



The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

(UN-AUDITED)

REPORT OF THE COUNCIL FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

Financial Review

The Council of the Institute of Chartered Accountants of Pakistan (ICAP) is pleased to present the interim financial statements for the first quarter ended September 30, 2017.

The Institute achieved a surplus of Rs. 161 million for the period (2016: Rs. 138 million). Total revenue and other income enhanced from Rs. 317 million to Rs. 353 million while expenditure increased by 7% from Rs. 179 million to Rs. 192 million.

Election of ICAP Council and Regional Committees

The Institute of Chartered Accountants of Pakistan (ICAP) has successfully conducted the elections for the ICAP Council and regional committees (Northern and Southern) on July 29, 2017. The first meeting of the 16th Council of the Institute was held on October 27, 2017. The Council unanimously elected Mr. Riaz A. Rehman Chamdia as President of the Institute, Mr. Farrukh Rehman as Vice President-South and Mr. Jafar Husain as Vice President-North.

Amendments in Chartered Accountants (CA) Ordinance, 1961

Proposed Amendments in the CA Ordinance were considered by the Council and after obtaining feedback from the membership, the same were submitted to the SECP along with the amendment bill and statement of rationale for the amendments. The comments of SECP on the proposed amendments have also been addressed and response of ICAP has been submitted on the said comments. The draft is now under review by SECP.

Key Appointments at IFAC

International Federation of Accountants (IFAC) has approved the appointment of Mr. Yacoob Suttar, FCA, Council Member and Past President ICAP as Member of its Board, for the term 2017-2020 and Mr. Khalid Rahman, FCA newly elected Council Member as Member of its Compliance Advisory Panel, for second term 2018-2020.

Best Corporate and Sustainability Report 2016 Awards

ICAP organised, for the seventeenth consecutive year, the Best Corporate and Sustainability Report 2016 Awards ceremony jointly with the Institute of Cost and Management Accountants of Pakistan (ICMAP) on August 25, 2017 at Karachi. The event was largely attended by the CEOs, CFOs and other senior officials of the listed companies, including members of both the Institutes

MoU with Concordia Colleges

The Institute of Chartered Accountants of Pakistan (ICAP) signed a Memorandum of Understanding (MoU) with Concordia Colleges – a project of Beaconhouse Group. ICAP plans to broaden the access of quality accounting education through the leading educational institutions as its strategic partners, both school systems and universities.

The Concordia College became the first Registered Accounting School System (RASS) of ICAP in Pakistan for offering its courses in 10 cities spreading over Punjab and Khyber Pakhtunkhwa (KPK). This development would bring quality professional education to the access of many brilliant and promising students.

Establishment of Management Committees in Australia and USA

The Overseas Coordination Committee has formed Management Committees in Australia and USA comprising of four members each. The committees will coordinate with ICAP members in their respective countries and will help ICAP's Overseas Coordination Committee in its objectives.

Annual ICAP CFO Conference Middle East 2018

In continuation to the earlier conferences successfully held in the UAE, the Council has decided to hold another CFO Conference in UAE in first quarter of 2018. The Council was of the view that such events are necessary for interactive participation of the members and for promoting the CA brand in UAE.

Representation at Regional/International Forums

Representatives from ICAP attended following regional/ international forums during the period:

- SAFA meetings and events
- IFAC – CAP & PAODC meeting
- AAOIFI meetings

The Council would like to extend its gratitude to all the stakeholders, including the contributions made by the Committees, and thank the management and staff for their dedication and hard work.

By Order of the Council

Abdul Malik

Secretary

Karachi, November 08, 2017

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	September 30, 2017	June 30, 2017
	Un-audited	Audited
Note	----- Rupees in '000 -----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 667,951	229,160
Intangible assets	6 3,263	3,813
Long term investments	7 481,019	342,164
Loans, advances and deposits	18,293	163,869
	1,170,526	739,006
CURRENT ASSETS		
Stock of study packs, publications and souvenirs	8 19,205	18,900
Short term investments	9 62,241	365,199
Loans, advances, prepayments and other receivables	23,302	21,514
Accrued income on investments	5,023	15,495
Cash and bank balances	106,465	57,722
	216,236	478,830
TOTAL ASSETS	1,386,762	1,217,836
LIABILITIES		
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	95,411	81,719
Fee and charges received in advance	32,392	38,087
	127,803	119,806
CONTINGENCIES AND COMMITMENTS	10	
NET ASSETS	1,258,959	1,098,030
REPRESENTED BY:		
General Fund	985,045	842,095
Specific Fund	5,095	5,073
Endowment Funds	115,135	117,399
Regional Committees	39,210	33,439
Benevolent Fund	114,474	100,024
	1,258,959	1,098,030

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	Note	September 30, 2017 ----- Rupees in '000 -----	September 30, 2016
INCOME			
Members' subscription		138,202	127,370
Examination and other fees		148,927	132,444
Education and training fees		44,289	31,854
Receipts from publications		2,184	3,598
Other income	11	6,760	3,775
		<u>340,362</u>	<u>299,041</u>
EXPENDITURE			
Salaries, allowances and other benefits		82,978	61,958
Examination charges		27,871	27,067
Depreciation		7,304	7,871
Traveling and related expenses		5,457	7,752
Study packs and other publications		9,251	14,240
Utilities		6,511	6,474
Postage and telephone		4,707	4,094
Repairs and maintenance		7,956	7,519
Printing and stationery		4,891	3,175
Rent, rates and taxes		4,445	4,194
Advertisement and exhibition		2,256	4,293
Amortisation of intangible assets		550	2,313
Financial assistance to students		3,791	3,709
Financial assistance to members and/or families		5,335	5,735
Gold medals and award ceremony		209	242
Edhi CA talent program		1,919	516
Vehicles maintenance and running cost		1,606	1,443
Legal and professional charges		1,489	1,235
Others	12	13,083	15,211
		<u>191,609</u>	<u>179,041</u>
Excess of income over expenditure before income from investments		148,753	120,000
Income from investments		12,396	17,673
Excess of income over expenditure for the period		<u>161,149</u>	<u>137,673</u>
Other comprehensive income			
Deficit on re-measurement of available for sale investments		(220)	(162)
Total comprehensive income for the period		<u><u>160,929</u></u>	<u><u>137,511</u></u>
ATTRIBUTABLE TO:			
General Fund		142,950	127,748
Specific Fund		22	30
Endowment Funds		(2,264)	(2,243)
Regional Committees		5,771	2,040
Benevolent Fund		14,450	9,936
		<u>160,929</u>	<u>137,511</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	September 30, 2017	September 30, 2016
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received against:		
Members' subscription	122,226	107,110
Examination and other fees	158,987	96,515
Education and training fees	44,289	31,854
Sale of publications	2,618	3,911
Facilities and miscellaneous	5,213	6,387
	333,333	245,777
Cash paid against:		
Salaries, allowances and other benefits	75,305	64,790
Fees to professional bodies	230	-
Property tax	898	898
Supplies and services	95,061	86,960
	171,494	152,648
Net cash generated from operating activities	161,839	93,129
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(140,483)	(156,952)
Fixed capital expenditure	(299,816)	(4,102)
Proceeds from sale of operating fixed assets	1,175	-
Income received from investments	24,095	26,937
Loans, advances and deposits - net	(1,426)	89
Net cash used in investing activities	(416,455)	(134,028)
Net decrease in cash and cash equivalents	(254,616)	(40,899)
Cash and cash equivalents at the beginning of the period	367,555	166,854
Cash and cash equivalents at the end of the period	112,939	125,955

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund			Total
			Students' Endowment	Libraries Development	Sub total	Southern	Northern	Sub total	Accumulated Fund	Special Reserve Fund	Sub total	
----- Rs. in '000 -----												
Balance as at July 01, 2016	717,698	4,829	82,126	7,748	89,874	25,543	11,937	37,480	93,051	839	93,890	943,771
Total comprehensive income for the period ended September 30, 2016												
Excess / (deficit) of income over expenditure for the period	127,748	30	(2,367)	124	(2,243)	1,855	185	2,040	10,098	-	10,098	137,673
Other comprehensive loss	-	-	-	-	-	-	-	-	(162)	-	(162)	(162)
	127,748	30	(2,367)	124	(2,243)	1,855	185	2,040	9,936	-	9,936	137,511
Balance as at September 30, 2016	845,446	4,859	79,759	7,872	87,631	27,398	12,122	39,520	102,987	839	103,826	1,081,282
Balance as at July 01, 2017	842,095	5,073	109,210	8,189	117,399	26,979	6,460	33,439	99,185	839	100,024	1,098,030
Total comprehensive income for the period ended September 30, 2017												
Excess / (deficit) of income over expenditure for the period	142,950	22	(2,331)	67	(2,264)	3,825	1,946	5,771	14,670	-	14,670	161,149
Other comprehensive income	-	-	-	-	-	-	-	-	(220)	-	(220)	(220)
	142,950	22	(2,331)	67	(2,264)	3,825	1,946	5,771	14,450	-	14,450	160,929
Balance as at September 30, 2017	985,045	5,095	106,879	8,256	115,135	30,804	8,406	39,210	113,635	839	114,474	1,258,959

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

1. THE INSTITUTE AND ITS OPERATIONS

The Institute of Chartered Accountants of Pakistan (the Institute) is a statutory body, established under the Chartered Accountants Ordinance, 1961 (X of 1961) for the regulation of the profession of accountants in the country. The Institute is an approved non-profit organization, under sub section (36) of section 2 of the Income Tax Ordinance, 2001.

Regional Committees

The Council of the Institute has established two regional committees (i.e. Southern Regional Committee and Northern Regional Committee) to carry-out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983.

Endowment Funds

The Institute operates Students' Endowment and Libraries Development Funds to provide financial assistance to the deserving students and for development of ICAP libraries respectively. These Funds are governed by the rules approved by the Council. The contributions to the Funds include transfers by the Institute from its surplus as well as amounts received from other organisations.

Benevolent Fund

Benevolent Fund was established by the Council of the Institute to provide relief to deserving persons who are or have been members of the Institute and spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is contributed by the members in the form of annual subscription.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Institute for the quarter ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983. In case where requirements differ, the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983 have been followed.

This condensed interim financial information is un-audited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of IAS 34. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited annual financial statements of the Institute for the year ended June 30, 2017.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Institute for the year ended June 30, 2017, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information of the Institute for the quarter ended September 30, 2016.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the recognition of certain investments at fair values.

This condensed interim financial information has been prepared following accrual basis of accounting except for cashflow information.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistan Rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Institute for the year ended June 30, 2017.
- 3.2 The Institute has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2017. The adoption of these new and amended standards did not have any effect on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Institute for the year ended June 30, 2017.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Land	5.1	440,220	18
Operating fixed assets	5.2	221,590	223,601
Capital work in progress		6,141	5,541
		<u>667,951</u>	<u>229,160</u>

5.1 This include land measuring 10 Kanl, 19 Marla and 17 Square ft. in Gulberg Lahore, acquired through auction and recorded during the period.

5.2 Operating fixed assets

Net book value at beginning of the period / year		223,601	235,480
Additions during the period / year	5.2.1	6,013	29,901
		<u>229,614</u>	<u>265,381</u>
Less:			
Disposals at book value [having cost Rs. 2.03 million (June 30, 2017: Rs. 22.26 million)]	5.2.2	720	8,222
Written off during the period / year		-	1,060
Depreciation charge for the period / year		7,304	32,498
		<u>8,024</u>	<u>41,780</u>
Net book value at end of the period / year		<u>221,590</u>	<u>223,601</u>

	September 30, 2017	June 30, 2017	
	Un-audited	Audited	
Note	----- Rupees in '000 -----		
5.2.1 Additions during the period / year			
Building on leasehold land	-	3,945	
Generators	86	-	
Electric fittings and appliances	696	2,290	
Furniture and fixtures	676	5,093	
Vehicles	2,647	9,823	
Office equipment	1,908	8,706	
Library books	-	44	
	6,013	29,901	
5.2.2 Disposals during the period / year :			
Freehold land		541	
Generator	-	3	
Electric fittings and appliances	-	386	
Furniture and fixtures	-	464	
Vehicles	699	6,384	
Office equipment	21	444	
	720	8,222	
6. INTANGIBLE ASSETS			
Net book value at the beginning of the period / year	3,813	9,547	
Deletions/Written off during the period / year			
Cost	-	3,229	
Less: Accumulated amortisation	-	(3,229)	
	-	-	
	3,813	9,547	
Amortisation charged during the period / year	(550)	(5,734)	
Net book value at the end of the period / year	3,263	3,813	
7. LONG TERM INVESTMENTS			
Held to maturity			
General Fund	7.1	267,829	199,764
Specific Fund: Prize Fund	7.2	2,464	1,482
Endowment Funds	7.3	115,057	44,797
Southern Regional Committee	7.4	18,859	20,829
Benevolent Fund	7.5	76,810	75,292
		481,019	342,164

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
7.1 General Fund			
Certificates of Islamic Investments	7.1.1	115,000	115,000
Pakistan Investment Bonds	7.1.2	173,740	334,482
Less: Maturing within one year, classified under short term investments		(38,437)	(266,851)
		135,303	67,631
Certificate of Deposit	7.1.3	17,526	17,133
		<u>267,829</u>	<u>199,764</u>

7.1.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 115 million (June 30, 2017: Rs. 115 million). These certificates carry profit at the rates ranging from 5.98% to 6.00% (June 30, 2017: 5.97% to 6.00%) per annum receivable on monthly basis and are maturing on various dates upto February 16, 2024.

7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 161.16 million (June 30, 2017: Rs. 332.65 million). Profit is receivable on half yearly basis, with yield at rates ranging from 6.99% to 8.02% (June 30, 2017: 6.99% to 12.47%) per annum. These PIBs have term of three to five years and are maturing on various dates upto July 19, 2022.

7.1.3 This represents Certificate of Deposit of a financial institution amounting to Rs. 15 million (June 30, 2017: Rs. 15 million). These certificates carry mark-up at rate of 10.42% (June 30, 2016: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 2.53 million (June 30, 2017: Rs. 2.13 million) is included in the carrying value.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
7.2 Specific Fund: Prize Fund			
Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bonds	7.2.2	1,464	482
		<u>2,464</u>	<u>1,482</u>

7.2.1 This represents Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2017: Rs. 1 million). This certificate carries profit at rates ranging from 5.97% to 5.98% (June 30, 2017: 5.97% to 6.00%) per annum receivable on monthly basis and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 1.29 million (June 30, 2017: Rs. 0.47 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02%) per annum. These PIBs have a term of five years and are maturing on various dates upto July 19, 2022.

7.3	Endowment Funds	Note	September 30,	June 30,
			2017	2017
			Un-audited	Audited
			----- Rupees in '000 -----	
Students' Endowment Fund				
	Certificates of Islamic Investments	7.3.1	42,000	42,000
	Pakistan Investment Bonds	7.3.2	65,237	8,992
	Less: Maturing within one year, classified under short term investments		-	(8,124)
			65,237	868
Libraries Development Fund				
	Pakistan Investment Bonds	7.3.3	7,820	3,960
	Less: Maturing within one year, classified under short term investments		-	(2,031)
			7,820	1,929
			<u>115,057</u>	<u>44,797</u>

7.3.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 42 million (June 30, 2017: Rs. 42 million). Profit is receivable on monthly basis at rates ranging from 5.97% to 5.98% (June 30, 2017: 5.97% to 6.00%) per annum and are maturing on various dates upto July 19, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 54.91 million (June 30, 2017: Rs. 8.97 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02% to 12.42%) per annum. These PIBs have a term of five years and are maturing on various dates upto July 19, 2022.

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 6.83 million (June 30, 2017: Rs. 3.91 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02% to 12.42%) per annum. These PIBs have a term of five years and are maturing on various dates upto July 19, 2022.

7.4	Southern Regional Committee	Note	September 30,	June 30,
			2017	2017
			Un-audited	Audited
			----- Rupees in '000 -----	
	Certificates of Islamic Investments	7.4.1	18,859	20,829

7.4.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 18.38 million (June 30, 2017: Rs. 20.38 million). These certificates carry profit at rates ranging from 5.26% to 5.59% (June 30, 2017: 5.26% to 5.61%) per annum and are maturing on various dates upto June 29, 2022. Accrued profit aggregating to Rs. 0.48 million (June 30, 2017: Rs. 0.45 million) is included in the carrying value.

	Note	September 30, 2017 Un-audited ----- Rupees in '000 -----	June 30, 2017 Audited
7.5 Benevolent Fund			
Defence Savings Certificates	7.5.1	4,726	4,587
Special Savings Certificates	7.5.2	72,084	70,705
		76,810	75,292

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2017: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 6, 2020. These certificates carry mark-up at the rate of 12.10% (June 30, 2016: 12.10%) per annum. Accrued mark-up aggregating to Rs. 2.73 million (June 30, 2017: Rs. 2.59 million) is included in the carrying value.

7.5.2 This represents investment in Special Savings Certificates, having aggregate face value of Rs. 62 million (June 30, 2017: Rs. 62 million). These certificates have been placed for a term of three years and are maturing on September 28, 2018. These certificates carry effective mark-up at rate of 7.74% (June 30, 2017: 7.74%) per annum. Accrued mark-up aggregating to Rs. 10.08 million (June 30, 2017: Rs. 8.71 million) is included in the carrying value.

	Note	September 30, 2017 Un-audited ----- Rupees in '000 -----	June 30, 2017 Audited
8. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS			
Stock of study packs		9,443	7,971
Stock of publications and souvenirs		10,260	10,929
		19,703	18,900
Less: Provision for obsolete stock		(498)	-
		19,205	18,900

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9. SHORT TERM INVESTMENTS			
Held to maturity			
General Fund	9.1	38,437	287,949
Specific Fund: Prize Fund	9.2	2,737	3,246
Endowment Funds		-	41,274
Southern Regional Committee	9.3	5,371	3,357
Northern Regional Committee	9.4	5,170	5,112
Benevolent Fund	9.5	5,076	18,591
Available for sale			
Benevolent Fund	9.5	5,450	5,670
		<u>62,241</u>	<u>365,199</u>

9.1 General Fund

Held to maturity

Certificates of Investments		-	21,098
Pakistan Investment Bonds	7.1	38,437	266,851
		<u>38,437</u>	<u>287,949</u>

9.2 Specific Fund: Prize Fund

Term Deposit Receipts	9.2.1	<u>2,737</u>	<u>3,246</u>
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9.2.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 2.7 million (June 30, 2017: Rs. 3.2 million). These TDRs carry mark-up at rates ranging from 5.70% to 6.30% (June 30, 2017: 5.70% to 6.30%) per annum and are maturing on various dates upto April 02, 2018. Accrued mark-up aggregating Rs. 0.037 million (June 30, 2017: Rs. 0.046 million) is included in the carrying value.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
9.3 Southern Regional Committee			
Certificates of Islamic Investments			
Accumulated Fund	9.3.1	<u>5,371</u>	<u>3,357</u>

9.3.1 This represents Certificates of Islamic Investments, issued by a bank having face value aggregating to Rs. 5.30 million (June 30, 2017: Rs.3.30 million). These certificates carry profit at rates ranging from 5.26% to 5.59% (June 30, 2017: 4.49% to 5.60%) per annum and are maturing on various dates upto June 25, 2018.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
9.4 Northern Regional Committee			
Certificate of Islamic Investment	9.4.1	<u>5,170</u>	<u>5,112</u>

9.4.1 This represents Certificates of Islamic Investments having face value of Rs. 5.00 million (June 30,2017: Rs. 5.00 million).These certificates carry profit at rates ranging from 3.47% to 4.50% (June 30, 2017: 4.50% to 4.67%) per annum and are maturing on January 5, 2018.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
9.5 Benevolent Fund			
Held to maturity			
Certificates of Investments	9.5.1	5,076	18,591
Available for sale			
Investments in equity shares	9.5.2	<u>5,450</u>	<u>5,670</u>
		<u>10,526</u>	<u>24,261</u>

9.5.1 This represent Certificates of Investments aggregating to Rs. 5 million (June 30, 2017: Rs. 18 million). This certificate carries mark-up at rate of 6.15% (June 30, 2017: 6.15% to 6.30%) per annum and are maturing on October 03,2017. Accrued mark-up aggregating to Rs.0.076 million (June 30,2017: Rs. 0.59 million) is included in the carrying value.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
9.5.2 Investments in equity shares			
The Hub Power Company Limited			
As on July 01		4,698	4,804
Deficit on re-measurement		<u>(226)</u>	<u>(106)</u>
Market value of 40,000 ordinary shares as on September 30,		4,472	4,698
Fauji Fertilizer Company Limited			
As on July 01		972	1,349
Surplus / (Deficit) on re-measurement		6	(377)
Market value of 11,767 ordinary shares as on September 30,		<u>978</u>	<u>972</u>
		<u>5,450</u>	<u>5,670</u>

10. CONTINGENCIES AND COMMITMENTS

- 10.1 There has been no significant change in the status of contingencies as reported in note 16 to the annual audited financial statements of the Institute for the year ended June 30, 2017.
- 10.2 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 23.27 million (June 30, 2017: Rs. 329 million, including Rs. 293.2 against purchase of land from Lahore Development Authority).

September 30, 2017 **September 30, 2016**
Un-audited **Un-audited**
----- Rupees in '000 -----

11. OTHER INCOME

Income derived from utilisation of facilities	856	772
Gain on sale of fixed assets - net	476	-
Net income from seminar, conference & other events	1,078	-
Net surplus on Directors' Training Programs	504	458
Donation received	3,707	2,470
Miscellaneous	139	75
	<u>6,760</u>	<u>3,775</u>

12. OTHERS

Fees to professional bodies	1,336	1,346
Auditors' remuneration	300	185
Meetings and related expenses / entertainment	1,352	925
Books and publications	143	139
Bank charges	2,777	2,291
Insurance	655	597
Provision for obsolete stock	499	-
Provision against advance income tax	773	2,066
Training expenses	556	108
Election expenses	2,940	-
Online education and research facility	428	426
Sports and recreation	679	424
Net deficit from seminars, conferences and other events	-	6,225
Sundry expenses	645	479
	<u>13,083</u>	<u>15,211</u>

13. CASH AND CASH EQUIVALENTS

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

	September 30, 2017	September 30, 2016
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Cash and bank balances	106,465	124,555
Short term investments realisable within three months	6,474	1,400
	<u>112,939</u>	<u>125,955</u>

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	September 30, 2017	September 30, 2016
		Un-Audited	Un-Audited
		----- Rupees in '000 -----	
Staff retirement benefit plans:	Contribution paid to: Provident Fund	3,936	3,037
Key management personnel: Secretary, Directors and Senior Managers	Managerial remuneration Reimbursement of expenses	39,655 875	25,827 970
Members of the Council	Membership fee received Reimbursement of expenses	496 606	613 1,566

14.2 Period / year end balances:

Relationship with the Institute	Nature of balances	September 30, 2017	June 30, 2017
		Un-audited	Audited
		----- Rupees in '000 -----	
Key management personnel Secretary, Directors and Senior Managers	Loans and advances Other liabilities	1,901 348	1,220 35
Member of the Council	Loans and advances Other liabilities	356 759	180 63

15. FINANCIAL RISK MANAGEMENT

The Institute's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Institute's audited annual financial statements for the year ended June 30,

There have been no significant changes in the risk management policies since the year end.

16. SEGMENT INFORMATION

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. The Institute is organised in to following operating segments:

(a) Service segments:

The Institute has following four reportable segments on the basis of services characteristics:

(i) Examination (ii) Education (iii) Membership (iv) General Services

(b) Geographical segments:

The Institute has following geographical segments representing 10% or more of the total income:

(i) Karachi (ii) Lahore (iii) Islamabad and Rawalpindi (iv) Others including overseas

This information also presented in South (includes provinces, namely, Sindh and Balochistan) and North (includes provinces, namely, Punjab, Khyber Pakhtunkhaw, Gilgit Biltistan and Azad Kashmir) regions.

16.1 Service segment

16.1.1 Basis of allocation

Service provided/rendered directly to students are allocated to Examination and Education whereas member related income and expenditure are allocated directly to Membership. Remaining income and expenditure are allocated to General Services.

16.1.2 Segment revenue and results

	----- Un-audited -----									
	For the first quarter ended September 30, 2017					For the first quarter ended September 30, 2016				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----										
Income										
from members	-	-	138,202	-	138,202	-	-	127,370	-	127,370
from students	148,927	44,289	-	-	193,216	132,444	31,854	-	-	164,298
others	-	-	-	8,944	8,944	-	-	-	7,373	7,373
Total income	148,927	44,289	138,202	8,944	340,362	132,444	31,854	127,370	7,373	299,041
Expenditure - note 16.1.3	(60,310)	(32,396)	(37,415)	(61,488)	(191,609)	(57,882)	(29,427)	(38,737)	(52,995)	(179,041)
	88,617	11,893	100,787	(52,544)	148,753	74,562	2,427	88,633	(45,622)	120,000
Income from investments and surplus on re-measurement of available for sale investments					12,176					17,511
Excess of income over expenditure					<u>160,929</u>					<u>137,511</u>

16.1.3 Expenditure

Salary, allowance, and other benefits	19,931	11,459	16,358	35,230	82,978	17,997	6,414	13,063	24,484	61,958
Examination charges	27,871	-	-	-	27,871	27,067	-	-	-	27,067
Depreciation	1,899	876	1,023	3,506	7,304	2,282	866	945	3,778	7,871
Traveling and related expenses	1,432	265	3,418	342	5,457	975	208	6,285	284	7,752
Study packs and other publications	-	7,000	-	2,251	9,251	-	10,498	-	3,742	14,240
Utilities	1,693	781	912	3,125	6,511	1,877	712	777	3,108	6,474
Postage and telephone	1,224	565	659	2,259	4,707	1,188	450	491	1,965	4,094
Repair and maintenance	2,068	955	1,114	3,819	7,956	2,102	839	916	3,662	7,519
Printing and stationery	1,795	1,100	321	1,675	4,891	1,576	246	813	540	3,175
Rent, rates and taxes	35	71	21	4,318	4,445	33	10	19	4,132	4,194
Advertisement and exhibitions	11	2,155	-	90	2,256	-	4,001	-	292	4,293
Amortisation of intangible assets	143	66	77	264	550	671	254	278	1,110	2,313
Financial assistance to students	-	3,791	-	-	3,791	-	3,709	-	-	3,709
Financial assistance to members / families	-	-	5,335	-	5,335	-	-	5,735	-	5,735
Gold medals and award ceremony	209	-	-	-	209	242	-	-	-	242
Edhi CA talent program	-	1,919	-	-	1,919	-	516	-	-	516
Vehicle maintenance and running cost	427	148	544	487	1,606	501	211	375	356	1,443
Legal and professional charges	-	57	1,084	348	1,489	3	-	871	361	1,235
Others	1,572	1,188	6,549	3,774	13,083	1,368	493	8,169	5,181	15,211
Total expenditures	60,310	32,396	37,415	61,488	191,609	57,882	29,427	38,737	52,995	179,041

	----- Un-audited -----					----- Audited -----				
	As at September 30, 2017					As at June 30, 2017				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----										

16.1.4 Other Information

Segments assets employed	38,060	21,449	31,793	637,449	728,751	38,113	21,144	31,793	342,393	433,443
Unallocated assets					658,011					784,393
Total assets					<u>1,386,762</u>					<u>1,217,836</u>
Segments liabilities employed	34,135	4,520	13,361	75,787	<u>127,803</u>	24,075	4,520	29,128	62,083	<u>119,806</u>

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

16.2 Geographical segments:

16.2.1 Basis of allocation

Service provided/rendered directly to students are allocated on the basis of number of students whereas services to members are allocated on the basis of number of members at each geographical segment.

----- Un-audited -----									
For the first quarter ended September 30, 2017					For the first quarter ended September 30, 2016				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
----- Rs. in '000 -----									

16.2.2 Segment revenue and results

Income										
from members	59,053	27,417	13,545	38,187	138,202	53,588	25,512	12,632	35,638	127,370
from students	56,521	69,346	35,054	32,295	193,216	49,434	58,149	29,405	27,310	164,298
other general services - unallocated	-	-	-	-	8,944	-	-	-	-	7,373
	115,574	96,763	48,599	70,482	340,362	103,022	83,661	42,037	62,948	299,041
Allocated expenditure - Members and students	(43,107)	(40,695)	(20,486)	(25,833)	(130,121)	(42,037)	(39,391)	(19,530)	(25,088)	(126,046)
	72,467	56,068	28,113	44,649	210,241	60,985	44,270	22,507	37,860	172,995
Unallocated expenditure - General services					61,488					52,995
					148,753					120,000
Income from investments and surplus on re-measurement of available for sale investments					12,176					17,511
Excess of income over expenditure					160,929					137,511

16.2.3 Expenditure

Salaries, allowances and other benefits	67,022	9,965	3,888	2,103	82,978	49,487	8,434	2,056	1,981	61,958
Examination charges	17,570	5,327	2,495	2,479	27,871	23,483	203	1,887	1,494	27,067
Depreciation	5,120	1,127	430	627	7,304	5,418	1,330	473	650	7,871
Traveling and related expenses	3,244	1,329	693	191	5,457	3,620	3,095	702	335	7,752
Study packs and other publications	3,895	2,846	1,343	1,167	9,251	6,031	4,610	2,168	1,431	14,240
Utilities	3,614	1,326	590	981	6,511	3,230	1,461	708	1,075	6,474
Postage and telephone	3,316	630	310	451	4,707	2,755	668	310	361	4,094
Repairs and maintenance	3,373	1,840	1,036	1,707	7,956	2,571	1,884	1,221	1,843	7,519
Printing and stationery	4,525	263	56	47	4,891	2,945	150	24	56	3,175
Rent, rates and taxes	1,128	614	105	2,598	4,445	1,103	644	57	2,390	4,194
Advertisement and exhibitions	482	1,423	242	109	2,256	542	1,783	411	1,557	4,293
Amortisation of intangible assets	550	-	-	-	550	2,313	-	-	-	2,313
Financial assistance to students	1,896	1,000	895	-	3,791	308	2,126	778	497	3,709
Financial assistance to members / families	2,770	1,605	521	439	5,335	5,735	-	-	-	5,735
Gold medals and award ceremony	209	-	-	-	209	242	-	-	-	242
Edhi CA talent program	740	401	99	679	1,919	166	174	87	89	516
Vehicles maintenance and running cost	1,446	95	34	31	1,606	1,332	56	46	9	1,443
Legal and professional charges	1,420	63	6	-	1,489	1,120	115	-	-	1,235
Others	11,171	915	685	312	13,083	12,801	1,886	401	123	15,211
Expenditure - as and where incurred	133,491	30,769	13,428	13,921	191,609	125,202	28,619	11,329	13,891	179,041
Inter-segment allocation / transfer to unallocated	(90,384)	9,926	7,058	11,912	(61,488)	(83,165)	10,772	8,201	11,197	(52,995)
Allocated expenditure - Members and students	43,107	40,695	20,486	25,833	130,121	42,037	39,391	19,530	25,088	126,046
Unallocated expenditure - General services					61,488					52,995
Total expenditure					191,609					179,041

16.2.4 Other Information

----- Un-audited -----					----- Audited -----				
As at September 30, 2017					As at June 30, 2017				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
----- Rs. in '000 -----									

Segments assets employed	190,911	498,629	19,324	19,887	728,751	188,819	205,413	19,324	19,887	433,443
Unallocated assets					658,011					784,393
Total assets					1,386,762					1,217,836
Segments liabilities employed	83,396	10,035	1,190	790	95,411	69,861	9,878	1,190	790	81,719
Unallocated liabilities					32,392					38,087
Total liabilities					127,803					119,806

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

----- Un-audited -----					
For the first quarter ended September 30, 2017			For the first quarter ended September 30, 2016		
South	North	Total	South	North	Total
----- Rs. 000 -----					

16.2.5 Segment revenue and results

Income						
from members	79,804	58,398	138,202	72,922	54,448	127,370
from students	60,943	132,273	193,216	53,571	110,727	164,298
other general services - unallocated	-	-	8,944	-	-	7,373
	<u>140,747</u>	<u>190,671</u>	<u>340,362</u>	<u>126,493</u>	<u>165,175</u>	<u>299,041</u>
Allocated expenditure - Members and students	(50,846)	(79,275)	(130,121)	(49,966)	(76,080)	(126,046)
	<u>89,901</u>	<u>111,396</u>	<u>210,241</u>	<u>76,527</u>	<u>89,095</u>	<u>172,995</u>
Unallocated expenditure - General services			61,488			52,995
Total expenditure (16.2.6)			<u>148,753</u>			<u>120,000</u>
Income from investments and surplus on re-measurement of available for sale investments			12,176			17,511
Excess of income over expenditure			<u>160,929</u>			<u>137,511</u>

16.2.6 Expenditure

Salaries, allowances and other benefits	67,513	15,465	82,978	49,912	12,046	61,958
Examination charges	17,893	9,978	27,871	23,483	3,584	27,067
Depreciation	5,162	2,142	7,304	5,451	2,420	7,871
Traveling and related expenses	3,415	2,042	5,457	3,955	3,797	7,752
Study packs and other publications	3,996	5,255	9,251	6,099	8,141	14,240
Utilities	3,692	2,819	6,511	3,291	3,183	6,474
Postage and telephone	3,348	1,359	4,707	2,770	1,324	4,094
Repairs and maintenance	3,743	4,213	7,956	2,714	4,805	7,519
Printing and stationery	4,535	356	4,891	2,959	216	3,175
Rent, rates and taxes	1,457	2,988	4,445	1,462	2,732	4,194
Advertisement and exhibitions	514	1,742	2,256	733	3,560	4,293
Amortisation of intangible assets	550	-	550	2,313	-	2,313
Financial assistance to students	1,896	1,895	3,791	308	3,401	3,709
Financial assistance to members/families	2,770	2,565	5,335	5,735	-	5,735
Gold medals and award ceremony	209	-	209	242	-	242
Edhi CA talent program	955	964	1,919	186	330	516
Vehicles maintenance and running cost	1,449	157	1,606	1,332	111	1,443
Legal and professional charges	1,420	69	1,489	1,120	115	1,235
Others	11,189	1,894	13,083	12,838	2,373	15,211
Expenditure - as and where incurred	<u>135,706</u>	<u>55,903</u>	<u>191,609</u>	<u>126,903</u>	<u>52,138</u>	<u>179,041</u>
Inter-segment allocation / transfer to unallocated	(84,860)	23,372	(61,488)	(76,937)	23,942	(52,995)
Allocated expenditure - Members and students	<u>50,846</u>	<u>79,275</u>	<u>130,121</u>	<u>49,966</u>	<u>76,080</u>	<u>126,046</u>
Unallocated expenditure - General services			61,488			52,995
Total expenditure			<u>191,609</u>			<u>179,041</u>

----- Un-audited -----			----- Audited -----		
As at September 30, 2017			As at June 30, 2017		
South	North	Total	South	North	Total
----- Rs. 000 -----					

16.2.7 Other Information

Segments assets employed	192,123	536,628	728,751	190,031	243,412	433,443
Unallocated assets			658,011			784,393
Total assets			<u>1,386,762</u>			<u>1,217,836</u>
Segments liabilities employed	83,420	11,991	95,411	69,885	11,834	81,719
Unallocated liabilities			32,392			38,087
Total liabilities			<u>127,803</u>			<u>119,806</u>

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

17. SEASONALITY

The Institutes' surplus is subject to periodical fluctuation due to the fact that most of the membership subscription is received in the early part of the financial year.

18. CORRESPONDING FIGURE

Corresponding figures have been re-arranged and/or re-classified for the purpose of better presentation, the effect of which is not material.

19. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorised this condensed interim financial information for issue on November 08, 2017.

SECRETARY

PRESIDENT