



# **The Institute of Chartered Accountants of Pakistan**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

(UN-AUDITED)

## **REPORT OF THE COUNCIL FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

### ***Financial Review***

The Council of the Institute of Chartered Accountants of Pakistan is pleased to present the interim financial statements for the first quarter ended September 30, 2016.

The Institute achieved a surplus of Rs. 135.04 million for the period (2015: Rs. 149.67 million). Total revenue and other income enhanced from Rs. 311.50 million to Rs. 314.08 million. Expenditure increased by 11% from Rs. 161.83 million to Rs. 179.04 million mainly as a consequence of printing cost of study packs for CFAP and expense incurred on seminar and conferences.

### ***Mid-Tier Qualification***

The Institute launched a mid-tier qualification, 'Professional Accounting Affiliate'. An on-line portal was developed where detailed information is available. Students can also apply on-line. This certification is meant to formally recognize the competence of advanced level students who have achieved a pre-defined milestone.

### ***Registered Accounting School System (RASS)***

The proposal from the Education & Training Committee (ETCOM) of the Institute to allow school systems, having appropriate network, for conducting CA classes was discussed and approved by the Council. A detailed criteria has been developed by the Directorate of Education in consultation with Chairman ETCOM for effective implementation of the scheme. This would help bring CA qualification within the reach of students in large part of the country and would also help attract quality students to the profession.

### ***Student Sessions by Examination Department***

The Council directed the Examination department to arrange consultation sessions with the students as a regular feature so that the concerns of the students can be addressed on priority basis as well as the requisite guidance be provided for making improvements while attempting the papers. Two sessions were held in October at Karachi & Lahore.

### ***Training outside Practice***

The Industrial Training launched on August 22, 2016 received overwhelming response from the prospective trainees. Nine leading organisations from major sectors around Pakistan were approved as Training Organisations outside Practice (TOoP). Many other organisations are also desirous to become ICAP's approved TOoP.

### ***Compliance with Training Regulations***

The Institute initiated a compliance program of training regulations, revised in September 2015. A compliance checklist was shared with all training organisations in practice to ensure completeness and documentation.

### ***MoU with the CPA Canada regarding Mutual recognition***

The Council viewed the progress made in discussions with the Chartered Professional Accountants, Canada (CPA Canada) for executing Memorandum of Understanding (MoU) for reciprocal arrangements agreed in a meeting with the representatives of CPA Canada by the President ICAP in Toronto in April, 2016. The MoU is at an advanced stage for favorable conclusion.

### ***Annual ICAP CFO Conference Middle East 2016***

The Institute organised its annual ICAP CFO Conference, Middle East, 2016 at Dubai, United Arab Emirates on September 28, 2016.

The Institute and its Overseas Chapter of ICAP Members in UAE organised the mega event in collaboration with the International Federation of Accountants (IFAC). The annual CFO Conference, Middle East with its theme **Embracing Disruption: Governance and Strategy** had an interesting agenda with prominent speakers and panelists from around the world participated in the conference. H.H. Sheikh Nahyan Bin Mubarak Al Nahyan, Cabinet Member and Minister of Culture and Knowledge Development delivered the key note address to the audience and appreciated the services of ICAP.

IFAC Deputy President, Rachel Grimes also graced the occasion along with other guests from IFAC. IFAC global Professional Accountants in Business (PAIB) Committee members also participated in the event as ICAP hosted the IFAC PAIB Committee meeting in Dubai on September 29<sup>th</sup> and 30<sup>th</sup>, 2016.

### ***Representation at Regional/International Forums***

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

- SAFA meetings and events
- IFAC - CAP & PAIB committee meetings
- CAPA meeting
- IPSASB meeting
- AOSSG, IFASS 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**

**Syed Masood Akhtar**

Officiating Secretary

Karachi, October 29, 2016

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2016**

	Note	Sep'16 Un-audited ----- Rupees in '000 -----	Jun'16 Audited
<b>Non-Current Assets</b>			
Property, plant and equipment	5	243,513	246,898
Intangible assets	6	7,234	9,547
Long term investments	7	300,956	535,591
Loans, advances and deposits		7,717	7,807
		559,420	799,843
<b>Current Assets</b>			
Stock of study packs, publications and souvenirs	8	16,469	17,324
Short term investments	9	474,658	175,338
Loans, advances, prepayments and other receivables		31,056	42,747
Cash and bank balances		124,555	69,285
		646,738	304,694
<b>Current Liabilities</b>			
Creditors, accrued expenses and other liabilities		91,492	76,334
Fee and charges received in advance		33,384	84,432
		124,876	160,766
<b>Net Current Assets</b>		521,862	143,928
<b>Contingencies and Commitments</b>	10		
<b>Net Assets</b>		1,081,282	943,771
<b>Represented by:</b>			
General Fund		845,446	717,698
Specific Fund		4,859	4,829
Endowment Funds		87,631	89,874
Regional Committees		39,520	37,480
Benevolent Fund		103,826	93,890
		1,081,282	943,771

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

**SECRETARY**

**PRESIDENT**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Note	Sep'16 ----- Rupees in '000 -----	Sep'15
<b>Income</b>			
Members' subscription		127,370	119,420
Examination and other fees		132,444	138,970
Education and training fees		31,854	33,034
Publications		3,598	1,469
Other income	11	1,305	2,640
		296,571	295,533
<b>Expenditure</b>			
Salaries, allowances and other benefits		61,958	60,415
Examination charges		27,067	26,299
Depreciation		7,871	7,348
Traveling and related expenses		7,752	5,472
Study packs and other publications		14,240	7,896
Utilities		6,474	5,817
Postage and telephone		4,094	3,133
Repairs and maintenance		7,519	10,149
Printing and stationery		3,175	4,636
Rent, rates and taxes		4,194	3,638
Advertisement and exhibition		4,293	4,574
Amortisation of intangible assets		2,313	1,809
Financial assistance to students		3,709	4,742
Financial assistance to members/families		5,735	3,824
Gold medals and award ceremony		242	47
Edhi CA talent program		516	391
Vehicles maintenance and running cost		1,443	1,588
Legal and professional charges		1,235	2,012
Others	12	15,211	8,040
		179,041	161,830
<b>Excess of income over expenditure before finance income</b>		117,530	133,703
Finance income		17,673	16,087
<b>Excess of income over expenditure for the period</b>		135,203	149,790
<b>Other comprehensive income</b>			
Deficit on re-measurement of available for sale investments		(162)	(119)
<b>Total comprehensive income for the period</b>		135,041	149,671
<b>Attributable to:</b>			
General Fund		125,313	136,606
Specific Fund		30	43
Endowment Funds		(2,268)	(2,896)
Regional Committees		2,040	4,383
Benevolent Fund		9,926	11,535
		135,041	149,671

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

**SECRETARY**

**PRESIDENT**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Note	Sep'16 ----- Rupees in '000 -----	Sep'15
<b>Cash flows from operating activities</b>			
<b>Cash received:</b>			
Membership		107,110	94,687
Examinations		96,515	110,617
Training		31,854	33,035
Publications		3,911	1,575
Facilities and miscellaneous		6,387	5,545
		245,777	245,459
<b>Cash paid:</b>			
Employees		64,790	63,342
Professional bodies		1,346	824
Property tax		898	875
Suppliers and vendors		85,614	67,942
		152,648	132,983
Net cash generated from operating activities		93,129	112,476
<b>Cash flows from investing activities</b>			
Investments - net		(156,952)	(118,950)
Fixed capital expenditure		(4,102)	(2,946)
Purchase of intangible assets		-	(100)
Proceeds from sale of operating fixed assets		-	1,664
Income received from investments		26,937	39,688
Loans, advances and deposits recovered		171	310
Loans, advances and deposits paid		(82)	(51)
Net cash used in investing activities		(134,028)	(80,385)
Net increase / (decrease) in cash and cash equivalents		(40,899)	32,091
Cash and cash equivalents - at the beginning of the period		166,854	95,964
Cash and cash equivalents - at the end of the period	13	125,955	128,055

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**PRESIDENT**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

General Fund	Specific Fund	Endowment Funds			Regional Committees				Benevolent Fund			Total	
		Students' Endowment Fund	Libraries Development Fund	Sub total	Southern		Northern	Sub total	Accumulated Fund	Special Reserve Fund	Sub total		
					Accumulated Fund	H.J. Irani Memorial Fund							
Rs. '000													
<b>Balance as at July 01, 2015</b>	555,113	4,578	63,469	7,097	70,566	25,599	147	12,190	37,936	84,776	839	85,615	753,808
Transferred to Endowment Fund	(20,000)	-	20,000	-	20,000	-	-	-	-	-	-	-	-
Contribution for gold medal	-	900	-	-	-	-	-	-	-	-	-	-	900
<b>Total comprehensive income for the period ended September 30, 2015</b>													-
Excess/(Deficit) of income over expenditure for the period	136,606	43	(3,025)	129	(2,896)	2,156	2	2,225	4,383	11,654	-	11,654	149,790
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(119)	-	(119)	(119)
<b>Balance as at September 30, 2015</b>	<b>671,719</b>	<b>5,521</b>	<b>80,444</b>	<b>7,226</b>	<b>87,670</b>	<b>27,755</b>	<b>149</b>	<b>14,415</b>	<b>42,319</b>	<b>96,311</b>	<b>839</b>	<b>97,150</b>	<b>904,379</b>
<b>Balance as at July 01, 2016</b>	717,698	4,829	82,126	7,748	89,874	25,387	156	11,937	37,480	93,051	839	93,890	943,771
Donation - Edhi CA talent program	2,435	-	-	-	-	-	-	-	-	-	-	-	2,435
Donation received during the period	-	-	25	-	25	-	-	-	-	10	-	10	35
<b>Total comprehensive income for the period ended September 30, 2016</b>													
Excess/(Deficit) of income over expenditure for the period	125,313	30	(2,392)	124	(2,268)	1,853	2	185	2,040	10,088	-	10,088	135,203
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(162)	-	(162)	(162)
<b>Balance as at September 30, 2016</b>	<b>845,446</b>	<b>4,859</b>	<b>79,759</b>	<b>7,872</b>	<b>87,631</b>	<b>27,240</b>	<b>158</b>	<b>12,122</b>	<b>39,520</b>	<b>102,987</b>	<b>839</b>	<b>103,826</b>	<b>1,081,282</b>

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

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

**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 three months ended September 30, 2016 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 the 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, 2016.

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, 2016, 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 for the three months ended September 30, 2015.

## **2.2 Functional and presentation currency**

These financial statements 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

## **2.3 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.

## **3. ACCOUNTING POLICIES**

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 for the year ended June 30, 2016.

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, 2016. 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 for the year ended June 30, 2016.

5.	<b>PROPERTY, PLANT AND EQUIPMENT</b>	Note	<b>Sep'16 Un-audited ----- Rupees in '000 -----</b>	<b>Jun'16 Audited</b>
	Leasehold land - Preedy Street, Karachi		18	18
	Operating fixed assets	5.1	238,352	235,480
	Capital work in progress - civil works		5,143	11,400
			243,513	246,898
5.1	<b>Operating fixed assets</b>			
	Net book value at beginning of the period / year		235,480	234,662
	Additions during the period/year	5.1.1	10,743	35,774
			246,223	270,436
	<b>Less:</b>			
	Disposals costing Rs. 0.00 million (June 30, 2016: Rs. 6.928 million) at book value		-	2,924
	Depreciation charge for the period / year		7,871	32,032
			7,871	34,956
	Net book value at end of the period / year		238,352	235,480
5.1.1	<b>Additions during the period/year</b>			
	Building on leasehold land		3,465	961
	Building on freehold land		-	562
	Generators		-	915
	Electric fittings and appliances		1,704	5,221
	Furniture and fixtures		3,057	3,229
	Vehicles		-	9,424
	Office equipment		2,517	15,343
	Library books		-	119
			10,743	35,774

6. INTANGIBLES ASSETS	Note	Sep'16 Un-audited ----- Rupees in '000 -----	Jun'16 Audited
Net book value at the beginning of the period / year		9,547	10,769
Additions during the period / year		-	6,455
		<u>9,547</u>	<u>17,224</u>
Amortisation charged during the period / year		(2,313)	(7,677)
Net book value at the end of the period / year		<u><u>7,234</u></u>	<u><u>9,547</u></u>

## 7. LONG TERM INVESTMENTS

Held to maturity

General Fund	7.1	163,758	389,768
Specific Fund: Prize Fund	7.2	1,486	1,487
Endowment Funds	7.3	44,818	54,880
Southern Regional Committee	7.4	19,771	19,737
Benevolent Fund	7.5	71,123	69,719
		<u>300,956</u>	<u>535,591</u>

### 7.1 General Fund

Certificate of Islamic Investments	7.1.1	75,000	75,000
Pakistan Investment Bonds	7.1.2	72,795	299,198
Certificate of Deposit	7.1.3	15,963	15,570
		<u>163,758</u>	<u>389,768</u>

7.1.1 This represents Certificates of Islamic Investment of a bank amounting to Rs. 75 million (June 30, 2016: Rs. 75 million). These certificates carry mark-up at rate of 6.00% (June 30, 2016: 5.99% to 8.04% ) per annum and are maturing on various dates upto December 29, 2022.

7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 71.21 million (June 30, 2016: Rs. 299.65 million). Profit is receivable on half yearly basis with yield at rates ranging from 7.90% to 8.02% (June 30, 2016: 7.90% to 12.47%) per annum. These PIBs have term of three to five years and are maturing on various dates upto March 26, 2020.

7.1.3 This represents Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2016: Rs. 15 million). These certificates carry mark-up at rate of 10.42% (June 30, 2016: 10.42%) per annum and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 0.96 million (June 30, 2016: Rs. 0.57 million) is included in the carrying value.

		<b>Sep'16</b>	<b>Jun'16</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees in '000 -----	----- Rupees in '000 -----
<b>7.2</b>	<b>Specific Fund: Prize Fund</b>	<b>Note</b>	
	Certificate of Islamic Investments	7.2.1	1,000
	Pakistan Investment Bonds	7.2.2	486
			<u>1,486</u>
			<u>1,487</u>

7.2.1 This represents Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2016: Rs. 1 million). This certificate carries mark-up at rate of 6.00% (June 30, 2016: 5.99% to 8.04%) per annum and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bond (PIB) having face value of Rs. 0.47 million (June 30, 2016: Rs. 0.47 million). Profit is receivable on half yearly basis with yield at the rate of 8.02% (June 30, 2016: 8.02%) per annum. This PIB has a term of five years and is maturing on March 26, 2020.

		<b>Sep'16</b>	<b>Jun'16</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- Rupees in '000 -----	----- Rupees in '000 -----
<b>7.3</b>	<b>Endowment Funds</b>	<b>Note</b>	
	<b>Students' Endowment Fund</b>		
	Certificate of Islamic Investments	7.3.1	42,000
	Pakistan Investment Bonds	7.3.2	874
	<b>Libraries Development Fund</b>		
	Pakistan Investment Bonds	7.3.3	1,943
			<u>44,817</u>
			<u>54,880</u>

7.3.1 This represents Certificates of Islamic Investment of a bank amounting to Rs. 42 million (June 30, 2016: Rs. 42 million). These certificates carry mark-up at rate of 6.00% (June 30, 2016: 5.99% to 8.04% ) per annum and are maturing on various dates upto June 30, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 0.84 million (June 30, 2016: Rs. 8.97 million). Profit is receivable on half yearly basis with yield at rate of 8.02% (June 30, 2016: 8.02% to 12.42%) per annum. These PIBs have term of five years and are maturing on March 26, 2020.

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 1.88 million (June 30, 2016: Rs. 3.91 million). Profit is receivable on half yearly basis with yield at rate of 8.02% (June 30, 2016: 8.02% to 12.42%) per annum. These PIBs have term of five years and maturing on March 26, 2020.

7.4	<b>Southern Regional Committee</b>	<b>Note</b>	<b>Sep'16 Un-audited ----- Rupees in '000 -----</b>	<b>Jun'16 Audited</b>
	Certificate of Islamic Investments			
	Accumulated Fund	7.4.1	19,616	19,584
	H.J. Irani Memorial Fund	7.4.2	155	153
			<u>19,771</u>	<u>19,737</u>

7.4.1 This represents placements in Certificates of Islamic Investments of a bank amounting to Rs. 19.23 million (June 30, 2016: Rs. 19.23 million). These certificates carry mark-up at rates ranging from 5.26% to 5.59% (June 30, 2016: 5.27% to 7.88%) per annum and are maturing on various dates latest by June 30, 2021. Accrued mark-up aggregating to Rs. 0.38 million (June 30, 2016: Rs. 0.35 million) is included in the carrying value.

7.4.2 This represent Certificate of Islamic Investments of a bank amounting to Rs. 0.15 million (June 30, 2016: Rs. 0.15 million). This certificate carry mark-up at the rate of 5.41% (June 30, 2016: 5.41% to 7.00%) per annum and will mature on October 31, 2018. Accrued mark-up aggregating to Rs. 0.008 million (June 30, 2016: Rs. 0.006 million) is included in the carrying value.

7.5	<b>Benevolent Fund</b>	<b>Note</b>	<b>Sep'16 Un-audited ----- Rupees in '000 -----</b>	<b>Jun'16 Audited</b>
	Defence Savings Certificates	7.5.1	4,216	4,092
	Special Savings Certificates	7.5.2	66,907	65,627
			<u>71,123</u>	<u>69,719</u>

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2016: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 7, 2020. These carry mark-up at the rate of 12.10% (June 30, 2016: 12.10%) per annum. Accrued mark-up aggregating to Rs. 2.216 million (June 30, 2016: Rs. 2.09 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, 2016: Rs. 62 million). These certificates have been placed for a term of three years and are maturing on September 28, 2018. These carry effective mark-up at rate of 7.74% (June 30, 2016: 7.74%) per annum. Accrued mark-up aggregating Rs. 4.91 million (June 30, 2016: Rs. 3.63 million) is included in the carrying value.

		Sep'16 Un-audited ----- Rupees in '000 -----	Jun'16 Audited
8.	<b>STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS</b>	Note	
	Stock of study packs	8,282	8,010
	Stock of publications and souvenirs	9,070	10,197
		<u>17,352</u>	<u>18,207</u>
	Less: Provision for obsolete stock	(883)	(883)
		<u>16,469</u>	<u>17,324</u>
9.	<b>SHORT TERM INVESTMENTS</b>		
	<b>Held to maturity</b>		
	General Fund	9.1	398,467
	Specific Fund: Prize Fund	9.2	3,243
	Endowment Funds	9.3	39,809
	Southern Regional Committee	9.4	3,300
	Northern Regional Committee	9.5	9,186
	Benevolent Fund	9.6	14,663
	<b>Available for sale</b>		
	Benevolent Fund	9.6	5,990
		<u>474,658</u>	<u>175,338</u>
9.1	<b>General Fund</b>		
	<b>Held to maturity</b>		
	Certificates of Investment	9.1.1	171,695
	Pakistan Investment Bonds	9.1.2	226,772
		<u>398,467</u>	<u>108,379</u>

9.1.1 This represents certificates of investment of financial institutions having face value of Rs. 170 million (June 30, 2016: Rs. 50 million). This certificate carries mark-up at the rates ranging from 5.85% to 6.30% (June 30, 2016: 6.30%) per annum and are maturing on various dates upto August, 16 2017. Accrued mark-up aggregating to Rs. 1.695 million (June 30, 2016: 0.009 million) is included in the carrying value.

9.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 228.44 million (June 30, 2016: 58.39). Profit is receivable on half yearly basis with yield at rates ranging from 12.24% to 12.47% (June 30, 2016: 11.75% to 12.03%) per annum. These PIBs have term of three years and are maturing on July 18, 2017.

		<b>Sep'16</b>	<b>Jun'16</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>----- Rupees in '000 -----</b>	<b>----- Rupees in '000 -----</b>
<b>9.2</b>	<b>Specific Fund: Prize Fund</b>	<b>Note</b>	
	Term Deposit Receipts	9.2.1	3,243
	Pakistan Investment Bonds		2,720
			-
			495
			<u>3,243</u>
			<u>3,215</u>

9.2.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 3.2 million (June 30, 2016: Rs. 2.7 million). These carry mark-up at rates ranging from 6.00% to 6.30% (June 30, 2016: 6.00% to 6.10%) per annum and are maturing on various dates upto August 16, 2017. Accrued mark-up aggregating Rs. 0.043 million (June 30, 2016: Rs. 0.02 million) is included in the carrying value.

		<b>Sep'16</b>	<b>Jun'16</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>----- Rupees in '000 -----</b>	<b>----- Rupees in '000 -----</b>
<b>9.3</b>	<b>Endowment Funds</b>	<b>Note</b>	
	Students' Endowment Fund		
	Held to maturity		
	Pakistan Investment Bonds	9.3.1	8,064
	Certificates of Investments	9.3.2	25,865
			-
	Libraries Development Fund		
	Held to maturity		
	Pakistan Investment Bonds	9.3.3	2,016
	Certificates of Investments	9.3.4	2,950
			-
			<u>3,527</u>
			<u>39,809</u>
			<u>28,815</u>

9.3.1 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 8.13 million (June 30, 2016: Rs. 25.87 million). Profit is receivable on half yearly basis with yield at rate of 12.42% (June 30, 2016: 11.85% to 12.42%) per annum. These PIBs have term of three years and are maturing on July 18, 2017.

9.3.2 This represents certificate of investment of a financial institution having face value of Rs. 26 million (June 30, 2016: Nil). This certificate carries mark-up at the rate of 6.30% (June 30, 2016: Nil) and is maturing on August 16, 2017. Accrued mark-up aggregating to Rs. 0.20 million (June 30, 2016: Nil) is included in the carrying value.

9.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 2.03 million (June 30, 2016: Rs. 2.95 million). Profit is receivable on half yearly basis with yield at rate of 12.42% (June 30, 2016: 11.85% to 12.42%) per annum. These PIBs have term of three years and are maturing on July 18, 2017.

9.3.4 This represents certificate of investment of a financial institution having face value of Rs. 3.5 million (June 30, 2016: Nil). This certificate carries mark-up at the rate of 6.30% (June 30, 2016: Nil) and is maturing on August 16, 2017. Accrued mark-up aggregating to Rs. 0.27 million (June 30, 2016: Nil) is included in the carrying value.

		<b>Sep'16</b> <b>Un-audited</b>	<b>Jun'16</b> <b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>9.4 Southern Regional Committee</b>			
Certificates of Islamic Investment Accumulated Fund	9.4.1	<u>3,300</u>	<u>3,300</u>

9.4.1 This represent Certificates of Islamic Investment, issued by a bank costing Rs. 3.3 million (June 30, 2016: Rs. 3.30 million). These certificates carry mark-up at rates ranging from 4.88% to 5.55% (June 30, 2016: 4.80% to 7.63%) per annum and are maturing on various dates upto June 30, 2017.

		<b>Sep'16</b> <b>Un-audited</b>	<b>Jun'16</b> <b>Audited</b>
	<b>Note</b>	<b>----- Rs. '000 -----</b>	
<b>9.5 Northern Regional Committee</b>			
Certificate of Islamic Investment	9.5.1	<u>9,186</u>	<u>9,081</u>

9.5.1 This represents investment in Islamic Certificates aggregating Rs. 9.00 million (June 30, 2016: Rs. 9.00 million). These certificates carry mark-up at rates ranging from 4.59% to 4.67% (June 30, 2016: 4.59% to 6.48%) per annum and is maturing on April 23, 2017.

		<b>Sep'16</b> <b>Un-audited</b>	<b>Jun'16</b> <b>Audited</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
<b>9.6 Benevolent Fund</b>			
Held to maturity			
Treasury bills		-	9,894
Certificate of investments	9.6.1	<u>14,663</u>	<u>6,501</u>
		14,663	16,395
Available for sale			
Investments in equity shares	9.6.2	<u>5,990</u>	<u>6,153</u>
		<u>20,653</u>	<u>22,548</u>

9.6.1 This represent Certificates of Investment aggregating to Rs. 14.5 million (June 30, 2016: Rs. 6.5 million). This certificate carries mark-up at rates ranging from 6.20% to 6.30% (June 30, 2016: 6.20%) per annum and will mature on various dates upto August 17, 2017. Accrued mark-up aggregating to Rs. 0.163 million (June 30, 2016: Rs. 0.001 million) is included in the carrying value.



9.6.2 Investments in equity shares	Note	Sep'16 Un-audited ----- Rupees in '000 -----	Jun'16 Audited
The Hub Power Company Limited			
As on July 01		4,802	3,744
(Deficit) / Surplus on re-measurement		(36)	1,060
Market value of 40,000 ordinary shares		4,766	4,804
Fauji Fertilizer Company Limited			
As on July 01		1,350	1,757
Deficit on re-measurement		(126)	(408)
Market value of 11,767 ordinary shares		1,224	1,349
		5,990	6,153

## 10. CONTINGENCIES AND COMMITMENTS

10.1 There has been no significant change in the status of contingencies as reported in note 15 to the annual audited financial statements of the Institute for the year ended June 30, 2016.

10.2 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 11.50 million (June 30, 2016: Rs. 15.40 million).

11. OTHER INCOME	Sep'16 Un-audited ----- Rupees in '000 -----	Sep'15 Un-audited
Income derived from utilisation of facilities	772	800
Gain on sale of fixed assets - net	-	229
Surplus on Directors' Training Programs	458	1,361
Miscellaneous	75	250
	1,305	2,640

	Note	Sep'16 Un-audited ----- Rupees in '000 -----	Sep'15 Un-audited
<b>12. OTHERS</b>			
Fee to professional bodies		1,346	824
Auditors' remuneration		185	179
Meeting and related expenses	12.1	343	352
Books and publications		139	114
Conveyance		77	66
Entertainment / meeting expenses		582	498
Bank charges		2,291	1,870
Insurance		597	679
Provision against advance income tax		2,066	210
Training expenses		108	510
Online Education and Research Facility		426	415
Honoraria to article writers		58	-
Sports and recreation		424	76
Net deficit from seminar, conferences and other events		6,225	2,012
Sundry expenses		344	235
		<u>15,211</u>	<u>8,040</u>

12.1 This includes expenditure incurred in respect of meeting of the Council, Committees and Annual General Meeting.

### 13. CASH AND CASH EQUIVALENTS

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

Cash and bank balances	124,555	116,938
Short term investments realisable within three months	1,400	11,117
	<u>125,955</u>	<u>128,055</u>

### 14. TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	Sep'16 Un-Audited ----- Rupees in '000 -----	Sep'15 Un-Audited
<b>Staff retirement benefit plans:</b>	Contribution paid to: Provident Fund	3,037	2,892
<b>Key management personnel:</b>			
- Secretary, Directors and Senior Managers	Managerial remuneration Reimbursement of expenses	25,827 970	27,870 86
<b>Members of the council</b>	Membership fee received Reimbursement of expenses	613 1,566	577 847

14.2 **Period / year end balances:**

Relationship with the Institute	Nature of balances	Sep'16 Un-audited ----- Rupees in '000 -----	Jun'16 Audited
<b>Key management personnel</b>			
- Secretary, Directors and other executives	- Loans, advances and deposits	550	923
	- Loans, advances, prepayments and other receivables	723	428
	- Creditors, accrued expenses and other liabilities	333	333
<b>Member of the Council</b>			
	- Loans, advances, prepayments and other receivables	751	-
	- Creditors, accrued expenses and other liabilities	100	192

15. **FINANCIAL RISK MANAGEMENT**

The Institute 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, 2016.

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

The above 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/renderers directly to students are allocated to examination and education departments whereas member related income and expenditure are allocated directly to membership department. Remaining income and expenditure are allocated to general services.

#### 16.1.2 Segment revenue and results

##### Income

- from members

- from students

- others

Total income

Expenditure - note 16.1.3

Finance Income and Surplus/(Deficit) on re-measurement of available for sale investments

Excess of income over expenditure

----- Un-audited -----									
For the first quarter ended September 30, 2016					For the first quarter ended September 30, 2015				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
-	-	127,370	-	127,370	-	-	119,420	-	119,420
132,444	31,854	-	-	164,298	138,970	33,034	-	-	172,004
-	-	-	4,903	4,903	-	-	-	4,109	4,109
132,444	31,854	127,370	4,903	296,571	138,970	33,034	119,420	4,109	295,533
57,882	29,427	38,767	52,965	179,041	52,549	29,743	31,846	47,692	161,830
				117,530					133,703
				17,511					15,968
				<u>135,041</u>					<u>149,671</u>

#### 16.1.3 Expenditure

Salary, allowance, and other benefits

Examination charges

Depreciation

Traveling and related expenses

Study packs and other publications

Utilities

Postage and telephone

Repair and maintenance

Printing and stationery

Rent, rates and taxes

Advertisement and exhibitions

Amortisation of intangible assets

Financial assistance to students

Financial assistance to members/families

Gold medals and award ceremony

Edhi CA talent program

Vehicle maintenance and running cost

Legal and professional charges

Others

Total Expenditures

----- Un-audited -----									
For the first quarter ended September 30, 2016					For the first quarter ended September 30, 2015				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
17,997	6,414	13,063	24,484	61,958	16,719	8,210	14,984	20,502	60,415
27,067	-	-	-	27,067	26,299	-	-	-	26,299
2,282	866	945	3,778	7,871	1,854	840	1,050	3,604	7,348
975	208	6,285	284	7,752	993	109	4,233	137	5,472
-	10,498	30	3,712	14,240	-	7,896	-	-	7,896
1,877	712	777	3,108	6,474	1,468	665	831	2,853	5,817
1,188	450	491	1,965	4,094	790	358	448	1,537	3,133
2,102	839	916	3,662	7,519	1,881	853	1,066	6,349	10,149
1,576	246	813	540	3,175	561	504	316	3,255	4,636
33	10	19	4,132	4,194	12	7	11	3,608	3,638
-	4,001	-	292	4,293	-	4,198	32	344	4,574
671	254	278	1,110	2,313	457	207	258	887	1,809
-	3,709	-	-	3,709	-	4,742	-	-	4,742
-	-	5,735	-	5,735	-	-	3,824	-	3,824
242	-	-	-	242	47	-	-	-	47
-	516	-	-	516	-	391	-	-	391
501	211	375	356	1,443	404	258	482	444	1,588
3	-	871	361	1,235	5	-	620	1,387	2,012
1,368	493	8,169	5,181	15,211	1,059	505	3,691	2,785	8,040
57,882	29,427	38,767	52,965	179,041	52,549	29,743	31,846	47,692	161,830

#### 16.1.4 Other Information

Segments assets employed

Unallocated assets

**Total assets**

**Segments liabilities employed**

----- Un-audited -----					----- Audited -----				
As at September 30, 2016					As at June 30, 2016				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
41,846	29,065	23,414	204,430	298,755	44,176	30,684	24,718	215,198	314,776
				<u>907,403</u>					<u>789,761</u>
				<u>1,206,158</u>					<u>1,104,537</u>
55,157	9,140	26,948	33,631	<u>124,876</u>	74,087	7,308	36,197	43,174	<u>160,766</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 numbers of members at each geographical segment.

#### 16.2.2 Segment revenue and results

##### Income

- from members  
- from students  
- other general services - unallocated

Un-audited									
For the first quarter ended September 30, 2016					For the first quarter ended September 30, 2015				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
Rs. in '000									
53,588	25,512	12,632	35,638	127,370	50,504	22,923	11,470	34,523	119,420
49,434	58,149	29,405	27,310	164,298	53,892	60,110	30,381	27,621	172,004
-	-	-	-	4,903	-	-	-	-	4,109
103,022	83,661	42,037	62,948	296,571	104,396	83,033	41,851	62,144	295,533
42,037	39,391	19,530	25,118	126,076	39,605	34,688	17,501	22,344	114,138
-	-	-	-	52,965	-	-	-	-	47,692
				179,041					161,830
				117,530					133,703
				17,511					15,968
				135,041					149,671

Allocated expenditure - Members and Students

Unallocated expenditure - General Services

Total expenditure (16.2.3)

Finance Income and Surplus/(Deficit) on re-measurement of available for sale investments

Excess of income over expenditure

#### 16.2.3 Expenditure

Salaries, allowances and other benefits  
Examination charges  
Depreciation  
Traveling and related expenses  
Study packs and other publications  
Utilities  
Postage and telephone  
Repairs and maintenance  
Printing and stationery  
Rent, rates and taxes  
Advertisement and exhibitions  
Amortisation of intangible assets  
Financial assistance to students  
Financial assistance to members/families  
Gold medals and award ceremony  
Edhi CA talent program  
Vehicles maintenance and running cost  
Legal and professional charges  
Others  
**Expenditure - as and where incurred**  
Inter-segment allocation / transfer to unallocated  
Allocated expenditure - Members and Students  
Unallocated expenditure - General Services  
**Total expenditure**

Un-audited									
For the first quarter ended September 30, 2016					For the first quarter ended September 30, 2015				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
Rs. in '000									
49,487	8,434	2,056	1,981	61,958	49,697	7,603	2,110	1,005	60,415
23,483	203	1,887	1,494	27,067	26,299	-	-	-	26,299
5,418	1,330	473	650	7,871	5,014	1,441	469	424	7,348
3,620	3,095	702	335	7,752	3,538	1,711	223	-	5,472
6,031	4,610	2,168	1,431	14,240	7,597	184	86	29	7,896
3,230	1,461	708	1,075	6,474	2,947	1,335	771	764	5,817
2,755	668	310	361	4,094	2,265	306	244	318	3,133
2,571	1,884	1,221	1,843	7,519	2,500	1,628	2,298	3,723	10,149
2,945	150	24	56	3,175	4,244	314	49	29	4,636
1,103	644	57	2,390	4,194	1,117	806	95	1,620	3,638
542	1,783	411	1,557	4,293	1,266	1,482	767	1,059	4,574
2,313	-	-	-	2,313	1,809	-	-	-	1,809
308	2,126	778	497	3,709	598	2,442	937	765	4,742
5,735	-	-	-	5,735	1,927	1,432	465	-	3,824
242	-	-	-	242	47	-	-	-	47
166	174	87	89	516	126	132	66	67	391
1,332	56	46	9	1,443	1,282	54	246	6	1,588
1,120	115	-	-	1,235	1,807	25	180	-	2,012
12,801	1,886	401	123	15,211	7,438	27	465	110	8,040
125,202	28,619	11,329	13,891	179,041	121,518	20,922	9,471	9,919	161,830
(83,165)	10,772	8,201	11,227	(52,965)	(81,913)	13,766	8,030	12,425	(47,692)
42,037	39,391	19,530	25,118	126,076	39,605	34,688	17,501	22,344	114,138
				52,965					47,692
				179,041					161,830

#### 16.2.4 Other Information

Segments assets employed

Unallocated assets

**Total assets**

Segments liabilities employed

Unallocated liabilities

**Total liabilities**

Un-audited					Audited				
As at September 30, 2016					As at June 30, 2016				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
Rs. in '000									
204,114	51,406	20,683	22,552	298,755	214,655	54,269	21,835	24,017	314,776
				907,403					789,761
				1,206,158					1,104,537
69,112	12,142	9,508	730	91,492	56,473	10,776	8,438	647	76,334
				33,384					84,432
				124,876					160,766

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.

16.2.5 **Segment revenue and results**

Income

- from members
- from students
- other general services - unallocated

Allocated expenditure - Members and Students

Unallocated expenditure - General Services

Total expenditure (16.2.6)

Finance Income and Surplus/(Deficit) on re-measurement of available for sale investments

Excess of income over expenditure

----- Un-audited -----					
For the first quarter ended September 30, 2016			For the first quarter ended September 30, 2015		
South	North	Total	South	North	Total
----- Rs. 000 -----					
72,922	54,448	127,370	69,751	49,669	119,420
53,571	110,727	164,298	58,516	113,488	172,004
		4,903	-	-	4,109
126,493	165,175	296,571	128,267	163,157	295,533
49,966	76,110	126,076	46,597	67,541	114,138
-	-	52,965	-	-	47,692
		179,041			161,830
		117,530			133,703
		17,511			15,968
		135,041			149,671

16.2.6 **Expenditure**

- Salaries, allowances and other benefits
- Examination charges
- Depreciation
- Traveling and related expenses
- Study packs and other publications
- Utilities
- Postage and telephone
- Repairs and maintenance
- Printing and stationery
- Rent, rates and taxes
- Advertisement and exhibitions
- Amortisation of intangible assets
- Financial assistance to students
- Financial assistance to members/families
- Gold medals and award ceremony
- Edhi CA talent program
- Vehicles maintenance and running cost
- Legal and professional charges
- Others
- Expenditure - as and where incurred**
- Inter-segment allocation / transfer to unallocated
- Allocated expenditure - Members and Students
- Unallocated expenditure - General Services
- Total expenditure**

----- Un-audited -----					
For the first quarter ended September 30, 2016			For the first quarter ended September 30, 2015		
South	North	Total	South	North	Total
----- Rs. 000 -----					
49,912	12,046	61,958	22,647	37,768	60,415
23,483	3,584	27,067	8,947	17,352	26,299
5,451	2,420	7,871	2,754	4,594	7,348
3,955	3,797	7,752	2,051	3,421	5,472
6,099	8,141	14,240	2,960	4,936	7,896
3,291	3,183	6,474	2,181	3,636	5,817
2,770	1,324	4,094	1,175	1,958	3,133
2,714	4,805	7,519	3,805	6,344	10,149
2,959	216	3,175	1,738	2,898	4,636
1,462	2,732	4,194	1,364	2,274	3,638
733	3,560	4,293	1,714	2,860	4,574
2,313	-	2,313	678	1,131	1,809
308	3,401	3,709	1,613	3,129	4,742
5,735	-	5,735	2,234	1,590	3,824
242	-	242	47	-	47
186	330	516	156	235	391
1,332	111	1,443	595	993	1,588
1,120	115	1,235	754	1,258	2,012
12,838	2,373	15,211	2,975	5,065	8,040
126,903	52,138	179,041	60,388	101,442	161,830
(76,937)	23,972	(52,965)	(13,791)	(33,901)	(47,692)
49,966	76,110	126,076	46,597	67,541	114,138
		52,965			47,692
		179,041			161,830

16.2.7 **Other Information**

- Segments assets employed
- Unallocated assets
- Total assets**

- Segments liabilities employed
- Unallocated liabilities
- Total liabilities**

----- Un-audited -----			----- Audited -----		
For the first quarter ended September 30, 2016			As at June 30, 2016		
South	North	Total	South	North	Total
----- Rs. 000 -----					
204,869	93,886	298,755	215,451	99,325	314,776
		907,403			789,761
		1,206,158			1,104,537
69,112	22,380	91,492	56,473	19,861	76,334
		33,384			84,432
		124,876			160,766

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. **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 these condensed interim financial statements for issue on October 29, 2016.

**SECRETARY**

**PRESIDENT**