Act and National Sales Tax Return	Opening Remarks: Mr. Farooq Hameed, FCA Speaker : Mr.Mohsin Nasrullah, FCA Mr. Ather Naveed Kiani FCA Moderator: Mr. Aamir Rasheed FCA, Panelist: Mr. Muhammad Awais,FCA, Mr. Zeeshan Ijaz,FCA, Mirza Munawar Hussain, Mr. CAPT. Jehanger Ahmed ; Vote of Thanks: Mr. M. Ali Latif, FCA	In Person at ICAP Lahore and through online at Islamabad, Faisalabad, Multan & Peshawar	2
March 16, 2022	IFRS 16, ESG and IASB vision	Session Moderator : Mr. Ahmad Salman Arshad, FCA ; Speaker : Mr.Najam ul Saqib, FCA ; Vote of Thanks: Ms.Ammara Shamim Gondal , ACA	In Person at ICAP Lahore and through online at Islamabad, Faisalabad, Multan & Peshawar	3
May 13, 2022	Taxation And Compliance Services Course	Trainer: Umair Saleem, Muhammad Asim, Nafey Akbar	In Person at ICAP Lahore and through online at Multan	8
June 01, 2022	Worker’s Welfare Fund and Companies Profit [workers Participation] FundEOBI and Pessi	Master of Ceremony: Mr. Mudasser Ashfaq , ACA Speaker: Syed Muhammad Ijaz, FCA	In Person at ICAP Lahore and through online at Islamabad, Faisalabad, Multan & Peshawar	3
June 13, 2022	Post Budget Conference	Welcome Address: Mr. M. Ali Latif, FCA, ; Keynote Address; Asif Haroon, FCA , Moderator: Taha Khan Baqai , FCA Panelists: Hyder Patel, FCA, Aman Ghanchi, Khalid Mahmood, FCA, Asif Haroon, FCA, Partner, AF Keynote Address; Asim Zulfiqar, FCA Moderator: M. Ali Latif, FCA, Panelist: Naeem Akhtar Sheikh,FCA, Asif Kasbati , FCA, Asim Zulfiqar, FCA, Keynote Address: Dr. Vaqar Ahmed, Moderator: Zeeshan Ijaz, FCA, Panelists: Wamiq Zuberi , Dr. Nadeem ul Haque, Syed Asad Ali Shah, FCA, Dr. Vaqar Ahmed, Address by President; Ashfaq Yousuf Tola, FCA, Address by Chief Guest: Miftah Ismail, Address by Guest of Honour; Asim Ahmad, Vote of Thanks: Zeeshan Ijaz, FCA	In Person at ICAP Lahore Islamabad and Karachi and Through VC at Multan, Faisalabad and Peshawar	5
June 23, 2022	Financing Your Business Needs	Welcome Address: Mr. Ahmad Salman Arshad,FCA; Speaker: Mr. Saqib Hameed,FCA Mr. Uzair Ahmad, FCA , Moderator : Mr. Saqib Riaz, FCA Panelist: Mr. Mustaqeem Talish,ACA , Mr. Saqib Hameed,FCA, Mr. Uzair Ahmad,FCA	In Person at ICAP Lahore and through online at Islamabad, Faisalabad, Multan & Peshawar	5
July 07, 2022	Quality Management Standards	Welcome Address: Mr. Arsalan Khalid, FCA ; Speaker : Mr. Amin Ali,FCA; Mohammad Maqbool , FCA , Moderator : Asad Feroze, FCA Panelist: Mr. Rashid Rahman Mir, FCA , Mr. Muhammad Maqbool , FCA, Muhammad Almas, FCA, Mr. Amin Ali, FCA, Mr. Naseem Akbar, FCA	ICAP Lahore	3

## SEMINARS DETAIL CPD COMMITTEE LAHORE

DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
July 28, 2022	IFRS -17 IMPLEMENTATION & CHALLENGES	Opening Remarks: Shaikh Ahmed Salman, ; Speaker : Ali Omer Golam Morshed; Arslan Khalidl, Waseem Khan , Moderator : Hena Sadiq Panelist: Mr. Nawaid Jamal , Mr. Ali Qureshi, Zeeshan Rashid, Syed Nayyar Hussain, Vote of Thanks: Mr. Usama Rashid	In Person at ICAP Karachi and through online at Lahore, and Faisalabad	4
July, 16, 2022 to August 28, 2022	Workshop Series on Enterprise Risk	Trainer: Amir Afzal Rana, FCA, Jamshaid Iqbal, FCA, Farhan Ali, FCA, Abdul Rauf Meher, FCA, Usman Tariq , ACA, Rizwan Shahid, Farooq Wasi , FCA, Shahzaib Sanwal, ACA, Ali Khan, FCA , Rana M. Usman Khan, FCA, Ali Qamar, FCA, "	ICAP Lahore	56.5
August 03, 2022	ESG and Sustainability	Opening Remarks: Ahmad Salman Arshad, FCA Speaker: Syed Ahson Ali, FCA Closing Remarks: Mr. Farooq Hameed, FCA	ICAP Multan	4
Sept. 10, 2022	Finance Act 2022	Opening Remarks: Shaikh Ahmed Salman, FCA; Keynote Address by Asif Haroon, on Direct Taxation Keynote Address by Naeem Akhtar Sheikh, on Indirect Taxation Closing Remarks by Chief Guest Ashfaq Yousuf Tola, President, ICAP: Vote of Thanks by Saifullah, Vice President North	In Person at ICAP Lahore and through online at Karachi, Islamabad, Multan and Faisalabad	3
October 08, & 15, 2022	Workshop on Excel	Trainer: Farhan Ahmad, FCA	ICAP Lahore	16

## SEMINARS DETAIL CPD COMMITTEE ISLAMABAD

DATE	TOPIC	SPEAKER	VENUE	CREDIT HOURS
August 27, 2021	ECL Modeling Challenges in IFRS - 9	Host of Program: Mr. JehanZeb Amin, FCA Welcome Address: Mr. Rafqat Hussain, FCA Speaker: Mr. Yasir Riaz, FCA Closing Remarks: Mr. M. Ali Latif, FCA	ICAP Islamabad	3
March 29, 2022	Role of Tax Ombudsman in Pakistan	Opening Remarks: Mr. Aneel Peter , Trainer: Mr. Zahid Hameed Shah, Mr. Hammad Siddiqui , ACA , Mr. Moazzam Siddiqui, ACA , Closing Remarks: Mr. JehanZeb Amin, FCA	In Person at ICAP Islamabad and through online at Faisalabad and Peshawar	3
June 01, to 03, 2022	International Financial Reporting Standards (IFRS)	Opening Remarks: Mr. Aneel Peter , Trainer: Mr. Zahid Hameed Shah, Mr. Hammad Siddiqui , ACA , Mr. Moazzam Siddiqui, ACA , Closing Remarks: Mr. JehanZeb Amin, FCA	ICAP Islamabad	12
Sept. 12, 2022	Tax Return and Heads of Income	Opening Remarks: Mr. JehanZeb Amin, FCA , Speaker: Mr. Shrif Ud Din Khilji, FCA, Closing Remarks: Mr. Imran Ilyas, FCA	ICAP Islamabad	4

## SEMINARS DETAIL CPD COMMITTEE FAISALABAD

DATE	TOPIC	SPEAKER	VENUE	CREDIT HRS.
March 18, 2022	Workshop on Reporting in Power BI	Welcome Address: Mr. Ahmad Jabbar, FCA ; Speaker : Mr. Tahir Aziz - CMA (USA) Closing Remarks: Mr. Ahmad Jabbar, FCA	ICAP Faisalabad	4
August 04, 2022	ESG and Sustainability	Opening Remarks: Ahmad Salman Arshad, FCA; Speaker: Syed Ahson Ali, FCA Closing Remarks: Mr. Farooq Hameed, FCA	In Person at ICAP Faisalabad and through zoom	4
Sept. 01, 2022	IFRS-16 Leases	Opening Remarks: Mr. Usman Ghani, FCA, Speaker : Mr. Yasir Riaz, Vote of Thanks: Mr. Muhammad Zeeshan Abid, FCA	ICAP Faisalabad	3
Sept. 17, 2022	Interactive Training workshop on Effective Corporate Governance in Non-listed & Private Companies	Opening Remarks: Mr. Usman Ghani,FCA; Speaker: Mr. Ahmad Suleman Zahid,ACA; Closing Remarks: Mr. Muhammad Suleman Zahid, FCA	ICAP Faisalabad	4

## SEMINARS DETAIL CPD COMMITTEE MULTAN

DATE	TOPIC	SPEAKER	VENUE	CREDIT HRS.
March 30, 2022	Microsoft Excel Training Session	Trainer: Mr. Ijaz Tariq, ACA	SKANS, MULTAN.	3
August 03, 2022	ESG and Sustainability	Opening Remarks: Ahmad Salman Arshad, FCA Speaker: Syed Ahson Ali, FCA Closing Remarks: Mr. Farooq Hameed, FCA	ICAP Multan	4

<b>TOTAL CPD HOURS</b>	<b>160.5</b>
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# Second and Third Amendment Finance Act & National Sales Tax Return

March 03, 2022 ICAP House Lahore  
Through online at Islamabad, Faisalabad,  
Multan & Peshawar





## Reporting in POWER BI

March 18, 2022  
ICAP House Faisalabad



## Workshop Series on Enterprise Risk

July 16, 2022 to August 28, 2022  
ICAP House Lahore











### “ECL Modelling - Challenges in IFRS 9”

August 27, 2022  
ICAP House Islamabad



## “Role of Tax Ombudsman in Pakistan



March 29, 2022  
ICAP House Islamabad

## Tax Return & Heads of Income



September 12, 2022  
ICAP House Islamabad

## International Financing Reporting Standards (IFRS)



June 01 & 03, 2022  
ICAP Islamabad



## Post Budget Conference

June 13, 2022  
ICAP Islamabad



## ESG and Sustainability

August 03, 2022  
ICAP Multan



## Microsoft Excel Training

March 30, 2022  
SKANS Multan



## ESG and Sustainability

August 04, 2022  
Hotel One Faisalabad



## Financing Your Business Needs

June 23, 2022 ICAP House Lahore  
Through online at Islamabad, Faisalabad, Multan & Peshawar



## IFRS 16 ESG and IASB Vision

March 16, 2022 ICAP House Lahore  
Through online at Islamabad, Faisalabad, Multan & Peshawar



## ECL Modeling - Challenges in IFRS 9

August 06, 2021 ICAP House Lahore  
Through online at Islamabad.



## Post Budget Conference

June 13, 2022 ICAP House Lahore  
Through online at Islamabad, Faisalabad, Multan & Peshawar



## Quality Management Standard

July 07, 2022  
ICAP House Lahore





### Workshop on EXCEL

October 08 & 15, 2022  
ICAP House Lahore



### Workr's Welfare Fund and Companies Profit EOBI and Pessi

June 01, 2022 ICAP House Lahore  
Through online at Islamabad, Faisalabad, Multan & Peshawar





## Taxation and Compliance Services Course

May 13, 2022 ICAP House Lahore  
Through online at Multan



## Effective Corporate Governance in Non-listed & Private Companies

September 17, 2022  
ICAP House Faisalabad



# Seminar on IFRS - 16 LEASES

September 01, 2022  
ICAP House Faisalabad



# Family Fun Festival

March 12, 2022  
Nawab Palace-Farm House Lahore









## The Institute of Chartered Accountants of Pakistan- Northern Regional Committee

### NOTICE OF ANNUAL GENERAL MEETING

The 61st Annual General Meeting of the Members of the Northern Region of the Institute of Chartered Accountants of Pakistan will be held on Tuesday, November 29, 2022 at 03:00 PM followed by Hi-Tea at ICAP House, Lahore.

#### AGENDA

The proceedings of the meeting will commence with the recitation from the Holy Quran and will have the following agenda:

- Confirmation of the minutes of the 60th Annual General Meeting.
- Consideration and adoption of the Northern Regional Committee's Report and Financial Statements together with the Auditor's Report thereon for the year ended June 30, 2022.
- Any other business with the permission of the Chair.

The meeting will be followed by Hi-Tea.

**Amara S. Gondal, ACA**

Honorary Secretary

Lahore: November 16, 2022



**FINANCIAL STATEMENTS OF THE  
NORTHERN REGIONAL COMMITTEE  
(NRC)**

**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF PAKISTAN  
(ICAP)**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN (ICAP) – NORTHERN REGIONAL COMMITTEE (NRC)

## Report on the Audit of the Financial Statements

### Opinion

I have audited the financial statements of **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN – NORTHERN REGIONAL COMMITTEE (NRC)**, which comprise the statement of financial position as at June 30, 2022, and the statement of comprehensive income, the statement of changes in funds and 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 presents fairly, in all material respects, the financial position of the NRC as at June 30, 2022, and of its financial performance, the changes in funds and its cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

I conducted my audit in accordance with 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 NRC 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 approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management determines 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, the Management is responsible for assessing the NRC'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 NRC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NRC's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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 NRC internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN (ICAP) – NORTHERN REGIONAL COMMITTEE (NRC)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NRC 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 or conditions may cause the NRC 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 statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Other Matters

The financial statements of the NRC for the year ended June 30, 2021 were audited by another Chartered Accountant who had expressed an unmodified opinion thereon vide their report dated October 29, 2021.

The financial statements of the CASA for the year ended June 30, 2021 were audited by another Chartered Accountant who had expressed an unmodified opinion thereon vide their report dated January 25, 2022.

The engagement partner on the audit resulting in this independent auditor’s report is Abdul Qadeer.

ISLAMABAD  
DATED: 16 NOVEMBER, 2022

UDIN: AR202210095xYmLgRryE

**ABDUL QADEER**  
CHARTERED ACCOUNTANT

NORTHERN REGIONAL COMMITTEE - ICAP  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees) (Restated)	2020 (Rupees) (Restated)
<b>ASSETS</b>				
<b>NON - CURRENT ASSETS</b>				
Property and equipment	6	<b>70,357</b>	100,127	143,553
		<b>70,357</b>	100,127	143,553
<b>CURRENT ASSETS</b>				
Short-term investments	7	<b>6,000,000</b>	5,000,000	5,000,000
Other receivables	8	<b>23,305</b>	17,027	47,845
Advance paid for annual sports event	9	-	-	2,229,340
Cash and bank balances		<b>3,298,195</b>	2,928,217	3,359,330
		<b>9,321,500</b>	7,945,244	10,636,515
<b>CURRENT LIABILITIES</b>				
Creditors and other liabilities	10	<b>2,463,667</b>	514,776	2,889,065
<b>NET CURRENT ASSETS</b>		<b>6,857,833</b>	7,430,468	7,747,450
<b>LONG TERM LIABILITIES AND FUNDS</b>				
<b>Deferred income</b>				
Library Development Fund	11	<b>46,671</b>	156,512	187,242
<b>Restricted Funds</b>				
Library Development Fund	12	<b>32,841</b>	32,841	32,841
		<b>79,512</b>	189,353	220,083
		<b>6,848,678</b>	7,341,242	7,670,920
<b>NET ASSETS REPRESENTED BY</b>				
Accumulated Fund		<b>6,848,678</b>	7,341,242	7,670,920
<b>CONTINGENCIES AND COMMITMENTS</b>				
	13			

The annexed notes 1 to 33 form an integral part of these financial statements.

**CHAIRMAN**

(THE NORTHERN REGIONAL COMMITTEE)

**HONORARY SECRETARY**

31 ANNUAL REPORT  
2022

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>INCOME</b>			
Share of Members' subscriptions		<b>3,149,625</b>	2,950,125
Share of student subscriptions fees (CASA)		<b>548,600</b>	414,600
Members' events	14	<b>4,138,280</b>	478,793
Member Social events	15	<b>196,000</b>	-
Contribution from participations and sponsors (CASA)	16	-	2,280,646
Other income	17	<b>109,841</b>	30,730
		<b>8,142,346</b>	6,154,894
<b>EXPENDITURE</b>			
Cost incurred on:			
Members' events	14	<b>4,495,304</b>	529,209
Members; Social events	15	<b>539,199</b>	-
CASA expenses	18	<b>306,381</b>	3,298,931
Other expenses	19	<b>3,872,605</b>	3,082,846
Excess of expenditure over income before income from investments		<b>9,213,489</b>	6,910,986
		<b>(1,071,143)</b>	(756,092)
Income from investments	20	<b>578,579</b>	426,414
<b>DEFICIT FOR THE YEAR</b>		<b>(492,564)</b>	(329,678)
<b>OTHER COMPREHENSIVE INCOME</b>			
		-	-
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</b>		<b>(492,564)</b>	(329,678)

The annexed notes 1 to 33 form an integral part of these financial statements.

NORTHERN REGIONAL COMMITTEE - ICAP  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash received against:</b>			
Shares of members' subscription		3,149,625	2,950,125
Share of student subscription fees (CASA)		548,600	414,600
Members' events		4,471,659	(189,907)
Fee charged on social events		196,000	-
Contribution from participants and sponsors (CASA)		-	2,280,646
		<b>8,365,884</b>	5,455,464
<b>Cash paid against:</b>			
Salaries, allowances and other benefits		2,256,400	2,021,693
Supplies and services		5,303,107	4,283,308
		<b>7,559,507</b>	6,305,001
Cash flows from (used in) operating activities		806,377	(849,537)
Income tax paid		(15,394)	(13,919)
<b>Net cash flows from (used in) operating activities</b>		<b>790,983</b>	(863,456)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Return received on investment and saving bank accounts		578,995	432,343
Net cash generated from investing activities		578,995	432,343
Net increase / (decrease) in cash and cash equivalents		1,369,978	(431,113)
Cash and cash equivalents at beginning of the year		7,928,217	8,359,330
Cash and cash equivalents at end of the year	21	9,298,195	7,928,217

The annexed notes 1 to 33 form an integral part of these financial statements.

**CHAIRMAN**

(THE NORTHERN REGIONAL COMMITTEE)

**HONORARY SECRETARY**

33 ANNUAL REPORT  
2022

NORTHERN REGIONAL COMMITTEE - ICAP  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	Accumulated Funds
		---Rupees---
Balance as at July 1, 2020 - as reported		7,810,759
Effect of change in accounting policy	22	(139,839)
Balance as at July 1, 2020 - as restated		7,670,920
Total comprehensive deficit for the year - restated		(329,678)
Balance as at JUNE 30, 2021		7,341,242
Total comprehensive deficit for the year		(492,564)
Balance as at June 30, 2022		<u>6,848,678</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

## 1. LEGAL STATUS AND OPERATIONS

The Northern Regional Committee (the Committee) has been constituted by the Council of the Institute of Chartered Accountants of Pakistan (Institute) 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. It comprises of the Province of Punjab, including Federal Capital known as Zone A and Khyber Pakhtunkhwa, Gilgit-Baltistan, Tribal Areas and Azad Jammu & Kashmir, known as Zone B. The registered address of the Committee is situated at ICAP House, 155-156 West Wood Colony, Thokar Niaz Baig, Raiwind Road, Lahore.

Pursuant to a decision of the Council of the Institute, the NRC has adopted a policy to present its financial statements including the financial results of Chartered Accountants Students Association –North (CASA-N), which used to prepare its separate financial statements until the year ended 30 June, 2021.

## 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 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Committee's functional currency. All the financial information presented in Pak Rupee has been rounded-off to the nearest rupee unless otherwise specified.

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies here-in-below.

## 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

#### Effective date (annual periods beginning on or after)

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)  
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions

January 01, 2021  
April 01, 2021

### 3.2 New accounting standards, amendments and interpretations that are not yet effective

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 Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Effective date (annual periods beginning on or after)**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
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' - Disclosure of Accounting Policies	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 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

#### **4. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with the approved accounting standards requires the Committee to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates/ judgments and associated assumptions are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Committee's financial statements or where judgments were exercised in application of accounting policies are:

- (i) Useful lives, residual values and depreciation method of property and equipment
- (ii) Impairment loss of non-financial assets
- (iii) Estimation of contingent liabilities
- (iv) Provision for doubtful receivables

#### **5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Property and equipment - Operating fixed assets**

These assets are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Committee and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income as and when incurred.

Depreciation is charged on reducing balance method at the rates specified in note 6. Depreciation on additions to assets is charged from the day in which an asset is acquired while no depreciation is charged for the day in which the asset is disposed of.

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 recognized prospectively as a change in accounting estimate.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

### 5.2 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balance with banks in current / saving accounts and other short term highly liquid investments that are readily convertible to known amounts of cash without any significant risks to change in value.

### 5.3 Restricted fund / Capital grant related assets

Funds received directly as grants are classified as Restricted Funds / Grant Funds. Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Committee will comply with all the attached conditions. Fair value signifies the amount received in cash.

Funds utilized for capital expenses i.e. to purchase or acquire long-term assets are transferred to the deferred capital grant account, with an amount equal to the annual charge for depreciation on assets purchased being released from this account and recognized as income and reflected as 'Deferred capital grant released' in the statement of comprehensive income.

All other grants are recognized in the statement of comprehensive income in the year of receipt. Expenses incurred out of Grant funds are reflected in the statement of comprehensive income, with an equal amount being recognized as income and reflected as 'Grant utilized'

### 5.4 Creditors and other payables

Liabilities for creditors and other liabilities 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.

### 5.5 Provisions

Provisions are recognized when the Committee has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

### 5.6 Related party transactions

Parties are said to be related if they are able to influence the operating and financial decisions of the Committee. Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions except, in rarely extreme circumstances, subject to the approval of Committee members, where it is in the interest of the committee to do so.

### 5.7 Defined contribution plan

The ICAP operates an approved contributory provident fund for all its permanent eligible employees to which equal monthly contributions are made both by the Institute and the employees, at the rate of 10% of basic salary.

### 5.8 Operating segments

An operating segment is an identifiable component of the committee that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Committee's other components. Operating segments are reported in a manner consistent with the internal reporting structure.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

## 5.9 Contingencies and commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Committee, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Committee.

## 5.10 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 recognizing 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 amortized 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. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables, available for sale and held for trading.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of IFRS 9.

- The determination of business model within which a financial asset is held
- The designation and revocation of previous designations pertaining to financial assets and liabilities.

### 5.10.1 Financial assets

#### (a) Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ; and
- 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) Financial Asset at Fair Value through Other Comprehensive Income

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

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ; and
- 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) Financial Asset at Fair Value through Profit or Loss

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

#### Recognition and measurement

Financial Assets at initial recognition are measured at its fair value of the consideration given.

Subsequent to initial recognition, financial assets shall be classified at amortized cost using effective interest method, fair value through other comprehensive income with changes in fair value recognized in other comprehensive income and fair value through profit or loss with changes in fair value recognized in profit or loss.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

The Committee follows trade date accounting for purchase and sale of investments.

#### **5.10.2 Financial liabilities**

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

#### **5.10.3 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 recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **5.11 Impairment**

##### **5.11.1 Impairment in financial assets**

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss (ECL) model. Loss allowance for expected credit losses on a financial asset is recognized to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS9, then the Committee has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

##### **5.11.2 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.

#### **5.12 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. On evaluation of the performance obligations associated with the stream of revenues, adoption of IFRS 15 does not trigger a change in the committee's accounting policies with respect to its revenue which are enumerated below.

- Income from subscription, fee from members (including seminar / conference receipts / CPD activities) and from family get together is accounted for when the related activities are held.
- Fee/Subscription receipts relating to periods beyond the current financial year are shown as fee received in advance and are recognized as income in the year to which these relate.
- Profit on investments is accrued on the basis of effective yield of respective investment.
- Profit on saving bank accounts is recognized on a time proportion basis using the applicable rate of return.
- Grants and donations are accounted for on receipt basis.

#### **Grants**

Grants are recognized where there is reasonable assurance that the grants will be received and all attached conditions will be complied with.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Deferred capital grants**

Grants received for purchase of fixed assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are then recorded as deferred capital grants and when expended they are amortized into income on a systematic basis over the periods necessary to match them with carrying value of the related assets.

**5.13 Taxation**

Provision for taxation if any in respect of NRC has been dealt with in the accounts of the Institute of Chartered Accountants of Pakistan. Therefore, no provision has been made in these financial statements for current and deferred tax.

**6 PROPERTY AND EQUIPMENT - TANGIBLE**

Description	Library Books	Air Conditions and electrical items	Total
<b>OWNED</b>			
<b>Year ended June 30, 2021</b>			
Cost	585,151	180,533	765,684
Accumulated depreciation	(503,654)	(161,903)	(665,557)
<b>Net book value</b>	<b>81,497</b>	<b>18,630</b>	<b>100,127</b>
<b>Year ended June 30, 2021</b>			
Opening net book value	121,636	21,917	143,553
Depreciation charge for the year	(40,139)	(3,287)	(43,426)
<b>Closing net book value</b>	<b>81,497</b>	<b>18,630</b>	<b>100,127</b>
<b>Net book value</b>			
<b>Period ended June 30, 2022</b>			
Opening net book value	81,497	18,630	100,127
Depreciation for the year (Note 6.1)	(26,966)	(2,804)	(29,770)
<b>Closing net book value</b>	<b>54,531</b>	<b>15,826</b>	<b>70,357</b>
<b>As at June 30, 2022</b>			
Cost	585,151	180,533	765,684
Accumulated depreciation	(530,620)	(164,707)	(695,327)
<b>Net book value</b>	<b>54,531</b>	<b>15,826</b>	<b>70,357</b>
<b>Depreciation rate (%) - 2022</b>	<b>33</b>	<b>15</b>	
<b>Depreciation rate (%) - 2021</b>	<b>33</b>	<b>15</b>	

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**6.1 Depreciation related to grant assets and other assets is as follows:**

	Grant Assets		Other Assets		Total	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Library books	19,646	29,321	7,320	10,818	26,966	40,139
Air conditioners and electrical items	1,198	1,409	1,606	1,878	2,804	3,287
	<u>20,844</u>	<u>30,730</u>	<u>8,926</u>	<u>12,696</u>	<u>29,770</u>	<u>43,426</u>

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>7. SHORT-TERM INVESTMENTS</b>			
<b>At amortized cost</b>			
Bank Islami Pakistan Limited	7.1	<u>6,000,000</u>	<u>5,000,000</u>

**7.1** This represents Term Deposit Receipts, having face value of Rs. 6,000,000 as investment in Bank Islami Certificate with a maturity period of 3 months and carries profit @ 14.90% (2021: 7.15%) per annum, receivable at maturity. This investment will mature on September 26, 2022.

**8. OTHER RECEIVABLES**

Seminar fee and other receivable		8,000	1,306
Profit receivable on bank deposits and short term investments		15,305	15,721
Advance income tax		467,401	452,007
Less: Impairment allowance against advance income tax	8.1	(467,401)	(452,007)
		<u>23,305</u>	<u>17,027</u>

**8.1** The management of the Institute has recommended to make impairment allowance against income tax refundable in view of the fact that the chances of recovery / adjustment of this amount are bleak.

**8.2** Reconciliation of provision for income tax amount doubtful of recovery:

	452,007	438,088
Balance as at July 01, 2021	<u>15,394</u>	<u>13,919</u>
Add: Provision for the year	<u>467,401</u>	<u>452,007</u>
Balance as at June 30, 2022		

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>9. CASH AND BANK BALANCES</b>			
Cash-in-hand		<b>78,009</b>	67,828
Cash at banks in:	9.1	<b>1,742,357</b>	1,570,883
Saving accounts		<b>1,477,829</b>	1,289,506
Current accounts		<b>3,220,186</b>	2,860,389
		<b><u>3,298,195</u></b>	<u>2,928,217</u>
<b>9.1</b>	These saving bank accounts are placed under mark-up arrangements and carry profit rates ranging from 3.0% - 5.0% (2020: 3.00% - 5.0%) per annum.		
<b>10. CREDITORS AND OTHER LIABILITIES</b>			
Current account with Institute	10.1	<b>1,832,438</b>	309,788
Audit fee payable	19.2	<b>98,550</b>	112,688
Advance fee from members		<b>99,000</b>	-
Seminar Workshop fee received in advance		<b>433,679</b>	92,300
		<b><u>2,463,667</u></b>	<u>514,776</u>
<b>10.1</b>	The committee maintains a current account with the Institute for payments or expenses made by the Institute on behalf of the Committee or vice versa. Balances are periodically examined and adjusted in the period in which they are reconciled.		
<b>11. DEFERRED INCOME - LIBRARY DEVELOPMENT</b>			
Opening balance		<b>156,512</b>	187,242
Amortization for the year (equivalent to depreciation charge)		<b>(20,844)</b>	(30,730)
Amortization fo deferred income		<b>(88,997)</b>	-
Closing balance		<b><u>46,671</u></b>	<u>156,512</u>
<b>12 RESTRICTED FUNDS - LIBRARY DEVELOPMENT FUND</b>			
Closing balance		<b><u>32,841</u></b>	<u>32,841</u>

The Committee received an advance income for the Library Development Endowment Fund aggregating to Rs. 755,000 from the Institute of Chartered Accountants of Pakistan for renovation / up-gradation of libraries in 2012. The balance at the terminal date represents the un-utilized fund.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>13. CONTINGENCIES AND COMMITMENTS</b>			

The Committee is not exposed to any known material contingencies and commitments at the terminal date (2021: Nil).

**14. MEMBERS' EVENTS**

Seminars and CPD activities	14.1	<b>4,138,280</b>	478,793
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**14.1** These receipts are collected from the activities held at the following locations:

	Lahore	Islamabad	Faisalabad	Gujranwala	Peshawar	Multan	Total
<b>RECEIPTS</b>	Rupees						
<b>JUNE 2022</b>	<b>2,400,176</b>	<b>1,615,499</b>	<b>47,413</b>	<b>1,897</b>	<b>21,442</b>	<b>51,853</b>	<b>4,138,280</b>
JUNE 2021	478,793	-	-	-	-	-	<b>478,793</b>

**14.2** These receipts are collected from the activities held at the following locations:

Refreshment	<b>1,782,444</b>	<b>1,498,226</b>	<b>50,965</b>	<b>7,924</b>	<b>19,365</b>	<b>45,617</b>	<b>3,404,541</b>
Speaker honorarium and shields	<b>42,223</b>	<b>134,994</b>	<b>2,500</b>	-	-	<b>3,000</b>	<b>182,717</b>
Printing stationery and postage	-	<b>12,580</b>	-	-	-	-	<b>12,580</b>
Photography video and multimedia	<b>399,499</b>	<b>446,302</b>	-	-	-	-	<b>845,801</b>
Other expenses	<b>16,733</b>	<b>32,932</b>	-	-	-	-	<b>49,665</b>
<b>JUNE 2022</b>	<b>2,240,899</b>	<b>2,125,034</b>	<b>53,465</b>	<b>7,924</b>	<b>19,365</b>	<b>48,617</b>	<b>4,495,304</b>
Refreshment	357,616	-	-	-	-	-	357,616
Speaker honorarium and shields	170,678	-	-	-	-	-	170,678
Other expenses	915	-	-	-	-	-	915
JUNE 2021	529,209	-	-	-	-	-	529,209

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

## 15. MEMBERS' SOCIAL EVENTS

15.1 RECEIPTS	Lahore	Islamabad	Faisalabad	Gujranwala Rupees	Peshawar	Multan	Total
<b>JUNE 2022 - Receipts</b>	<b>196,000</b>	-	-	-	-	-	<b>196,000</b>
JUNE 2021	-	-	-	-	-	-	-
<b>15.2 Expenditure</b>							
Refreshment / dinner/ Musical Program	375,734	-	-	-	-	-	375,734
Children activity / Lucky Draw	150,725	-	-	-	-	-	150,725
Photography video and multimedia	7,000	-	-	-	-	-	7,000
Other	5,740	-	-	-	-	-	5,740
<b>JUNE 2022</b>	<b>539,199</b>	-	-	-	-	-	<b>539,199</b>
JUNE 2021	-	-	-	-	-	-	-

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>16. CONTRIBUTION FROM PARTICIPANTS AND SPONSORS (CASA)</b>			
Contribution from participants of sport events		-	1,157,364
Sports gala / Futsal		-	88,800
Sponsorships		-	1,034,482
		<u>-</u>	<u>2,280,646</u>
<b>17. OTHER INCOME</b>			
Income for library fund realized		20,844	30,730
Amortization of deferred income - Library development fund		88,997	-
		<u>109,841</u>	<u>30,730</u>
<b>18. CASA EXPENSES</b>			
Cricket tournament expenses			
CASA Annual General Meeting Expenses	18.1	-	3,198,731
Other receivable written off	18.2	168,449	-
Meet your representative / traveling expenses		1,306	-
		<u>136,626</u>	<u>100,200</u>
		<u>306,381</u>	<u>3,298,931</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
<b>18.1 Cricket tournament expenses</b>			
Ground booking charges		-	236,000
Kit and other cricket accessories		-	1,982,315
Trophies/giveaways/medals		-	357,555
Other expenses related to Cricket tournament		-	622,861
		<u>-</u>	<u>3,198,731</u>
<b>18.2 CASA Annual General Meeting Expenses</b>			
Trophies/giveaways/medals		<b>30,825</b>	-
CASA Annual General Meeting Expenses		<b>137,624</b>	-
		<u><b>168,449</b></u>	<u>-</u>
<b>19. OTHER EXPENSES</b>			
Salaries and allowances	19.1	<b>2,256,400</b>	2,021,693
Printing and stationery		<b>145,629</b>	337,350
Meeting expenses		<b>100,395</b>	101,112
Traveling and conveyance - members and staff		<b>602,045</b>	-
Auditors' remuneration	19.2	<b>98,550</b>	115,713
Insurance		<b>52,496</b>	44,577
Vehicle running expenses	19.3	<b>435,971</b>	384,425
Internet expenses		<b>18,600</b>	17,000
Bank charges		<b>5,070</b>	3,631
Impairment allowance against advance income tax	8.2	<b>15,394</b>	13,919
Depreciation		<b>29,770</b>	43,426
Shield and mementoes		<b>112,285</b>	-
		<u><b>3,872,605</b></u>	<u>3,082,846</u>
<b>19.1</b> Salaries and allowances include contribution to provident fund amounting to Rs. 81,300 (2021: Rs. 74,727).			
<b>19.2 Auditors' Remuneration</b>			
Audit fee - statutory		<b>83,950</b>	102,403
Out of pocket expense		<b>14,600</b>	13,310
		<u><b>98,550</b></u>	<u>115,713</u>
<b>19.3</b> These include Rs. 435,971 (2021: 162,006) on account of rental / usage amount charged by the ICAP to NRC for the use of its vehicle.			



NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
<b>20. INCOME FROM INVESTMENTS</b>		(Rupees)	(Rupees)
<b>Income from financial assets</b>			(Restated)
Profit on short term investments		<b>476,817</b>	349,789
Profit on saving bank accounts		<b>101,762</b>	76,625
		<b>578,579</b>	426,414
<b>21. CASH AND CASH EQUIVALENTS</b>			
For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:			
Cash and bank balances	9	<b>3,298,195</b>	2,928,217
Short term investments	7	<b>6,000,000</b>	5,000,000
		<b>9,298,195</b>	7,928,217

**22. CHANGE IN ACCOUNTING POLICY**

Pursuant to a decision of the Council of the Institute of Chartered Accountants of Pakistan during the year, the NRC, has adopted a policy to present financial statements of NRC including the financial results of Chartered Accountants Students Association – North (CASA-N), which used to prepare its separate financial statements until the year ended 30 June, 2021. The CASA-N is a part of the NRC and under the Chartered Accountants Students Association Rules 1968, it is engaged in promotion of social, cultural and intellectual development and advancement of students. This change of policy has been applied retrospectively as per the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Effect of this change in accounting policy on the financial statements is detailed below.

**As at June 30, 2021****Effect on Statement of Financial Position**

	Amount (Rupees)
Elimination of due from CASA	744,830
Increase in other receivables	1,306
Increase in creditors and other liabilities	29,500

**Effect on statement of comprehensive income****Increase in income:**

Share of student subscriptions fees (CASA)	414,600
Contribution from participants and sponsors (CASA)	2,280,646

**Increase in expenses**

CASA expenses	3,298,931
Audit fees	29,500

**Prior year impact before June 30, 2021**

Decrease in accumulated funds	(139,839)
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**Effect on statement of financial position**

Advance paid for annual sports event	2,229,340
Other receivables	12,694
Due from Chartered Accountants Student' Association	(661,460)
Creditors and other liabilities	(1,720,413)

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2022

**23. OPERATING RESULTS BY ACTIVITIES**

	<u>Note</u>	<u>Income</u>	<u>Expenditure</u>	<u>2022</u> <u>Surplus / (deficit)</u>	<u>2021</u>
<b>ACTIVITIES</b>			Rupees		
Members' events					
Seminar and CPD activities	14.1	4,138,280	4,495,304	(357,024)	(50,416)
		<u>4,138,280</u>	<u>(4,495,304)</u>	<u>(357,024)</u>	<u>(50,416)</u>
Members' Social events	15	196,000	(539,199)	(343,199)	-
		<u>4,334,280</u>	<u>(5,034,503)</u>	<u>(700,223)</u>	<u>(50,416)</u>
<b><u>Unallocated income</u></b>					
Members subscription				3,149,625	2,950,125
Share of student subscriptions fee (CASA)				548,600	414,600
Contribution from Participants and Sponsors (CASA)	16			-	2,280,646
Income from investments	20			578,579	426,414
Other income	17			109,841	30,730
				<u>4,386,645</u>	<u>6,102,515</u>
Operating results				3,686,422	6,052,099
CASA Expenses	18			(306,381)	(3,298,931)
Other expenses	19			(3,872,605)	(3,082,846)
Deficit for the year				<u>(492,564)</u>	<u>(329,678)</u>

**24. OPERATING SEGMENT RESULTS**

The committee was engaged into the following main activities:

- (i) CASA Activities
- (ii) Seminar and CPD Activities
- (iii) Social Events
- (iv) E- learning Seminars

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2022

	CASA Activities		Seminar & CPD Activities		Social Events		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Receipts</b>	<b>548,600</b>	2,695,246	<b>4,138,280</b>	478,793	<b>196,000</b>	-	<b>4,882,880</b>	3,174,039
<b>Others - unallocated income</b>							<b>3,149,625</b>	2,950,125
Members' subscription							<b>578,579</b>	426,414
Income from investments							<b>109,841</b>	30,730
Amortization of Deferred Income							<b>3,838,045</b>	3,407,269
<b>Total Income</b>							<b>8,720,925</b>	6,581,308
<b>Expenditure</b>								
Refreshment	-	-	<b>3,404,541</b>	357,616	<b>375,734</b>	-	<b>3,780,275</b>	357,616
Speaker honorarium and shield	-	-	<b>182,717</b>	170,678	-	-	<b>182,717</b>	170,678
Printing stationery and postage	-	-	<b>12,580</b>	-	-	-	<b>12,580</b>	-
Traveling and related expenses	<b>136,626</b>	100,200	-	-	-	-	<b>136,626</b>	100,200
Photography video and multimedia	-	-	<b>845,801</b>	-	<b>7,000</b>	-	<b>852,801</b>	-
Magic show/ Children activity	-	-	-	-	<b>150,725</b>	-	<b>150,725</b>	-
CASA expenses	<b>168,449</b>	3,198,731	-	-	-	-	<b>168,449</b>	3,198,731
Others	<b>1,306</b>	-	<b>49,665</b>	915	<b>5,740</b>	-	<b>56,711</b>	915
<b>Total expenditure</b>	<b>306,381</b>	3,298,931	<b>4,495,304</b>	529,209	<b>539,199</b>	-	<b>5,340,884</b>	3,828,140
<b>Segment results - surplus</b>	<b>242,219</b>	(603,685)	<b>(357,024)</b>	(50,416)	<b>(343,199)</b>	-	<b>3,380,041</b>	2,753,168
<b>Other expenses</b>							<b>3,872,605</b>	3,082,846
<b>Deficit for the year</b>							<b>(492,564)</b>	(329,678)

**25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise of Institute of Chartered Accountants of Pakistan (ICAP), NRC members and Employees Provident Fund. The company has carried out transactions with related parties on arm's length basis. The detail of transactions with related parties during the year and outstanding balances with them is as follows:

Name of party	Relationship	Nature of transaction	2022	2021
			(Rupees)	(Rupees)
ICAP	Associate	Payment of expenses on behalf of the committee	582,045	-
ICAP	Associate	Rental / usage amount charged by the associate	435,971	162,006
Post	Employees	Employee contribution to Provident Fund Trust for the year	81,300	74,727
<b>Balances as at JUNE 30 2022</b>				
Due to ICAP			1,832,438	<b>309,788</b>

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2022

**26. FINANCIAL INSTRUMENTS BY CATEGORY**

**26.1 Financial Instruments by category - 2022**

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
	Rupees			
<b>Financial assets</b>				
Short-term investments	6,000,000	-	-	6,000,000
Other receivables	8,000	-	-	8,000
Profit receivable on bank deposits	15,305	-	-	15,305
Cash and bank balances	3,298,195	-	-	3,298,195
	<u>9,321,500</u>	<u>-</u>	<u>-</u>	<u>9,321,500</u>
<b>Financial liabilities carried at amortised cost</b>				
Creditors and other liabilities	-	-	1,930,988	1,930,988

Financial Instruments by category - 2021

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
	Rupees			
<b>Financial assets</b>				
Short-term investments	5,000,000	-	-	5,000,000
Other receivables	1,306	-	-	1,306
Profit receivable on bank deposits	15,721	-	-	15,721
Cash and bank balances	2,928,217	-	-	2,928,217
	<u>7,945,244</u>	<u>-</u>	<u>-</u>	<u>7,945,244</u>
<b>Financial liabilities carried at amortised cost</b>				
Creditors and other liabilities	-	-	422,476	422,476

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Committee finances its operations from the revenue received through members subscriptions, member program fees & social events and receipts from students conference. Apart from this, the Committee also earns income from profit received on investments and bank deposits.

**27.1 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.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**27.1.1 Credit risk**

Credit risk represents the accounting loss that would be recognized 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. The Committee seeks to minimize the credit risk exposure through having exposures only with the banks having minimum credit rating of 'A' in long term and '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 Institute's maximum credit exposure as at the reporting date are as follows:

	Note	2022 (Rupees)	2021 (Rupees) (Restated)
Short-term investments	9	<b>6,000,000</b>	5,000,000
Other receivables	7	<b>23,305</b>	17,027
Bank balances		<b><u>3,220,186</u></b>	<u>2,860,389</u>
		<b>9,243,491</b>	7,877,416

**27.1.2 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**

**Rating\***

A1 +	<b>9,148,068</b>	7,788,271
A-2	<b>72,118</b>	72,118
	<b><u>9,220,186</u></b>	<u>7,860,389</u>

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

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**27.1.3 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.

	<u>Contractual cash Flows</u>	<u>Six Months or less</u>	<u>Six to twelve months</u>	<u>Two to Five years</u>
	Rupees			
<b>June 2022</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	<u>1,930,988</u>	<u>1,930,988</u>	<u>-</u>	<u>-</u>
<b>June 2021</b>				
<b>Non-derivative financial liabilities</b>				
Creditors and other payables	<u>422,476</u>	<u>422,476</u>	<u>-</u>	<u>-</u>

**27.1.4 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.

**27.1.4.1 Interest rate risk**

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 bank 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, total comprehensive deficit for the year would have been lower / higher by Rs. 77,424 (2021: 65,709).

**27.1.4.2 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.

**27.1.4.3 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.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2022

**27.1.5 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 recognize transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

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

**Valuation techniques used to determine fair values**

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year.

**28. FUND RISK MANAGEMENT**

The NRC's objectives when managing fund are to safeguard the NRC's ability to continue as a going concern in order to provide services to its members. The NRC manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to NRC's approach to fund management during the year.

**29. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS**

All significant transactions and events that have affected the NRC's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

NORTHERN REGIONAL COMMITTEE - ICAP  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2022

**30. NUMBER OF EMPLOYEES**

The Committee had one (2021: one) full time employee and two (2021: two) part time employees as at June 30, 2022.

**31. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

In light of ongoing COVID-19 pandemic, the Committee has reviewed its exposure to business risks and has not identified any significant impact on the Committee's operations or decline in revenue during the period ended June 30, 2022.

**32. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue on Friday November 11, 2022 by the Committee Members.

**33. GENERAL**

**33.1** The Committee has been making payments/contributions of its employees on account of their retirement benefits, which have been maintained by The Institute of Chartered Accountants of Pakistan (ICAP). Accordingly, the related disclosures as regard to the Employees Retirement Benefits have also been made in the financial statements of the ICAP.

**33.2** Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. However, there were no reclassifications made in the corresponding figures.

**33.3** Due to application of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, retrospectively as explained in Note 22, the Company has presented third balance sheet at the beginning of the preceding period i.e. the opening position in accordance with requirements of IAS 1 "Presentation of Financial Statements". Notes are not required to support this balance sheet.

**CHAIRMAN**

(THE NORTHERN REGIONAL COMMITTEE)

**HONORARY SECRETARY**

53 ANNUAL REPORT 2022





The Institute of  
Chartered Accountants  
of Pakistan

CA  
PAKISTAN

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