

Beyond Tomorrow



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

ANNUAL REPORT
2023



THE NORTHERN REGIONAL COMMITTEE

About the Theme

As we embark on this journey of reflection and review, it is essential to underscore the importance of our chosen theme: "Beyond Tomorrow." This theme encapsulates the forward-thinking mindset and visionary approach that have guided our actions in the pursuit of excellence, innovation, and growth.

The Committee firmly believes that success is not merely defined by short-term outcomes, but by our ability to envision and shape a future that transcends conventional boundaries. It encompasses our aspiration to rise above current challenges, seize emerging opportunities, and create sustainable value for our stakeholders and fraternity while staying true to our mission.

"Beyond Tomorrow" signifies our commitment to continuous progress and staying ahead of the curve. It reflects our determination to embrace change, adapt to evolving market dynamics, and explore new avenues for growth. We recognize that our environment is in a constant state of flux, driven by technological advancements, regulatory developments, and evolving expectations. To navigate this rapidly changing landscape successfully, we must look beyond immediate horizons and anticipate emerging trends.

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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 the 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

The Regional Committee

Ms. Ammara S. Gondal, ACA
Mr. Aneel Peter, FCA
Mr. Ahmad Salman Arshad, FCA
Mr. Farooq Hameed Khawaja, FCA
Mr. Mohsin Jamil, FCA
Mr. Zeeshan Ali, FCA

Member NRC
Member NRC
Member NRC
Member NRC
Member NRC
Member NRC

Chairman
Honorary Secretary
CASA & Library Committee
CPD Convener Technical & Professional Affairs
Members Coordination Group (MCG)
CPD Convener Industry & Technology

Auditor

Mr. Abdul Qadeer

Bankers

MCB Bank Limited, UBL Bank,
National Bank of Pakistan,
Bank Islami



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

NRC COMMITTEES 2023

CPD - INDUSTRY AND TECHNOLOGY COMMITTEE

1	Zeeshan Ali	FCA	3836	Chairman / Convener
2	Mirza Zunair Zafar	FCA	7302	Co-Chairman
3	Atya Siddiqui	ACA	10978	Member
4	Awais Akbar	FCA	5566	Member
5	Ejaz Hussain	FCA	6015	Member
6	Imran-UI-Haq	FCA	2355	Member
7	Mansoor Zaighum	FCA	4412	Member
8	Muhammad Arslan Anwar	ACA	7525	Member
9	Muhammad Fahad Asad Khan	FCA	4767	Member
10	Murtaza Ali	FCA	4394	Member
11	Omer Khan Ghaznavi	FCA	5066	Member
12	Qaiser Ahmad	FCA	4474	Member

CPD - TECHNICAL AND PROFESSIONAL AFFAIRS COMMITTEE

1	Farooq Hameed Khawaja	FCA	3503	Chairman / Convener
2	Abdul Rab	FCA	3298	Member
3	Ahmad Suleman	ACA	11002	Member
4	Imran Ilyas	FCA	2984	Member
5	Khadija Mubarik	ACA	10921	Member
6	Masood Pervaiz	FCA	4212	Member
7	Muhammad Ali Qamar	FCA	4288	Member
8	Muhammad Jameel Tahir	FCA	7297	Member
9	Muhammad Nasir Muneer	FCA	3641	Member
10	Muhammad Ubbaidd Ullah	FCA	5306	Member
11	Sabahat Batool	ACA	10831	Member
12	Shuja-UI-Mulk	FCA	5352	Member

MEMBERS CO-ORDINATION GROUP (MCG)

1	Mohsin Jamil	FCA	4991	Chairman
2	Abdul Basit Janjua	FCA	5278	Member
3	Ahsan Rasheed	FCA	6693	Member
4	Ali Furqan Syed	FCA	5537	Member
5	Arsalan Salahuddin Vardag	FCA	3330	Member
6	Hafiza Sundas Munir	ACA	9522	Member
7	Javed Anjum	FCA	3278	Member
8	Noshewan Ali Abbas Khawaja	ACA	9984	Member
9	Saqib Riaz	FCA	6364	Member
10	Shahid Iqbal Khattak	FCA	4423	Member
11	Shahzaib Sanwal	ACA	7555	Member
12	Sheikh Ghazanfar Mahmood	FCA	2286	Member

LIBRARY COMMITTEE

1	Ahmad Salman Arshad	FCA	6574	Chairman
2	Mohsin Jamil	FCA	4991	Member
3	Ali Asghar	ACA	10029	Member
4	Arsalan Salahuddin Vardag	FCA	3330	Member
5	Asad Naseer Malik	FCA	5247	Member
6	Asjad Amin	FCA	5062	Member
7	Atya Siddiqui	ACA	10978	Member
8	Fatima Shumaila	ACA	9846	Member
9	Muhammad Fahad Asad Khan	FCA	4767	Member
10	Muhammad Shahid	ACA	9512	Member
11	Muhammad Zeeshan Abid	FCA	3909	Member
12	Rao Muhammad Sohail Nawab	ACA	10258	Member

NRC CPD SUB-COMMITTEES 2023 (CITY-WISE)

ISLAMABAD / RAWALPINDI

1	Aneel Peter	FCA	6856	Chairman
2	Arsalan Salahuddin Vardag	FCA	3330	Member
3	Burhan Ur Rehman	ACA	6957	Member
4	Imran Ilyas	FCA	2984	Member
5	Imran-UI-Haq	FCA	2355	Member
6	Jehan Zeb Amin	FCA	3437	Member
7	Masood Pervaiz	FCA	4212	Member
8	Muhammad Masood Shahid	FCA	7879	Member
9	Muhammad Ubaid Ullah	FCA	5306	Member
10	Murtaza Ali	FCA	4394	Member
11	Shazia Parveen	FCA	6445	Member

FAISALABAD

1	Usman Ghani	FCA	6157	Chairman
2	Ahmad Suleman	ACA	11002	Member
3	Ahsan Rasheed	FCA	6693	Member
4	Muhammad Zeeshan Abid	FCA	3909	Member
5	Qaiser Ahmad	FCA	4474	Member

MULTAN

1	Javed Anjum	FCA	3278	Chairman
2	Ejaz Hussain	FCA	6015	Member
3	Ijaz Tariq	FCA	6973	Member
4	Muhammad Jameel Tahir	FCA	7297	Member
5	Mukhtiar Ahmad	FCA	4757	Member

PESHAWAR

1	Zeeshan Ali	FCA	3836	Chairman
2	Abdus Salam Jan	FCA	3266	Member
3	Shahid Iqbal Khattak	FCA	4423	Member
4	Shuja-UI-Mulk	FCA	5352	Member
5	Usman Zulfiqar	ACA	10261	Member

GUJRANWALA

1	Asjad Amin	FCA	5062	Chairman
2	Khadija Mubarik	ACA	10921	Member
3	Muhammad Arsalan Anwar	ACA	7525	Member
4	Sheikh Ghazanfar Mahmood	FCA	2286	Member

PLACEMENT OF MEMBERS - NORTH

PAKISTAN

DESCRIPTION	ACA	FCA	TOTAL
Employed in Practice	637	587	1,224
Commerce and Industry	109	59	168
Fashion and Apparels / Textile	103	56	159
Information and Communication Technology	73	50	123
Financial Institutions / Banks	58	56	114
Financial / Management Consulting	71	35	106
Oil and Gas / Petroleum	42	42	84
Education	37	40	77
Real Estate / Constructions	49	25	74
Food, Beverages Restaurants / Tourism	49	24	73
Healthcare / Pharmaceuticals / Hospital	48	19	67
Fertilizer / Agriculture	31	33	64
Government / Agency / Authority	38	25	63
Power Generation and Distribution	23	33	56
Consumer Goods	36	17	53
Cement / Ceramics / Glass	24	21	45
Public Practice	38	3	41
NGOs / Social Services / Corporation	25	13	38
Engineering	13	17	30
Trading	15	8	23
Transport / Logistics / Courier Services	15	7	22
Sugar and Allied	9	11	20
Insurance	12	7	19
Cable and Electrical Goods	12	5	17
Automotive	9	7	16
Chemicals / Paint / Leather and Tanneries	5	6	11
Aviation	7	2	9
Shipping / Marine / Water	5	0	5
Media / Entertainment / Event Management	2	3	5
Sports	2	2	4
Paper and Board / Packaging	0	2	2
Without Sector	537	192	729
Senior Member	6	91	97
Subtotal	2,140	1,498	3,638
OVERSEAS			
Overseas Practicing	1	6	7
Employed in Practice	132	7	139
Overseas Non-Practicing	305	349	654
Overseas Senior Members	2	19	21
Subtotal	440	381	821
TOTAL	2,580	1,879	4,459

The Institute of Chartered Accountants of Pakistan - Northern Regional Committee

NOTICE OF ANNUAL GENERAL MEETING

The 62nd Annual General Meeting of the Members of the Northern Region of the Institute of Chartered Accountants of Pakistan will be held on Wednesday, November 22, 2023 at 12:00 PM followed by Lunch at ICAP House, Islamabad.

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 61st 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, 2023.
- Any other business with the permission of the Chair.

Aneel Peter, FCA

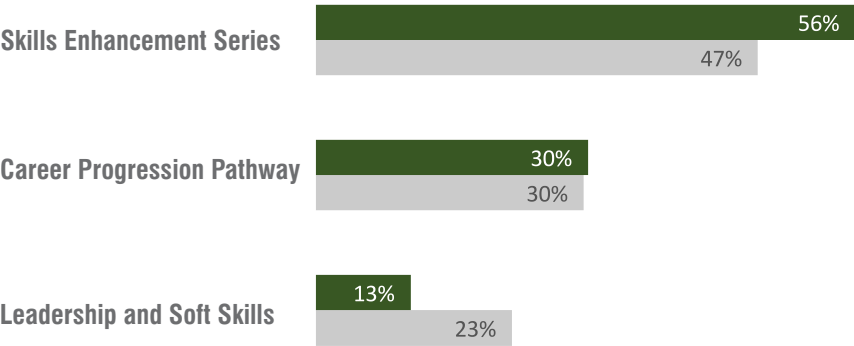
Honorary Secretary

Lahore: November 07, 2023

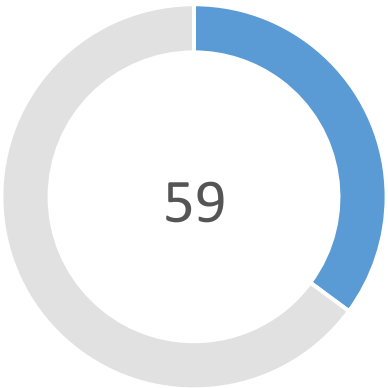
2022-23 AT A GLANCE

CPD Held Vs. Member Requirements

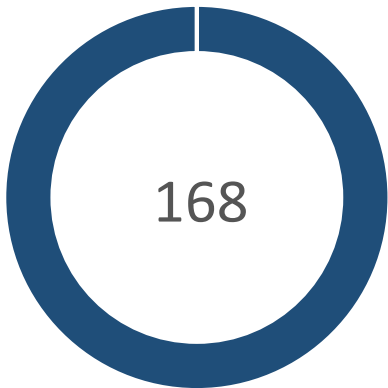
■ Actual CPD Held FY23/24 ■ Members Survey Results Feb-23



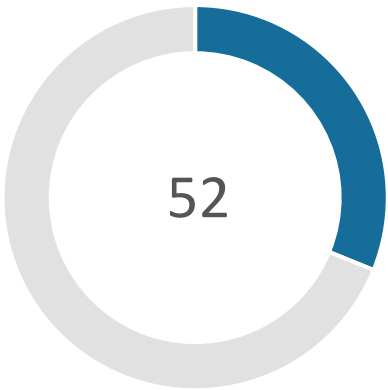
CPD Learning Hours held
Financial Year 2021-22



CPD Learning Hours held
Financial Year 2022-23

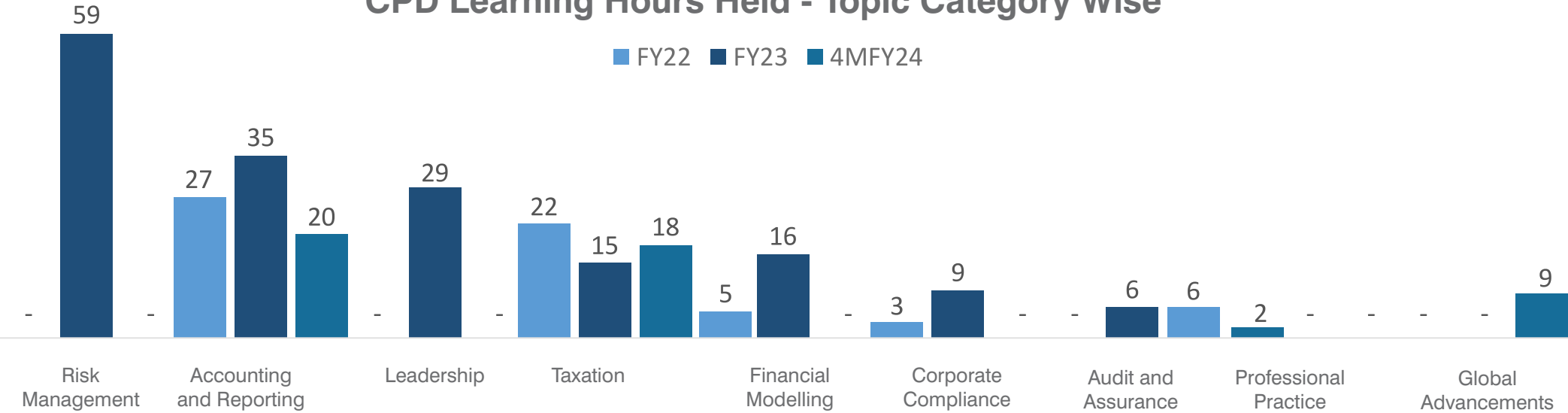


CPD Learning Hours held
4 Months FY2023-24



CPD Learning Hours Held - Topic Category Wise

■ FY22 ■ FY23 ■ 4MFY24



NORTHERN REGIONAL COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2023

I am honored to present the Northern Regional Committee (NRC) annual report for the fiscal year ended June 30, 2023. It has been a year of achievements, marked by our unwavering commitment to the betterment of our region and the well-being of our community.

In the pursuit of NRC's strategic vision, we resolutely committed to advancing on four foundational pillars including Member Development, Ongoing Stakeholder Engagement, Digital Advancement, and Student Enrichment that guide our path to success. We understand that our responsibilities extend beyond the mere cultivation of technical expertise; hence, we embrace a holistic approach, dedicated to fostering both professional development and essential soft skills, particularly leadership skills. Our unwavering dedication to these core principles ensures that we not only keep pace with evolving industry demands but also continue to thrive as a well-rounded institution, equipping our members and stakeholders for the ever-changing challenges and opportunities that lie ahead. These pillars serve as our unwavering compass, guiding our progress and underlining our commitment to excellence in all endeavors.

Continuous Professional Development (CPD)

We are resolutely committed to share that CPD activities in FY23 have been **increased 3 times** in comparison to the last year, whereas continuing the momentum, during four months period subsequent to the year end, CPD hours almost equals full year FY22. By providing a platform for knowledge exchange and networking, we ensured that our members and stakeholders were well-prepared to thrive in an ever-changing professional landscape. Our primary goal has always been to provide our members with high-quality professional development opportunities. In this regard, this is always imperative to provide learning opportunities matching the requirements, in order to bridge the gap effectively. Accordingly, mid-year in Feb-23, we engaged our members to carry out **"Learning Need Assessment Exercise 2023"**, wherein a remarkable number of members participated from across industries and professional practice. This helped us to re-align our direction inline with the members expectations.

- (i) 47% of the responses allocated their time for **"Skills Enhancement Series"**; whereas in actual we produced 56% of learning time on varied topics of taxation, IFRS, ESG and sustainability, financial modelling, corporate compliance, audit and assurance.
- (ii) 30% of the responses allocated their time for **"Career Progression Pathways"**; we matched the requirements by arranging most important workshop on Enterprise Risk Management and Internal Audit, spanning over two months. Moreover, to foster growth of members at global scale we arranged a session on Expanding Global Footprints - Lead Generation Strategies in Outsourcing Services. Last but not the least, a conference on Embracing Artificial Intelligence was held for members and students, marking a pivotal event in the ever-evolving global landscape of finance and technology.
- (iii) 23% of the responses allocated their time for **"People and Leadership Skills"**; in this regard, though we arranged 13% of the events, they were of high standards. Amongst other professional grooming sessions, psychology management, a '3 Days & 3 Nights Wilderness Training Program - Leadership Xpedition' was a transformative initiative that brought together members and participants from diverse backgrounds to embark on a journey of self-discovery and leadership development. Set against the backdrop of the untamed wilderness, this program pushed boundaries, challenged comfort zones, and fostered teamwork. Participants navigated rugged terrains, honed survival skills, and learned to make crucial decisions under pressure. Beyond the physical challenges, Leadership Xpedition delved into the intricacies of leadership, emphasizing the importance of adaptability, communication, and resilience in the face of adversity. This program not only strengthened leadership skills but also forged lasting bonds among participants, leaving them better equipped to navigate the complexities of their professional and personal lives.

Recreation Beyond Work: Embracing Family

Strengthening the bond among our members and their families has been an integral part of our strategy. This year, we organized family get-togethers in Lahore, Islamabad Faisalabad, Multan and Peshawar, which not only allowed our members to unwind but also fostered a sense of belonging within our fraternity. Annual dinner and Karaoke night was also held at the conclusion of first term of NRC and main leadership of ICAP with the objective to foster interaction between members and the new leadership. This event, among others, particularly provided an opportunity to members to accompany spouses and enjoy delightful evening.



Chairperson's Report

NORTHERN REGIONAL COMMITTEE (NRC) FOR THE YEAR ENDED JUNE 30, 2023

Libraries

Our libraries serve as the cornerstone of education and research, acting as invaluable hubs for acquiring knowledge and information. The quest for information is intrinsic to the pursuit of education and enhancing the overall quality of life for individuals across diverse regions. To meet these crucial needs, we diligently oversee and maintain eight well-established libraries spread across various cities in North region. These libraries are carefully curated to serve the academic requirements of our members and students.

Chartered Accountants' Student Association North (CASA)

Dedicated to illuminating the path for emerging professionals and students, the Northern Regional Committee (NRC) remains resolutely committed to nurturing the talents of our youth. In pursuit of this commitment, we have wholeheartedly supported CASA-N in orchestrating an array of academic and sporting events, spanning multiple locations. During the year, CASA elections remained subjudged in the court of law, however, NRC did not let students suffer and continued to arrange learning and extra-curricular activities for their well-being and progression. Annual Sports Gala and ICAP International Students Conference marked mega events that attracted huge participation of students from a large number of firms and TOOPs.

NRC's Unwavering Dedication to Institute and Stakeholders' Engagement

We always embraced the ethos of teamwork and unwavering commitment to our Institute's mission. Whether it was supporting the CA Women Committee, organizing events on fiscal laws, hosting moots on accounting matters, conducting informative auditing sessions, facilitating gatherings within the marketing department, refining presentation skills through contests, convening CA Toastmasters Club meetings, offering guidance through student counseling sessions, or commemorating Independence Day, your NRC has consistently been a stalwart presence in championing the interests and values of our esteemed Institute. NRC's Members Coordination Committee facilitated "President Connect" realizing its mandate to make representation to the Council in connection with matters of professional and business interest.

NRC Finances

The financial outcomes of your NRC distinctly illuminate the central role our members hold in our mission and endeavors. Despite financial constraints, we made available subsidized CPD events and family get-togethers, while providing highest possible standards. ICAP's share to NRC of members' and students' subscription has remained stagnated, reducing year-on-year to mere 1%-2% of the central pool, which was set at 8% in 2011. Despite inflationary pressures, the share has been fixed over the years at PKR 750 per member and PKR 300 per student. This doesn't even absorb operational costs of NRC. We have requested Council to reconsider this allocation to be determined in terms of %age of central pool, in order to match inflationary pressure.

Acknowledgement

I wish to convey my heartfelt gratitude to our esteemed members, both in a general sense and with a special emphasis on those who diligently served on various committees. Your unwavering support, dedication, and invaluable assistance have been instrumental in orchestrating a year filled with informative, engaging, and diverse activities. I extend my deepest appreciation to the CASA-N Management Committee, CPD, and Library Committees of all cities in the North, as well as the dedicated resources of our NRC. Each of them have contributed their best efforts to provide value-added services, ensuring that our Institute's tradition of excellence remains on an upward trajectory.

I would like to acknowledge the exceptional contributions of my fellow NRC members, including Mr. Aneel Peter FCA - Secretary NRC, Mr. Ahmad Salman Arshad FCA, Mr. Farooq Hameed Khawaja FCA, Mr. Mohsin Jamil FCA and Mr. Zeeshan Ali FCA. Their unwavering dedication and tireless efforts have played an indispensable role in steering the NRC on a path to success, even in the face of challenging circumstances.

I extend my warmest appreciation to the President ICAP, the Vice Presidents ICAP, the Council Members, and the executive staff of NRC and ICAP for their unwavering support and collaboration throughout this journey. Your collective efforts have been pivotal in ensuring the continued vitality of the NRC and the broader goals of our Institute.

For and on behalf of the Committee

Ammara S. Gondal

COMPREHENSIVE OVERVIEW OF LEARNING ACTIVITIES

Seminar on Quality Management Standards

A seminar was conducted on July 7, 2022, in Lahore and July 21, 2022, in Islamabad in collaboration with the Auditing Standards & Ethics Committee. The purpose of the seminar was to familiarize participants with the new Quality Management Standards (ISQM 1, ISQM 2, and ISA 220 (Revised)) recently issued by the International Auditing and Assurance Standards Board (IAASB). These standards represent a shift in the profession from quality "control" to quality "management," emphasizing a proactive, integrated, and risk-based approach to effective quality management systems within firms. It's important to note that these standards replace ISQC 1 and ISA 220 and are scheduled to become effective from December 15, 2022.

Speakers: At Lahore; Welcome address: Arslan Khalid; Speakers: Amin Ali, Mohammad Maqbool; Moderated: Asad Feroze Panelist: Rashid Rahman Mir, Muhammad Maqbool, Muhammad Almas, Amin Ali, and Naseem Akbar; Closing remarks: Farooq Hameed. At Islamabad; Welcome Address: Farooq Hameed Khawaja; Muhammad Ahsan Shahzad; Mohammad Maqbool; Moderator: Asad Feroze, Panelists: Iffat Hussain, Ijaz Akber, Ejaz Hussain Rathore; Closing Remarks: Arslan Khalid.



Seminar on IFRS 17 Implementation & Challenges

An informative seminar titled "IFRS 17 Implementation & Challenges" was collaboratively conducted for North members in partnership with SRC on July 28, 2022. The event had a specific focus on providing insights into the substantial modifications introduced by IFRS 17 'Insurance Contracts', set to replace the outdated IFRS 4. The seminar facilitated a comprehensive examination of the implications associated with implementing IFRS 17, especially as the mandatory effective date draws near on a global scale.

Speakers: Opening Remarks: Shaikh Ahmed Salman; Speaker: Ali Omer Golam Morshed, Arslan Khalid, Waseem Khan; Moderator: Hena Sadiq Panelist: Nawaid Jamal, Ali Qureshi, Zeeshan Rashid, Syed Nayyar Hussain; Vote of thanks: Usama Rashid.



Workshop on Enterprise Risk

The workshop offered a unique and practical training approach, spanned over two months, from July 16, 2022, to August 28, 2022, with sessions held every Saturday in Lahore. Professionals had the opportunity to learn from experienced trainers who shared insights on major topics of enterprise risk and internal audit. Participants were encouraged to apply their knowledge immediately within their organizations, creating visible and positive changes. This offering was a successful series of workshop an unconventional and high-profile learning experience, than provided significant value to all attendees.

Trainers: Amir Afzal Rana, Jamshaid Iqbal, Farhan Ali, Abdul Rauf Meher, Usman Tariq, Rizwan Shahid, Farooq Wasi, Shahzaib Sanwal, Ali Khan, Rana M. Usman Khan, Ali Qamar.

Seminar on ESG and Sustainability

To foster a comprehensive understanding of 'ESG and Sustainability,' informative sessions were conducted on August 3 & 4, 2023, in Multan and Faisalabad, respectively. These sessions emphasized the growing significance of sustainability reporting and the pivotal role that accounting professionals play in advancing this cause. Additionally, they shed light on the establishment of the International Sustainability Standards Board (ISSB) by the IFRS Foundation. The ISSB's mission is to develop comprehensive global sustainability reporting standards for widespread adoption.

Speakers: Opening Remarks: Ahmad Salman Arshad; Speaker: Syed Ahson Ali; Closing Remarks: Farooq Hameed Khawaja

Seminar on Finance Act 2022

A session held on September 10, 2022, in collaboration with the Fiscal Laws Committee and SRC, aimed to illuminate the changes introduced by the Finance Act 2022, which included amendments brought through the Tax Laws (Second Amendment) Ordinance, 2022. The session also addressed the anticipated challenges in implementing the Finance Act 2022. This event marked a historic occasion as it was the first-ever in-person session held in Lahore and Karachi simultaneously broadcast online to audiences in Islamabad, Multan, and Faisalabad.

Speakers: Opening Remarks: Shaikh Ahmad Salman; Keynote Address: Asif Haroon on Direct Taxation, Naeem Akhtar Sheikh on Indirect Taxation; Closing Remarks by Chief Guest Ashfaq Yousuf Tola, President ICAP; Vote of Thanks: Saifullah, Vice President ICAP.



Tax Return and Heads of Income

The Income Tax Return (ITR) is a crucial document for reporting income details and tax liabilities to the Income Tax Department, mandatory for individuals whose yearly income surpasses the threshold limit. For the Tax Year 2022, the Federal Board of Revenue (FBR) released the Income Tax Return Forms, covering various categories such as salaried individuals, Associations of Persons (AOPs), business individuals, and companies. Recognizing the significance of this topic, a seminar titled “Tax Return and Heads of Income” was organized on September 12, 2022, in Islamabad.

Speakers: Opening Remarks: Aneel Peter; Speaker: Sharif Ud Din Khilhi; Closing Remarks: Imran Ilyas.



Seminar on IFRS – 16 Leases

The seminar was conducted at ICAP Faisalabad on September 1, 2022 to comprehensively discuss and understand the significant changes introduced by IFRS-16 Leases, particularly focusing on the perspectives of Lessees and Sale and Lease Back transactions. The session aimed to evaluate the impact of these changes on various business segments and provide a thorough understanding of the new accounting standards, which came into effect on or after January 1, 2019, as notified by the Securities and Exchange Commission of Pakistan through SRO 434 (2018 dated April 9, 2018).

Speakers: Opening Remarks: Usman Ghani; Speaker: Yasir Riaz; Vote of Thanks: Muhammad Suleman Zahid.



Training Workshop on Effective Corporate Governance in Non-Listed & Private Companies

An interactive training workshop on “Effective Corporate Governance in Non-Listed & Private Companies” was conducted in Faisalabad on September 17, 2022. The workshop aimed to provide participants with an approach for implementing the basic principles of effective corporate governance within their organizations.

Speakers: Opening Remarks: Usman Ghani; Trainer: Ahmad Suleman Zahid; Closing Remarks: Muhammad Suleman Zahid



2 Day Workshop on Microsoft Excel

This workshop was conducted on October 8 & 15, 2022 at ICAP Lahore for intermediate Excel users aiming to enhance their Excel skills. Comprising four modules, it covered essential Excel functions, data analysis and decision-making tools, data visualization, and various other productivity-boosting Excel features, including VBA macros. The workshop focused on hands-on application, with participants dedicating 70% of their time to working on practice challenges and quizzes, providing them with the latest Excel insights and tools for greater proficiency.

Trainer: Farhan Ahmad



Workshop on IFRS - Financial Instruments Leases & Revenues

A 2-Day Workshop on IFRS - Financial Instruments Leases & Revenues on November 10 & 11, 2022, in Lahore. This event focused on navigating the impacts of COVID-19 on financial statements, understanding the "Big Standards" (Revenues, Leases, & Financial Instruments), and staying updated with the latest changes in accounting regulations. Participants gained insights into reporting and auditing effects during the pandemic, preparedness for forthcoming changes, and clarity on complex areas of recent standards. The workshop provided a valuable platform for professional development and addressed critical accounting issues.

Trainer: Dr. Laszlo Peter Lakatos, PhD



Session with Child Psychologist

To offer a comprehensive understanding of the core principles and challenges in child psychology, a session was conducted on November 26, 2022, in Lahore. The objective was to enrich participants' insights into child development and behavior.

Trainer: Semra Salik, PhD Scholar



Awareness Session on Post Incorporation Compliance Requirements and Modes of Exit for Companies

This awareness session, which took place on December 7, 2022, in Lahore, was designed to equip participants with a thorough comprehension of post-incorporation compliance requirements and modes of exit for companies. It stressed the significance of legal transparency and compliance with the Companies Act, 2017.

Speakers: Opening Remarks: Shahbaz Sarwar; Speakers: Sidra Mansur, Muhammad Hassan Zaidi

Webinar on Risk and Opportunity Controlling – with the focus on logistics industry

The webinar conducted on December 15, 2022, aimed to underscore the worldwide acceptance of risk and opportunity management, with specific attention given to the logistics sector. The session emphasized the critical importance of establishing transparent risk forums and adapting risk management strategies to suit varying risk categories within the context of evolving regulatory frameworks and ongoing uncertainties.

Trainer: Muhammad Najamul Saqib

Workshop on Deferred Taxation

The workshop, conducted on January 25, 2023, in Lahore and online at Faisalabad, and Peshawar, aimed to offer comprehensive insights into the recent transformations within Pakistan's Taxation Laws. The shift from a final tax regime to a minimum tax regime, along with the introduction of the Super Tax, introduced complexities in deferred taxation calculations. Participants engaged in a deep dive into the core principles of IAS 12-Income Taxes and acquired practical experience through hands-on spreadsheet exercises, enabling them to gain a profound understanding of deferred tax intricacies in practice.

Speakers: Yasir Riaz, Noshawan Khawaja



How to be a Successful Professional

A professional grooming session titled “How to be a Successful Professional” exclusively held for CA trainee students on March 10, 2023 at Lahore to empower them with the essential skills and knowledge necessary for a successful professional journey. The session aimed to foster the development of a broad range of professional skills while offering practical insights and strategies to enhance participants’ capabilities.

Speakers: Malik Haroon Ahmad, Muhammad Farooq Wasi.

Seminar on Zakat Calculation

This session, a collaborative effort between the Regional Committees of ICAP, was conducted on March 13, 2023 in Lahore & Karachi, in anticipation of the holy month of Ramadan. Its primary objective was to underscore the importance of Zakat and delve into the intricacies of Zakat calculation, offering valuable insights to the participants.

Speakers: Opening Address: M. Ali Latif, President, ICAP; Keynote Speakers: Saad Bin Khalid, Iftikhar Ahmed Khan, Nasir Gulzar; Moderator: Asif Kasbati, Panelist: Mufti Muhammad Ismail Noorani, Mufti Syed Ubaidullah.

3 Days & 3 Nights Wilderness Training Program - Leadership Xpedition

This transformative training program, conducted from May 19 to 22, 2023, was dedicated to fostering effective leadership skills through outdoor activities. A joint initiative between the Northern and Southern Regional Committees in collaboration with Training Impact, this program ventured into the pristine wilderness of Galiyat, KPK. Guided by the esteemed wilderness-based leadership trainer, Mr. Naseem Zafar Iqbal, the program featured camping, team projects, bonfires, and more, equipping participants with the tools to excel as leaders. The presence of distinguished ICAP representatives, including Ms. Ammara S. Gondal, Chairperson NRC, Mr. Syed Junaid Ali, Honorary Secretary SRC, and Mr. Aneel Peter, Honorary Secretary NRC, enriched the adventure. The program culminated with an award distribution ceremony, underscoring the exceptional partnership between The Institute of Chartered Accountants of Pakistan and Training Impact. The resounding success of this event paves the way for an even more extraordinary program next year, reaffirming the SRC's commitment to providing an enhanced experience for all.



Post Budget Conference 2023

The conference organized in collaboration with the Fiscal Laws Committee and Economic Advisory Committee on June 12, 2023 in-person at Lahore, Karachi, Islamabad and on Zoom for Faisalabad, Multan, Peshawar and for overseas participants. The conference provided comprehensive coverage of direct taxation, indirect taxation, and the broader economic landscape in Pakistan. Experts, policymakers, and professionals gathered to explore the legal modifications stemming from the budget and their implications for businesses and the economy. Through informative sessions, attendees gained valuable insights into direct taxation, regulatory changes, indirect taxation complexities, tax policies, reforms, and compliance requirements.

Speakers: Welcome Address: Muhammad Ali Latif; Session Direct Taxation: Opening Remarks: Ammara S. Gondal; Keynote Address: Asim Zulfiqar; Moderator: Asad Feroze Panelists: Imran Afzal, Habib Fakhruddin, Haider Patel, Mansoor Zaighum, Khalid Mahmood; Session Indirect Taxation: Opening Remarks: Osama Kapadia; Keynote Address: Asif Haroon; Moderator: Muzammil Hemani, Panelists: Naeem Akhtar Sheikh, Asif Kasbati and Badar ul Hassan; Session Economy & Industry: Keynote Address: Dr. Khaqan Hassan Najeeb, Moderator: Zeeshan Ijaz Panelists: Wamiq Zuberi, M. Zubair Motiwala, Asad Ali Shah, Dr. Vaqar Ahmed; Concluding Session: Guest of Honor: Ashfaq Yousuf Tola, Chief Guest: Ishaq Dar, Finance Minister of Pakistan; Closing Remarks: Asad Feroze

Information Systems Audit Workshop

The workshop held on July 14, 2023, in Lahore and through VC at Faisalabad aimed to educate members on IS Audit concepts, including emerging issues like cloud computing and data security, with the objective of conducting a comprehensive evaluation of an organization's information systems, practices, and operations. The focus was on proactive identification of vulnerabilities, issue prevention, ensuring information security, and adherence to legal and regulatory compliance.

Trainer: Rizwan Shahid



Seminar on Double Taxation and Tax Return

The informative seminar, conducted on July 14, 2023, in Islamabad, delved into the vital subjects of double taxation and income tax returns, equipping the participants with essential knowledge to navigate the complex landscape of taxation and regulatory compliance. The session emphasized the challenges associated with double taxation and underscored the importance of international tax treaties and agreements as remedies for this issue. Additionally, the seminar shed light on the critical role of income tax returns, especially for individuals with incomes surpassing the threshold limit.

Speakers: Opening Remarks: Asad Feroze; Speakers: Rashid Ibrahim, Sharif Ud Din Khilji; Closing Remarks: Aneel Peter



Session on Finance Act 2023-24

The Federal Government's presentation of the Finance Bill, 2023 to the National Assembly on June 9, 2023, marked a pivotal moment in shaping Pakistan's economic landscape. After rigorous debates in both the Senate and the National Assembly, the government successfully passed the Finance Act, 2023-24, which incorporated specific modifications and amendments from the original Finance Bill. To facilitate a comprehensive understanding of the budget revisions and the specifics within the Finance Act 2023-24, a series of enlightening sessions on July 17 and 19, and 20, 2023, respectively at ICAP Lahore, Islamabad, and Peshawar. These sessions provided a unique platform for professionals and experts to explore the Act's details and its implications across diverse sectors.

Speakers: Opening Remarks: Asad Feroze; Speaker Lahore: Muhammad Awais; Moderator: Areeba Rohail Panelists: Muhammad Awais, Zeeshan Ijaz, Faisal Khawaja; Speakers Islamabad: Zeeshan Ijaz, Rashid Ibrahim; Moderator: Aneel Peter, Panelists: Zeeshan Ijaz, Rashid Ibrahim, Hammad Rabbani; Vote of Thanks: Ammara S. Gondal; at Peshawar: Opening Remarks: Usman Zulfiqar. Guest Speaker: Amir Javed; Moderated: Usman Zulfiqar Panelist: Amir Javed, Zeeshan Ali, Abdus Salam Jan.



President Connect

To foster collaboration and knowledge exchange among esteemed leaders and passionate accounting community members President Connect was held in Lahore and Islamabad on July 17 and 19, 2023, respectively. The sessions aimed to provide a platform for lively discussions and constructive conversations, transcending traditional lecture boundaries. Participants had the unique opportunity to directly engage with the President ICAP, and other office bearers, fostering an environment of open dialogue to deepen the understanding of ICAP's commitment to the growth and prosperity of the accounting profession, reinforcing members' confidence in their professional advancement.

Speakers: M. Ali Latif, President ICAP; Asad Feroze, Vice President ICAP; Ammara S. Gondal, Chairperson NRC at Islamabad Ashfaq Tola, the Minister of State also joined.

Session on Implementation Guidance on ISQM 1 and 2 / ECL Approach under IFRS 9

This insightful session was held on August 4, 2023 in Faisalabad to provide comprehensive guidance on the implementation of ISQM 1 and 2 as well as the Expected Credit Loss (ECL) Approach under IFRS 9 to enhance the understanding of these critical financial standards.

Speaker: Zahid Aslam

Session on Tax Transformation 2023-24 & Export Taxation Dynamics

For exchange of insights and expertise in the realm of taxation was held on August 18 and September 1, 2023, at Faisalabad and Multan respectively. This event provided a platform for a comprehensive discussion on recent tax reforms and their far-reaching impacts on individuals, businesses, and the broader economy.

Speakers: Opening Remarks: Ammara S. Gondal; Speakers: Asad Feroze; Muhammad Awais; at Faisalabad: Moderator: Ahmad Jabbar Panelists: Muhammad Awais, Zeeshan Ijaz, Nouman Razaq Khan, Usman Ahsan; at Multan: Moderated: Kashif Adeel; Panelist: Muhammad Awais, Zeeshan Ijaz, Talat Javed, Javed Anjum; Closing Remarks: Farooq Hameed;

Speakers: Opening Remarks: Ammara S. Gondal; Speaker: Hamid Mahmood; Vote of Thanks: Asad Feroze.



Session on Expanding Global Footprints - Lead Generation Strategies in Outsourcing Services

The session, conducted on August 17, 2023, in Lahore, offered valuable learning opportunities, equipping participants with strategies and insights for effective lead generation and management within the accounting outsourcing industry. The primary objectives were to support business growth and enhance client relationships, taking into consideration the rising demand for cost-effective accounting solutions and Pakistan's position in the global market.

Speakers: Opening Remarks: Ammara S. Gondal; Speaker: Hamid Mahmood; Vote of Thanks: Asad Feroze.



Refresher Workshop on International Financial Reporting Standards (IFRS)

In response to the evolving dynamics of the accounting profession and the increasing importance of International Financial Reporting Standards (IFRS), a 4-day Refresher Workshop on IFRS was successfully conducted on October 6 & 7 in Islamabad and October 13 & 16 in Lahore for professional development. The workshop provided professionals with essential and updated insights, equipping them to navigate the evolving landscape of accounting. This knowledge enhancement supports transparency and consistency in financial reporting standards, aligning with the ever-central role that IFRS plays in global accounting practices.

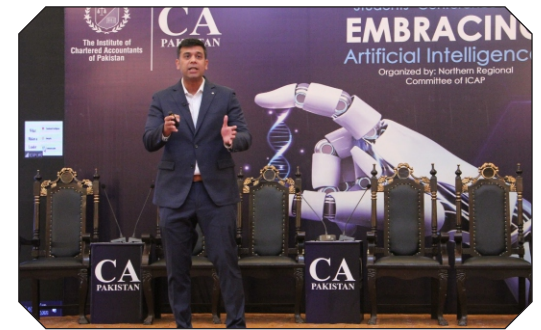
Speakers: Opening Remarks: Aneel Peter; Islamabad & Ammara S. Gondal at Lahore; Trainers: Bilal Khalid Khan, Syed Asmat Ullah Shakerzai, Hammad Siddiqui, Yasir Riaz; Closing Remarks: JehanZeb Amin at Islamabad & Asad Feroze at Lahore.



ICAP International Student's Conference 2023

The ICAP International Student's Conference 2023, themed "Embracing Artificial Intelligence," was held on October 21, 2023, marking a pivotal event in the ever-evolving landscape of finance and technology. As the world rapidly integrates Artificial Intelligence (AI) into various industries, this conference served as a beacon for the next generation of thought leaders. It provided a comprehensive journey into the realm of AI, equipping attendees with crucial insights, knowledge, and practical applications of Data Analytics and Artificial Intelligence in the financial world. The participation of esteemed experts enriched the program, leaving a lasting impact on the future of finance and the students poised to lead the way.

Speakers: Opening Remarks: Ammara S. Gondal; Keynote Address: Adnan Yousuf Kazi; Moderator: Mohsin Jamil, Panelist: Max Syed, Adeel Mankee, Adnan Yousuf Kazi, Dr. Omair Haroon; Speakers: Zeeshan Ijaz, Asif Mahmood, Aneel Peter, Adrian Lim, Asad Feroze; Moderator: Fajar Nadeem, Panelist: Ruqayyah Shahul Hameed, Ajith Kumar, Punam Kumari Sharma, Pratik Gelal, Muhammad Abdullah; Chief Guest: Jafar Husain; Closing Remarks: Ahmad Salman Arshad



SOCIAL EVENTS & NETWORKING

Members' Annual Dinner & Karaoke Night

This special event marked the conclusion of NRC's tenure for 2022-23, driven by the commitment to 'Create an Impact' was held on February 5, 2023, at PC Hotel Lahore with the objective to foster interaction between ICAP members and the new leadership. The gathering was graced by the presence of President ICAP, M. Ali Latif, Vice President Asad Feroze, all north Council Members, and former Presidents. Outgoing Chairman NRC, Farooq Hameed, expressed gratitude to members for their active engagement in NRC initiatives and programs, while new office bearers received praise and support from M. Ali Latif and Asad Feroze. The evening concluded with a memorable karaoke session, unifying all participants in a delightful celebration.



ICAP Members' Family Get Together - All Across the Region

ICAP Members' Family Get Together brought members and their families together for a day of enjoyment and bonding. The event was a heartwarming opportunity for ICAP members to connect with their colleagues and their loved ones, creating a sense of unity and camaraderie within the ICAP community. These moments of togetherness reflect the Institute's commitment to fostering a strong sense of belonging among its members, not only in their professional endeavors but also in the shared joys of life outside the workplace. These get together were held in Islamabad on December 3, 2022; in Multan on December 17, 2022 in Faisalabad on March 5, 2023; in Peshawar on March 4, 2023.



Ishfaq Ahmed Sports Gala

From January 7 to 15, 2023, the 3rd Ishfaq Ahmed Sports Gala took place in Lahore, Islamabad and Faisalabad, showcasing a diverse range of games and promoting a healthy spirit of competition and camaraderie. The Gala featured multiple sports including cricket, futsal, badminton, snooker, table tennis, and chess for male participants, and badminton, tug of war, sack race, chaatti race, and spoon race for female participants. This event not only provided an opportunity for members to showcase their sporting talents but also fostered a sense of unity and friendly rivalry within the ICAP community. The enthusiasm and sportsmanship displayed during the Gala were a testament to the active engagement of our members in both professional and extracurricular pursuits.



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

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

**FOR THE YEAR ENDED
JUNE 30, 2023**

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, 2023, 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, 2023, 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.

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

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.
- 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.

ISLAMABAD

DATED: 21 OCTOBER, 2023

UDIN:AR2023100950sRqzfV EZ

ABDUL QADEER
CHARTERED ACCOUNTANT

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	6	49,989	70,357
CURRENT ASSETS			
Short-term investments	7	6,000,000	6,000,000
Other receivables	8	186,052	23,305
Cash and bank balances	9	2,603,284	3,298,195
		8,789,336	9,321,500
CURRENT LIABILITIES			
Creditors and other liabilities	10	5,191,173	2,463,667
NET CURRENT ASSETS		3,598,163	6,857,833
LONG TERM LIABILITIES AND FUNDS			
Deferred income			
Library development fund	11	32,491	46,671
Restricted Funds			
Library development fund	12	32,841	32,841
		65,332	79,512
		3,582,820	6,848,678
NET ASSETS REPRESENTED BY			
Accumulated fund		3,582,820	6,848,678
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 31 form an integral part of these financial statements.

NORTHERN REGIONAL COMMITTEE - ICAP

STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022 (Rupees)
INCOME			
Share of Members' subscriptions		3,213,300	3,149,625
Share of student subscriptions fees (CASA)		581,100	548,600
Members' events	14	4,318,780	4,138,280
Member social events	15	777,000	196,000
Students' events (CASA)	16	3,407,138	-
Other income	17	14,180	109,841
		12,311,498	8,142,346
EXPENDITURE			
Cost incurred on:			
Members' events	14	4,548,056	4,495,304
Members social events	15	3,570,257	539,199
Students' events (CASA)	18	4,295,148	306,381
Other expenses	19	4,344,571	3,872,605
		16,758,032	9,213,489
Excess of expenditure over income before income from investments		(4,446,534)	(1,071,143)
Income from investments	20	1,180,676	578,579
DEFICIT FOR THE YEAR		(3,265,858)	(492,564)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(3,265,858)	(492,564)

The annexed notes 1 to 31 form an integral part of these financial statements.

CHAIRPERSON**HONORARY SECRETARY**

NORTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received against:			
Shares of members' subscription		3,114,300	3,149,625
Share of student subscription fees (CASA)		581,100	548,600
Members' events		4,310,780	4,471,659
Fee charged on social events		777,000	196,000
Students' events (CASA)		3,407,138	-
		12,190,318	8,365,884
Cash paid against:			
Salaries, allowances and other benefits		2,560,568	2,256,400
Supplies and services		11,526,818	5,303,107
		14,087,386	7,559,507
Cash (used in) / generated from operating activities		(1,897,068)	806,377
Income tax paid		32,362	(15,394)
Net cash (used in) / generated from operating activities		(1,864,706)	790,983
CASH FLOWS FROM INVESTING ACTIVITIES			
Return received on investment and saving bank accounts		1,169,795	578,995
Net cash generated from investing activities		1,169,795	578,995
Net increase / (decrease) in cash and cash equivalents		(694,911)	1,369,978
Cash and cash equivalents at beginning of the year		9,298,195	7,928,217
Cash and cash equivalents at end of the year	21	8,603,284	9,298,195

The annexed notes 1 to 31 form an integral part of these financial statements.

NORTHERN REGIONAL COMMITTEE - ICAP

STATEMENT OF CHANGES IN FUNDS**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	Accumulated Funds
		----Rupees----
Balance as at July 1, 2021		7,341,242
Total comprehensive deficit for the year		(492,564)
Balance as at July 1, 2022		6,848,678
Total comprehensive deficit for the year		(3,265,858)
Balance as at June 30, 2023		<u>3,582,820</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2023

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 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).

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, 2023**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

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

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

January 01, 2022

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.

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2023****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.

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2023
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

January 01, 2023

The 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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2023

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**5.1 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.

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.

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2023****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.

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:

- 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
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

(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:

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

(c) 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.

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.

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2023****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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

6. PROPERTY AND EQUIPMENT - TANGIBLE

Description	Library Books	Air Conditions and electrical items	Total
OWNED			
Year ended June 30, 2022			
Cost	585,151	180,533	765,684
Accumulated depreciation	(503,654)	(161,903)	(665,557)
Net book value	81,497	18,630	100,127
Year ended June 30, 2022			
Opening net book value	81,497	18,630	100,127
Depreciation charge for the year	(26,966)	(2,804)	(29,770)
Closing net book value	54,531	15,826	70,357
Net book value			
Year ended June 30, 2023			
Opening net book value	54,531	15,826	70,357
Depreciation for the year (Note 6.1)	(17,993)	(2,375)	(20,368)
Closing net book value	36,538	13,451	49,989
As at June 30, 2023			
Cost	585,151	180,533	765,684
Accumulated depreciation	(521,647)	(164,278)	(685,925)
Net book value	63,504	16,255	79,759
Depreciation rate (%) - 2023	33	15	
Depreciation rate (%) - 2022	33	15	

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

	Grant Assets		Other Assets		Total	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Library books	13,162	19,646	4,871	7,320	18,033	26,966
Air conditioners and electrical items	1,118	1,198	1,364	1,606	2,382	2,804
	14,180	20,844	6,235	12,696	20,415	29,771

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
7. SHORT-TERM INVESTMENTS			
At amortized cost			
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 @ 16.36% (2022: 14.90%) per annum, receivable at maturity. This investment will mature on September 26, 2023.		
8. OTHER RECEIVABLES			
Seminar fee and other receivable		<u>159,450</u>	8,000
Profit receivable on bank deposits and short term investments		<u>26,602</u>	15,305
Advance income tax		<u>499,763</u>	467,401
Less: Impairment allowance against advance income tax	8.1	<u>(499,763)</u>	<u>(467,401)</u>
		<u>186,052</u>	<u>23,305</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 remote.		
8.2	Reconciliation of provision for income tax amount doubtful of recovery:		
		<u>467,401</u>	452,007
Balance as at July 01, 2022		<u>32,362</u>	15,394
Add: Provision for the year		<u>499,763</u>	<u>467,401</u>
Balance as at June 30, 2023			
9. CASH AND BANK BALANCES			
Cash-in-hand		<u>68,798</u>	78,009
Cash at banks in:			
Saving accounts	9.1	<u>2,119,995</u>	1,742,357
Current accounts		<u>414,491</u>	1,477,829
		<u>2,534,486</u>	3,220,186
		<u>2,603,284</u>	<u>3,298,195</u>
9.1	These saving bank accounts are placed under mark-up arrangements and carry profit rates ranging from 3.0% - 5.0% (2022: 3.00% 5.0%) per annum.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
10. CREDITORS AND OTHER LIABILITIES			
Current account with Institute	10.1	4,784,225	1,832,438
Audit fee payable	19.2	206,955	98,550
Advance fee from members		4,500	99,000
Seminar workshop fee received in advance		195,493	433,679
		<u>5,191,173</u>	<u>2,463,667</u>
10.1	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.		
11. DEFERRED INCOME - LIBRARY DEVELOPMENT			
Opening balance		46,671	156,512
Amortization for the year (equivalent to depreciation charge)			
Amortization of deferred income		(14,180)	(20,844)
Closing balance		-	(88,997)
		<u>32,491</u>	<u>46,671</u>
12. RESTRICTED FUNDS - LIBRARY DEVELOPMENT FUND			
Closing balance		<u>32,841</u>	<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.

13. CONTINGENCIES AND COMMITMENTS

The Committee is not exposed to any known material contingencies and commitments at the terminal date (2022: Nil).

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
14. MEMBERS' EVENTS			
Seminars and CPD activities	14.1	4,318,780	4,138,280
Seminars and CPD expenses	14.2	4,548,056	4,495,304

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

	Lahore	Islamabad	Faisalabad	Gujranwala Rupees	Peshawar	Multan	Total
Receipts							
JUNE 2023	3,451,165	776,479	73,189	-	3,809	14,138	4,318,780
JUNE 2022	2,400,176	1,615,499	47,413	1,897	21,442	51,853	4,138,280

14.2 Cost incurred on members' events represents the activities held at the following locations

	Lahore	Islamabad	Faisalabad	Gujranwala Rupees	Peshawar	Multan	Total
Refreshment	2,781,464	533,125	184,497	-	16,170	120,347	3,635,603
Speaker honorarium and shields	59,850	40,881	11,000	-	-	8,200	119,931
Printing stationery and postage	28,275	5,880	-	-	-	-	34,155
Photography video and multimedia	436,382	157,175	15,000	-	-	-	608,557
Other expenses	64,070	68,460	9,500	-	-	7,780	149,810
JUNE 2023	3,370,041	805,521	219,997	-	16,170	136,327	4,548,056

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
15. MEMBERS' SOCIAL EVENTS			
Members Social Events receipts	15.1	777,000	196,000
Members Social Events expenses	15.2	3,570,257	539,199

15.1 These receipts are collected from the social events held at the following locations:

Receipts	Lahore	Islamabad	Faisalabad	Rupees	Peshawar	Multan	Total
JUNE 2023 - Receipts	133,500	369,500	122,500		75,000	94,000	777,000
JUNE 2022 - Receipts	196,000	-	-		-	-	196,000

15.2 Cost incurred on members' Social events held at the following locations

Refreshment / dinner / musical program	558,998	1,128,174	312,620		295,714	293,930	2,589,436
Children activities / lucky draw	50,000	152,229	166,933		21,500	217,520	608,182
Photography, video and multimedia	6,000	115,250	-		9,000	-	130,250
Other	6,500	145,285	-		19,300	71,304	242,389
JUNE 2023 Expenses	621,498	1,540,938	479,553		345,514	582,754	3,570,257

Refreshment / dinner / musical program	375,734	-	-		-	-	375,734
Children activities / lucky draw	150,725	-	-		-	-	150,725
Photography, video and multimedia	7,000	-	-		-	-	7,000
Other	5,740	-	-		-	-	5,740
JUNE 2022 Expenses	539,199	-	-		-	-	539,199

	Note	2023 (Rupees)	2022 (Rupees)
16. STUDENTS' EVENTS (CASA)			
Contribution from participants of sport events		1,683,000	-
Sponsorships		1,724,138	-
		3,407,138	-

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022 (Rupees) (Restated)
17. OTHER INCOME			
Income for library fund realized		-	20,844
Amortization of deferred income - Library development fund		14,180	88,997
		14,180	109,841
18. STUDENTS' EVENTS (CASA)			
Cricket tournament expenses	18.1	4,088,148	-
CASA Annual General Meeting Expenses	18.2	-	168,449
Other receivable written off		-	1,306
Meet your representative / traveling expenses		207,000	136,626
		4,295,148	306,381
18.1 Cricket tournament expenses			
Ground booking charges		331,000	-
Kit and other cricket accessories		3,381,537	-
Trophies / giveaways / medals		313,043	-
Other expenses related to Cricket tournament		62,568	-
		4,088,148	-
18.2 CASA annual general meeting expenses			
Trophies / giveaways / medals		-	30,825
CASA annual general meeting expenses		-	137,624
		-	168,449

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
19. OTHER EXPENSES			
Salaries and allowances	19.1	2,560,568	2,256,400
Printing and stationery		224,825	145,629
Meeting expenses		185,922	100,395
Traveling and conveyance - members and staff		552,922	602,045
Auditors' remuneration	19.2	108,405	98,550
Insurance		46,339	52,496
Vehicle running expenses	19.3	527,873	435,971
Internet expenses		15,200	18,600
Bank charges		7,361	5,070
Impairment allowance against advance income tax	81.2	32,362	15,394
Depreciation		20,368	29,770
Shield and mementoes		4,000	112,285
Zakat	19.4	58,426	-
		<u>4,344,571</u>	<u>3,872,605</u>

19.1 Salaries and allowances include contribution to provident fund amounting to Rs. 82,000 (2022: Rs. 81,300).

19.2 Auditors' Remuneration

Audit fee - statutory	92,345	83,950
Out of pocket expense	16,060	14,600
	<u>108,405</u>	<u>98,550</u>

19.3 These include Rs. 527,873 (2022: 439,971) on account of rental / usage amount charged by the ICAP to NRC for the use of its vehicle for NRC employee.

19.4 These include Rs. 58,426 (2022: Nil) in respect of Zakat, deducted and deposited directly by MCB.

	Note	2023 (Rupees)	2022 (Rupees)
20. INCOME FROM INVESTMENTS			
Income from financial assets			
Profit on short term investments		964,135	476,817
Profit on saving bank accounts		216,541	101,762
		<u>1,180,676</u>	<u>578,579</u>

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
21. CASH AND CASH EQUIVALENTS			
For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:			
Cash and bank balances	9	2,603,284	3,298,195
Short term investments	7	6,000,000	6,000,000
		8,603,284	9,298,195

22. OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Note	Income	Expenditure	2023 Surplus / (deficit)	2022 Surplus / (deficit)
			Rupees		
Members' events					
Seminar and CPD activities	14.1	4,318,780	4,548,056	(229,276)	(357,024)
		4,318,780	(4,548,056)	(229,276)	(357,024)
Members' social events	15	777,000	(3,570,257)	(2,793,257)	(343,199)
		5,095,780	(8,118,313)	(3,022,533)	(700,223)
Unallocated income					
Members subscription				3,213,300	3,149,625
Share of student subscriptions fees (CASA)				581,100	548,600
Students' events (CASA)	16			3,407,138	-
Income from investments	20			1,180,676	578,579
Other income	17			14,180	109,841
				8,396,394	4,386,645
Operating results				5,373,861	3,686,422
CASA expenses	18			(4,295,148)	(306,381)
Other expenses	19			(4,344,571)	(3,872,605)
Deficit surplus for the year				(3,265,858)	(492,564)

23. OPERATING SEGMENT RESULTS

The committee was engaged into the following main activities:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	CASA Activities		Seminar & CPD Activities		Social Events		Total	
	2023 (Rupees)	2022 (Rupees)	2023 (Rupees)	2022 (Rupees)	2023 (Rupees)	2022 (Rupees)	2023 (Rupees)	2022 (Rupees)
Receipts	3,988,238	548,600	4,318,780	4,138,280	777,000	196,000	9,084,018	4,882,880
Others - unallocated income								
Members' subscription							3,213,300	3,149,625
Income from investments							1,180,676	578,579
Amortization of Deferred Income							14,180	109,841
							4,408,156	3,838,045
Total Income							13,492,174	8,720,925
Expenditure								
Refreshment	-	-	3,635,603	3,404,541	2,589,436	375,734	6,225,039	3,780,275
Speaker honorarium and shield	-	-	119,931	182,717	-	-	119,931	182,717
Printing stationery and postage	-	-	34,155	12,580	-	-	34,155	12,580
Traveling and related expenses	207,000	136,626	-	-	-	-	207,000	136,626
Photography video and multimedia	-	-	608,557	845,801	130,250	7,000	738,807	852,801
Magic show / Children activity	-	-	-	-	608,182	150,725	608,182	150,725
CASA expenses	4,088,148	168,449	-	-	-	-	4,088,148	168,449
Others	-	1,306	149,810	49,665	242,389	5,740	392,199	56,711
Total expenditure	4,295,148	306,381	4,548,056	4,495,304	3,570,257	539,199	12,413,461	5,340,884
Segment results - surplus	(306,910)	242,219	(229,276)	(357,024)	(2,793,257)	(343,199)	1,078,713	3,380,041
Other expenses							4,344,571	3,872,605
Deficit for the year							(3,265,858)	(492,564)

24. 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:

			2023 (Rupees)	2022 (Rupees)
Name of party	Relationship	Nature of transaction		
ICAP	Associate	Payment of expenses on behalf of the committee	513,262	582,045
ICAP	Associate	Rental / usage amount charged by the associate	527,873	435,971
Post	Employees	Employee contribution to Provident Fund Trust for the year	142,197	81,300
Balances as at JUNE 30 2023				
Due to ICAP			4,784,225	1,832,438

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

25. FINANCIAL INSTRUMENTS BY CATEGORY

25.1 Financial Instruments by category - 2023

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
	Rupees			
Financial assets				
Short-term investments	6,000,000	-	-	6,000,000
Other receivables	159,450	-	-	159,450
Profit receivable on bank deposits	26,602	-	-	26,602
Cash and bank balances	2,603,284	-	-	2,603,284
	8,789,336	-	-	8,789,336
Financial liabilities carried at amortised cost				
Creditors and other liabilities	-	-	4,991,180	4,991,180

Financial Instruments by category - 2022

	Amortised cost	FVOCI - equity instruments	Other financial liabilities	Total
	Rupees			
Financial assets				
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
	9,321,500	-	-	9,321,500
Financial liabilities carried at amortised cost				
Creditors and other liabilities	-	-	1,930,988	1,930,988

26. 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.

26.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

26.1.1 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 counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Committee is exposed to credit risk on all financial assets except cash in hand. 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	2023 (Rupees)	2022 (Rupees)
Short-term investments		6,000,000	6,000,000
Other receivables		186,052	23,305
Bank balances		2,534,486	3,220,186
		<u>8,720,538</u>	<u>9,243,491</u>

26.1.2 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 counter party default rates.

Cash at bank and short-term investments**Rating***

AA-	8,534,486	9,148,068
A-2	-	72,118
	<u>8,534,486</u>	<u>9,220,186</u>

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

26.1.3 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.

NORTHERN REGIONAL COMMITTEE - ICAP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	Rupees			
June 2023				
Non-derivative financial liabilities				
Creditors and other payables	4,991,180	4,991,180	-	-
June 2022				
Non-derivative financial liabilities				
Creditors and other payables	1,930,988	1,930,988	-	-

26.1.4 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.

26.1.4.1 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. 86,033 (2022: Rs.77,424).

26.1.4.2 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.

26.1.4.3 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.

26.1.5 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].

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

27. 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.

28. 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.

29. NUMBER OF EMPLOYEES

The Committee had one full time employee and two part time employees as at June 30, 2023. (2022: two)

30. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on October 21, 2023 by the Committee Members.

31. GENERAL

31.1 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.

31.2 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.



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

FOR INFORMATION, PLEASE CONTACT:

KARACHI OFFICE:

ICAP HEAD OFFICE
CHARTERED ACCOUNTANTS
AVENUE CLIFTON, KARACHI.
TEL: (92 21) 35820694-6
FAX: (92 21) 99251626
E-mail: info@icap.org.pk

LAHORE OFFICE: (NRC SECRETARIAT)

ICAP HOUSE 155-156,
WEST WOOD COLONY THOKAR
NIAZ BAIG, RAIWIND ROAD
LAHORE.
TEL: (92 42) 37515911-12
FAX: (92 42) 37515913
E-mail: lahore@icap.org.pk

ISLAMABAD OFFICE:

ICAP HOUSE
G-10/4, MAUVE AREA,
ISLAMABAD.
TEL: (92 51) 9266281
FAX: (92 51) 9106095
E-mail: islamabad@icap.org.pk

MULTAN OFFICE:

3RD FLOOR, PARK LANE
TOWER OFFICER COLONY NEAR
EID GAH CHOWK KHANEWAL
ROAD, MULTAN.
TEL: (92 61) 6510511, 6510611
FAX: (92 61) 6510411
E-mail: multan@icap.org.pk

FAISALABAD OFFICE:

P-3/33 EAST CANAL ROAD,
MUHAMMADI COLONY, NEAR
GOVT. COLLEGE OF COMMERCE
ABDULLAH PUR, FAISALABAD..
TEL: (92 41) 8531028
FAX: (92 41) 8712626
E-mail: faisalabad@icap.org.pk

PESHAWAR OFFICE:

OFFICE NO. 01, 1ST FLOOR,
ALI TOWR, SHAHEEN TOWN,
UNIVERSITY ROAD,
PESHAWAR.
TEL: (92 91) 5702001-2
FAX: (92 91) 5702002
E-mail: peshawar@icap.org.pk

GUJRANWALA OFFICE:

ICAP HOUSE, 2ND FLOOR,
GUJRANWALA BUSINESS
CENTER, OPP. CHAMBER OF
COMMERCE,
MAIN G.T. ROAD, GUJRANWALA
TEL: (92 55) 3252710
E-mail: gujranwala@icap.org.pk

MIRPUR AJK OFFICE:

BASIC HEALTH UNIT (BHU)
BUILDING, SECTOR D,
NEW CITY MIRPUR,
AZAD JAMMU & KASHMIR.
E-mail: mirpur@icap.org.pk

UAN : 111 000 422