



The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2015

(UN-AUDITED)

REPORT OF THE COUNCIL FOR THE NINE MONTHS ENDED MARCH 31, 2015

The Council of the Institute of Chartered Accountants of Pakistan is pleased to present the interim financial statements for the nine months ended March 31, 2015.

Financial Review

The Institute achieved surplus of Rs. 152.42 million for the period (2014: Rs. 96.48 million). Total revenue and other income rose by 42% from Rs. 426.48 million to Rs. 603.46 million mainly on account of above average number of sittings in examinations at AFC and CAF levels, Expenditure increased by 37% from Rs. 329.98 million to Rs. 451.05 million mainly on account of increase in expenditure on the new computer based examinations and the full impact of publication and distribution expense incurred on study packs which were introduced in February 2014. The increase in salaries is mainly on account of additional staff hired during this period to cater to the increased operational requirement of the Institute.

Implementation Status of Strategic Priorities

The execution of strategic priorities is on track, in line with action plan reported in the Institute's Annual Report, 2014. A brief synopsis of the progress on some of the high priority areas is given below:

Oversight of the Profession

The salient features of the Practice Licensing Regime along with draft practice review framework were circulated to the members for feedback. Consultative sessions were also held in Lahore, Islamabad and Karachi. The overall scheme is under review of the Council in the light of comments and suggestions received from members.

The new Quality Assurance Board and Appellate Board under the new QCR Framework are being constituted to commence work from 01 July 2015.

Education and Examinations

As part of the educational reforms, the draft training regulations related to training in firms is now being finalised in light of comments of members. As already informed, the Council also proposed to introduce training outside the practice in industry to provide an opportunity to the candidates who wish to continue their careers in such organisations. The Council has approved the draft regulations and plans for its implementation in the next quarter.

The Institute's drive to integrate CA Pakistan qualification with degree programs of reputable universities has now picked up pace and the size of the pool of such universities is increasing gradually. The Institute has also negotiated reciprocal credit in degree programs of universities for its students and members.

To recognise the efforts of Mr. Ebrahim S. Dahodwala (Late) for the profession, the Council approved institution of an ICAP Gold Medal in his name for which endowment has been made by family members of Mr. Dahodwala. The gold medal will be awarded to student who qualifies all the examinations in first attempt with highest marks.

The Institute has entered into an MOU with CIMA by virtue of which experienced members of the Institute can obtain CMA and CGMA designations after passing only one case study

examination. Another MOU has been signed with Chartered Institute of Public Finance Accountants (CIPFA) UK whereby members of the Institute with five years of experience in public service may gain membership of CIPFA without any further exam requirement.

Governance, Transparency and Regulation of the Profession

Discussion on the proposed amendments in the Chartered Accountants Ordinance, 1961 continued at the Council due to extensive set of proposed amendments and to holistically discuss and finalise the amendments before sending it to the Federal Government for necessary approvals. The discussions are expected to be concluded in the Council meeting planned in July 2015.

The amendments in the Chartered Accountants Bye-laws to change the composition of the Investigation Committee are in the process of final notification in the official gazette. The Investigation Committee will be reconstituted immediately after amendments become effective.

The discussion on Governance Manual is continuing and expected to be concluded in the Council meeting planned for July 2015.

Training Program for SMPs

Under the cooperation agreement between IFC and ICAP two workshops were conducted to provide training to around 37 trainers in Karachi and Lahore to build their training capability. After the completion of train the trainer program ICAP conducted three workshops in Karachi, Lahore and Islamabad in February 2015 which was attended by around 75 members of SMPs. This training will help our members from SMPs to better serves their clients in the area of corporate governance.

CSR Assurance Report

The Institute has developed a CSR Assurance report format based on International Standard on Assurance Engagements (ISAE) 3000. In addition the format also contains the contents suggested by SECP in the concept paper on CSR.

Revised Code of Ethics 2015

Revised Code of Ethics issued by IFAC in July 2014 was adopted by the Institute with some amendments and is effective for audits of financial statements for periods beginning on or after July 01, 2015.

Budget Proposals 2015-2016

The Committee on Taxation of the Institute has been constantly making efforts to identify areas where reforms are needed for broadening of the tax base, improving revenue collections, ensuring voluntary tax compliance and building tax payers' confidence, leading towards tax compliant culture. The Committee finalised the Budget proposals 2015-2016 in April.

The proposals contain for the first time a series of suggestions for administrative reforms for effective implementation of the fiscal laws, increasing tax payer's compliance, improving quality of human resource of the FBR and the governance structure of the Policy Board.

CFO Conferences 2015

The two CFO Conferences held on March 17 & 19, 2015, in Karachi and Islamabad respectively got overwhelming response from the accounting fraternity. Another CFO conference is planned for the month of May. This will be historic event marking first instance when conference of such magnitude will be held outside Pakistan by ICAP.

Mutual Collaborations

The Saudi organisation of Certified Public Accountants (SOCPA), Saudi Arabia in collaboration with the Institute of Chartered Accountants of Pakistan organised the third accounting forum“ Accounting and Finance: Meeting Future Challenges” on April 21, 2015 in Jeddah. The conference was very well attended by accounting fraternity comprising of members of SOCPA and ICAP.

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

Feroz Rizvi

COO/ Secretary

Karachi, May 08, 2015

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2015**

		March 31, 2015 Un-audited	June 30, 2014 Audited
	Note	----- Rupees in '000 -----	
NON-CURRENT ASSETS			
Property, plant and equipment	5	241,342	225,038
Intangible assets	6	12,477	17,805
Long term investments	7	396,673	134,236
Loans, advances and deposits		7,012	7,334
		657,504	384,413
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	8	6,806	11,829
Short term investments	9	105,833	280,040
Loans, advances, prepayments and other receivables		36,626	21,728
Cash and bank balances		74,344	45,841
		223,609	359,438
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		62,433	44,770
Fee and charges received in advance		25,683	59,400
		88,116	104,170
NET CURRENT ASSETS		135,493	255,268
CONTINGENCIES AND COMMITMENTS	10		
NET ASSETS		792,997	639,681
REPRESENTED BY:			
General Fund		591,815	452,199
Specific Fund		4,484	3,520
Endowment Funds		73,312	71,046
Funds of Regional Committees		36,949	35,894
Benevolent Fund		86,437	77,022
		792,997	639,681

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 NINE MONTHS ENDED MARCH 31, 2015

	Note	Third quarter ended		Nine months ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		---- Rupees in '000 ----		---- Rupees in '000 ----	
INCOME					
Members' subscription		8,579	6,325	112,858	97,805
Examination and other fees		137,376	82,513	361,409	231,283
Education and training fees		14,053	8,988	69,364	49,835
Publications		1,674	2,549	4,090	6,398
Other income	11	8,776	6,204	8,204	8,271
		170,458	106,579	555,925	393,592
EXPENDITURE					
Salaries, allowances and other benefits	12	54,251	44,440	163,508	134,529
Examination charges		37,519	18,707	86,110	47,093
Depreciation		8,250	6,505	23,092	18,050
Traveling and related expenses		6,084	5,809	19,052	16,123
Study packs and other publications		5,390	5,937	26,759	10,364
Utilities		2,977	3,729	14,101	13,990
Postage and telephone		2,642	3,306	10,073	8,110
Repairs and maintenance		6,255	4,974	21,570	13,362
Printing and stationery		3,544	2,635	9,469	7,467
Rent, rates and taxes		3,126	2,582	9,134	7,529
Advertisement and exhibitions		4,330	2,538	10,065	8,095
Amortisation of intangible assets		1,750	2,251	5,328	2,374
Financial assistance to students		73	2,989	2,611	4,991
Financial assistance by benevolent fund		3,217	2,496	9,526	6,662
Vehicles maintenance and running cost		1,708	1,984	6,190	6,084
Legal and professional charges		3,435	2,080	8,814	5,320
Others	13	5,404	8,357	25,644	19,841
		149,955	121,319	451,046	329,984
Excess / (deficit) of income over expenditure before finance income		20,503	(14,740)	104,879	63,608
Finance income		15,764	10,873	46,224	33,188
Excess / (deficit) of income over expenditure for the period		36,267	(3,867)	151,103	96,796
Other comprehensive income:					
Items that may subsequently be reclassified to income or expenditure					
Surplus / (deficit) on re-measurement of available for sale investments		471	(314)	1,313	(299)
Total comprehensive income / (loss) for the period		36,738	(4,181)	152,416	96,497
ATTRIBUTABLE TO:					
General Fund		35,173	(3,529)	140,616	84,742
Specific Fund		(27)	(33)	64	141
Endowment Funds		1,394	(1,463)	2,266	(662)
Funds of Regional Committees		(72)	873	1,055	2,643
Benevolent Fund		270	(29)	8,415	9,633
		36,738	(4,181)	152,416	96,497

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

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**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Note	March 31, 2015	March 31, 2014
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received:			
Membership		90,571	85,494
Examinations		348,485	230,050
Training		69,364	49,835
Publications		3,654	6,191
Facilities and miscellaneous		7,458	9,097
		519,532	380,667
Cash paid:			
Employees		164,890	134,890
Professional bodies		2,334	1,930
Property tax		875	860
Suppliers and vendors		246,417	174,004
		414,516	311,684
Net cash generated from operating activities		105,016	68,983
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		(193,993)	(91,087)
Fixed capital expenditure		(41,553)	(43,271)
Purchase of intangible assets		-	(15,751)
Proceeds from sale of operating fixed assets		1,970	2,284
Income received from investments		56,647	41,934
Loans, advances and deposits - net		322	(463)
Net cash used in investing activities		(176,607)	(106,354)
Net decrease in cash and cash equivalents		(71,591)	(37,371)
Cash and cash equivalents at the beginning of the period		200,186	191,839
Cash and cash equivalents at the end of the period	14	128,595	154,468

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

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PRESIDENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	General Fund	Specific Fund	Endowment Funds			Funds of 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	Accumulated Fund					
----- Rupees in '000 -----													
Balance as at July 1, 2013	405,888	3,292	64,033	6,250	70,283	20,740	127	12,186	33,053	65,812	839	66,651	579,167
Total comprehensive income for the nine months ended March 31, 2014													
Excess of income over expenditure for the nine months	84,742	141	(936)	274	(662)	1,484	7	1,152	2,643	9,932	-	9,932	96,796
Other comprehensive income	-	-	-	-	-	-	-	-	-	(299)	-	(299)	(299)
	84,742	141	(936)	274	(662)	1,484	7	1,152	2,643	9,633	-	9,633	96,497
Balance as at March 31, 2014	490,630	3,433	63,097	6,524	69,621	22,224	134	13,338	35,696	75,445	839	76,284	675,664
Balance as at July 1, 2014	452,199	3,520	64,414	6,632	71,046	23,171	137	12,586	35,894	76,183	839	77,022	639,681
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Total comprehensive income for the nine months ended March 31, 2015													
Excess of income over expenditure for the nine months	140,616	64	1,912	354	2,266	222	6	827	1,055	7,102	-	7,102	151,103
Contribution for Ebrahim Dahodwala gold medals	-	900	-	-	-	-	-	-	-	-	-	-	900
Other comprehensive income	-	-	-	-	-	-	-	-	-	1,313	-	1,313	1,313
	140,616	964	1,912	354	2,266	222	6	827	1,055	8,415	-	8,415	153,316
Balance as at March 31, 2015	591,815	4,484	66,326	6,986	73,312	23,393	143	13,413	36,949	85,598	839	86,437	792,997

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

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PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

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. These committees function under the control, supervision and directions of the Council. Major contributions to the committees include transfers by the Institute from annual subscriptions received from its members.

Endowment Funds

The Institute has established 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 organizations.

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 dependants 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 nine months ended March 31, 2015 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, 2014.

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, 2014, 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 un-audited condensed interim financial information for the nine months ended March 31, 2014.

2.2 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousands of rupees unless otherwise specified.

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

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 for the year ended June 30, 2014.

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, 2014. 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, 2014, with inclusion of a new estimate pertaining to provision for obsolete stock of study packs and other publications.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
5	PROPERTY, PLANT AND EQUIPMENT	Note	
	Leasehold land - Preedy Street, Karachi	18	18
	Operating fixed assets	5.1 241,324	203,371
	Capital work in progress	-	21,649
		241,342	225,038

		March 31, 2015 Un-audited	June 30, 2014 Audited
	Note	----- Rupees in '000 -----	
5.1 Operating fixed assets			
Net book value at beginning of the period / year		203,371	180,215
Additions during the period / year	5.1.1	63,202	50,908
		266,573	231,123
Less:			
Disposals costing Rs.6.20 million (June 30, 2014: Rs.8.37 million) - at book value	5.1.2	2,157	2,529
Write off costing Rs.Nil (June 30, 2014: Rs.0.75 million) - at book value		-	170
Depreciation charge for the period / year		23,092	25,053
		25,249	27,752
Net book value at end of the period / year		241,324	203,371
5.1.1 Additions during the period / year are as follows:			
Building on leasehold land		4,640	1,802
Building on freehold land		4,938	1,898
Generators		2,918	3,048
Electric fittings and appliances		7,072	13,235
Furniture and fixtures		13,488	8,679
Vehicles		15,511	9,093
Office equipment		14,570	13,153
Library books		65	-
		63,202	50,908
5.1.2 Disposals during the period / year are as follows:			
Building on freehold land		-	32
Electric fittings, air conditioners and appliances		-	145
Furniture and fixtures		-	106
Vehicles		1,918	1,831
Office equipment		239	415
		2,157	2,529

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
6	INTANGIBLE ASSETS		
	Net book value at the beginning of the period / year	17,805	715
	Additions during the period / year	-	21,271
		17,805	21,986
	Amortisation charged during the period / year	(5,328)	(4,181)
	Net book value at the end of the period / year	12,477	17,805

7 LONG TERM INVESTMENTS

Held to maturity

General Fund	7.1	321,629	57,750
Specific Fund: Prize Fund	7.2	1,491	489
Endowment Funds	7.3	60,539	28,481
Southern Regional Committee	7.4	9,465	13,613
Benevolent Fund	7.5	3,549	33,903
		396,673	134,236

7.1 General Fund

Pakistan Investment Bonds	7.1.1	281,629	57,750
Term deposit receipts	7.1.2	40,000	-
		321,629	57,750

7.1.1 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 286.82 million (June 30, 2014: Rs.58.38 million). Profit is receivable on half yearly basis with yield at the rates ranging from 11.75% to 12.47% (June 30, 2014: 11.75% to 12.03%) per annum. These PIBs have term of three years and are maturing on July 17, 2017.

7.1.2 This represents Certificates of Islamic Investments of a bank costing Rs. 40 million (June 30, 2014: NIL). These certificates carry expected mark-up at the rates ranging between 8.75% and 9.11% (June 30, 2014: NIL) per annum and are maturing on February 13, 2022.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
7.2	Specific Fund: Prize Fund		
	Pakistan Investment Bonds	491	489
	Certificate of Islamic Investments	1,000	-
		1,491	489

7.2.1 This represents investment in a Pakistan Investment Bond (PIB) having face value of Rs. 0.49 million (June 30, 2014: Rs. 0.49 million). Profit is receivable on half yearly basis with yield at the rate of 11.85% (June 30, 2014: 11.85%) per annum. This PIB has a term of three years and is maturing on July 18, 2016.

7.2.2 This represents Certificates of Islamic Investments of a bank costing Rs. 1 million (June 30, 2014: NIL). These certificates carry expected mark-up at the rates ranging between 8.75% and 9.11% (June 30, 2014: NIL) per annum and are maturing on February 13, 2022.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
7.3 Endowment Funds	Note		
Students' Endowment Fund			
Pakistan Investment Bonds	7.3.1	33,624	25,566
Certificate of Islamic Investments	7.3.2	22,000	-
		55,624	25,566
Libraries Development Fund			
Pakistan Investment Bonds	7.3.3	4,915	2,915
		60,539	28,481

7.3.1 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 33.99 million (June 30, 2014: Rs.25.87 million). Profit is receivable on half yearly basis with yield at the rates ranging from 11.85% to 12.42% (June 30, 2014: 11.85% to 12.03%) per annum. These PIBs have term of three years and are maturing on July 17, 2017.

7.3.2 This represents Certificates of Islamic Investments of a bank costing Rs. 22 million (June 30, 2014: NIL). These certificates carry expected mark-up at the rates ranging between 8.75% and 9.11% (June 30, 2014: NIL) per annum and are maturing on February 13, 2022.

7.3.3 This represents investment in PIBs having aggregate face value of Rs. 4.98 million (June 30, 2014: Rs. 2.95 million). Profit is receivable on half yearly basis with yield at the rates ranging from 11.85% to 12.42% (June 30, 2014: 11.85% to 12.03%) per annum. These PIBs have term of three years and are maturing on July 17, 2017.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
7.4 Southern Regional Committee	Note		
Certificate of Islamic Investments			
Accumulated Fund	7.4.1	9,465	13,476
H.J. Irani Memorial Fund		-	137
		9,465	13,613

7.4.1 This represents Certificates of Islamic Investments of a bank costing Rs. 9.25 million (June 30, 2014: Rs. 13.47 million). These certificates carry expected mark-up at the rates ranging between 8.88% and 8.94% (June 30, 2014: 7.54% and 9.06%) per annum and are maturing on various dates latest by June 2019. Accrued mark-up aggregating to Rs. 0.214 million (June 30, 2014: Rs. 0.003 million) is included in the carrying value.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
7.5 Benevolent Fund	Note		
Defence Saving Certificates	7.5.1	3,549	3,820
Special Saving Certificates		-	30,083
		3,549	33,903

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2014: Rs. 2 million). These certificates have been placed for a term of 10 years, maturing on April 7, 2020. These carry mark-up at the rate of 12.10% (June 30, 2014: 12.15%) per annum. Accrued profit aggregating to Rs. 1.55 million (June 30, 2014: Rs. 1.82 million) is included in the carrying value.

		March 31, 2015	June 30, 2014
	Note	Un-audited	Audited
		----- Rupees in '000 -----	
8	STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS		
	Stock of study packs	1,880	7,473
	Stock of publications and souvenirs	4,926	4,356
		6,806	11,829
9	SHORT TERM INVESTMENTS		
	<i>Held to maturity</i>		
	General Fund	9.1	186,191
	Specific Fund : Prize Fund	9.2	2,729
	Endowment Funds	9.3	33,323
	Southern Regional Committee	9.4	6,520
	Northern Regional Committee	9.5	9,144
	Benevolent Fund	9.6	38,463
	<i>Available for sale</i>		
	Benevolent Fund	9.6	3,670
		105,833	280,040
9.1	General Fund		
	Term Deposit Receipts	-	186,191
9.2	Specific Fund : Prize Fund		
	Term Deposit Receipts	9.2.1	2,729
9.2.1	This represents placement in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 2.70 million (June 30, 2014: Rs 2.70 million). These carry mark-up at the rate of 9.00% (June 30, 2014: at the rates ranged between 9.00% and 12.00%) per annum and are maturing on various dates latest by November 2015. Accrued mark-up aggregating to Rs. 0.12 million (June 30, 2014: Rs. 0.029 million) is included in the carrying value.		
9.3	Endowment Funds	March 31, 2015	June 30, 2014
	Students' Endowment Fund	Un-audited	Audited
		----- Rupees in '000 -----	
	Term Deposit Receipts	-	31,165
	Libraries Development Fund		
	Term Deposit Receipts	-	2,158
		-	33,323

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
9.4	Southern Regional Committee	Note	
	<i>Certificate of Islamic Investments</i>		
	Accumulated Fund	9.4.1 10,952	6,520
	H.J. Irani Memorial Fund	9.4.2 144	-
		<u>11,096</u>	<u>6,520</u>

9.4.1 This represents placements in Certificates of Islamic Investment, issued by a financial institution aggregating to Rs. 10.23 million (June 30, 2014: Rs. 6 million). These certificates carry mark-up at rates ranging between 7.24% and 8.75% (June 30, 2014: 7.36% and 7.58%) per annum maturing at various dates upto October 2015. Accrued mark-up aggregating to Rs. 0.72 million (June 30, 2014: Rs. 0.52 million) is included in the carrying value.

9.4.2 This represents placement in a Certificate of Islamic Investment of a bank costing Rs. 0.12 million (June 30, 2014: Rs. Nil). This certificate carries expected mark-up at the rates ranging between 8.00% to 8.29% per annum and is maturing on October 31, 2015. Accrued profit aggregating to Rs 0.02 million (June 30, 2014: Rs.Nil) is included in the carrying value.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
9.5	Northern Regional Committee	Note	
	Certificate of Islamic Investments	9.5.1 9,748	9,144

9.5.1 This represents investment in Islamic Certificates issued by a bank, having face value of Rs. 9 million (June 30, 2014: Rs 9 million). This certificate have been placed for a term of one year and is maturing on April 23, 2015 and carry expected profit at the rate of 8.94% (June 30, 2014: 8.93%) per annum. Accrued profit aggregating to Rs. 0.75 million (June 30, 2014: Rs. 0.14 million) is included in the carrying value.

		March 31, 2015 Un-audited	June 30, 2014 Audited
		----- Rupees in '000 -----	
9.6	Benevolent Fund	Note	
	<i>Held to maturity</i>		
	Treasury Bills	9.6.1 18,305	14,154
	Special Saving Certificates	9.6.2 58,884	24,309
		77,189	38,463
	<i>Available for sale</i>		
	Investments in equity shares	9.6.3 4,983	3,670
		<u>82,172</u>	<u>42,133</u>

9.6.1 This represents investment in Treasury Bills, issued by the State Bank of Pakistan costing Rs. 17.83 million (June 30, 2014: Rs. 13.81 million). These bills carry mark-up at rates ranging between 9.10% and 9.91% (June 30, 2014: at the rate of 9.80%) per annum and are maturing on various dates upto June 2015. Accrued mark-up aggregating to Rs. 0.47 million (June 30, 2014: Rs. 0.34 million) is included in the carrying value.

9.6.2 This represents investment in Special Saving Certificates, having aggregate face value of Rs. 42.84 million (June 30, 2014: Rs. 18.90 million). These certificates have been placed for a term of 3 years and are maturing on various dates upto August 2015. These carry mark-up at rate of 13.48% (June 30, 2014: 13.48%) per annum. Accrued mark-up aggregating to Rs. 16.04 million (June 30, 2014: Rs. 5.41 million) is included in the carrying value.

	March 31, 2015 Un-audited	June 30, 2014 Audited
	----- Rupees in '000 -----	
9.6.3 Investments in equity shares		
<i>The Hub Power Company Limited</i>		
As on July 1	2,350	2,466
Surplus / (deficit) on re-measurement	1,066	(116)
Market value of 40,000 ordinary shares	3,416	2,350
<i>Fauji Fertilizer Company Limited</i>		
As on July 1	1,320	1,264
Surplus on re-measurement	247	56
Market value of 11,767 shares	1,567	1,320
	4,983	3,670

10 CONTINGENCIES AND COMMITMENTS

- 10.1 The Appellate Bench of the Competition Commission of Pakistan (the Commission) has passed an Order, dated March 11, 2009, in response to an appeal filed by the Institute against an Order, dated December 4, 2008, of single member bench of the Commission. In both the Orders, it was contended that fixing of minimum fee, through ATR-14 by the Institute, is in violation of Section 4(1) of the Competition Ordinance, 2007 and imposed a penalty of Rs.1 million as a result thereof. The Institute has filed an appeal before the Honourable Supreme Court of Pakistan which was pending for hearing in the year 2009. During the pendency of the appeal the Competition Commission Ordinance, 2010 was promulgated on March 26, 2010. The judgment has now been suspended by the Honourable Supreme Court of Pakistan, therefore, no provision has been made in this condensed interim financial information relating to the above referred penalty.
- 10.2 The Competition Commission of Pakistan (the Commission) passed an order dated January 10, 2013, wherein it was held that ICAP circular dated July 4, 2012, refraining the training organizations from engaging trainees of other accounting bodies is in violation of section 4 of the Competition Act 2010, and a penalty of Rs. 25 million was also imposed. The Institute has filed a writ petition in the Honourable Lahore High Court against the aforementioned order in addition to appeal filed before Competition Appellate Tribunal. The Honourable High Court in the interim order dated October 23, 2013, has confirmed that the penalty imposed by the Commission, in the above referred order of the Commission, shall not be recovered till final disposal of the writ petition. Based on legal advice, the Institute expects a favourable outcome of the legal proceedings, therefore no provision has been made in this condensed interim financial information relating to the above-referred penalty.
- 10.3 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 2.84 million (June 30, 2014: Rs. 8.58 million). Further, commitments in respect of development of new study materials in cooperation with an international publishing house as at the reporting date amounted to Rs. 5.82 million (June 30, 2014: Rs. 8.07 million).

	Third quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Un-audited	Un-audited	Un-audited	Un-audited
	---- Rupees in '000 ----		---- Rupees in '000 ----	
11 OTHER INCOME				
Income derived from utilization of facilities	1,173	541	3,018	1,953
Gain on sale of fixed assets - net	-	295	-	88
Net income from Seminars & conferences	3,585	3,632	629	1,088
Surplus on Directors' Training Programs	1,564	1,523	1,844	4,633
Miscellaneous income	2,454	213	2,713	509
	8,776	6,204	8,204	8,271
12 SALARIES, ALLOWANCES AND OTHER BENEFITS				
Salaries and allowances	50,865	41,881	153,486	126,743
Employees' health insurance	732	483	2,284	1,465
Defined contribution plan - Provident fund	2,654	2,076	7,738	6,321
	54,251	44,440	163,508	134,529
13 OTHERS				
Fees to professional bodies	820	782	2,334	1,930
Auditors' remuneration	152	260	483	381
Meetings and related expenses	294	607	1,264	1,332
Books and publications	107	84	341	295
Conveyance	50	74	240	189
Entertainment / meeting expenses	603	555	1,843	1,651
Bank charges	694	577	3,406	2,161
Zakat	-	-	-	875
Insurance	728	609	1,891	1,581
Publications (written back) / written off	(2,093)	-	3,982	-
Gold medals and award ceremony	194	1,413	1,104	2,160
Entrance test conducting charges	-	17	-	112
Training expenses	950	804	1,457	1,350
Online Education and Research Facility (PERN-2)	561	583	1,664	1,735
Chartered Accountants talent program	1,386	753	1,874	753
Loss on sale of operating fixed assets	-	-	31	-
Honoraria to article writers	134	147	309	312
Sports and recreation	61	12	363	485
Bad debts	-	-	153	114
Fixed assets written off	-	170	-	170
Sundry expenses	763	910	2,905	2,255
	5,404	8,357	25,644	19,841

13.1 This includes expenditure incurred in respect of meetings of the Council, Committees and Annual General Meeting

14 CASH AND CASH EQUIVALENTS

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

	March 31, 2015	March 31, 2014
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Cash and bank balances	74,344	30,267
Short term investments realizable within three months	54,251	124,201
	128,595	154,468

15 TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	March 31, 2015	March 31, 2014
		Un-audited	Un-audited
		----- Rupees in '000 -----	
Staff retirement benefit plan	Contribution paid to Provident Fund	7,738	6,321
Key management personnel			
- Secretary / COO, Directors and other executives	Managerial remuneration	31,057	25,074
	Reimbursement of expenses	1,636	4,587
- Members of the Council	Membership fee received	514	416
	Reimbursement of expenses	4,916	2,602

15.2 Period / year end balances:

Relationship with the Institute	Nature of balances	March 31, 2015	June 30, 2014
		Un-audited	Audited
		----- Rupees in '000 -----	
Key management personnel			
- Secretary / COO, Directors and other executives	Loans, advances and deposits	1,092	1,599
	Loans, advances, prepayments and other receivables	481	538
	Creditors, accrued expenses and other liabilities	131	131
- Members of the Council	Loans, advances, prepayments and other receivables	35	-
	Creditors, accrued expenses and other liabilities	252	1,434

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 organized into the 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 determined following geographical segments representing 10% or more of the total income:

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

16.1 Service segments

16.1.1 Basis of allocation:

Service provided/rendered 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 16.1.2

Finance Income and Surplus on re-measurement of available for sale investments

Excess of income over expenditure

----- Un-audited -----									
For nine months ended March 31, 2015					For nine months ended March 31, 2014				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
-	-	112,858	-	112,858	-	-	97,805	-	97,805
361,409	69,364	-	-	430,773	231,283	49,835	-	-	281,118
-	-	-	12,294	12,294	-	-	-	14,669	14,669
361,409	69,364	112,858	12,294	555,925	231,283	49,835	97,805	14,669	393,592
165,493	71,978	77,982	135,593	451,046	113,409	42,013	66,867	107,695	329,984
				104,879					63,608
				47,537					32,889
				152,416					96,497

16.1.2 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 by benevolent fund

Vehicle maintenance and running cost

Legal and professional charges

Others

Total Expenditures

----- Un-audited -----									
For nine months ended March 31, 2015					For nine months ended March 31, 2014				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
47,264	21,274	40,645	54,325	163,508	40,418	14,488	33,774	45,849	134,529
86,110	-	-	-	86,110	47,093	-	-	-	47,093
5,773	2,539	3,228	11,552	23,092	4,693	1,985	2,706	8,666	18,050
3,917	611	13,459	1,065	19,052	2,186	953	12,023	961	16,123
-	21,007	634	5,118	26,759	-	3,994	208	6,162	10,364
3,525	1,551	1,974	7,051	14,101	3,637	1,538	2,094	6,721	13,990
2,518	1,107	1,407	5,041	10,073	2,108	891	1,215	3,896	8,110
5,392	2,372	3,017	10,789	21,570	3,474	1,469	2,001	6,418	13,362
2,628	1,546	1,681	3,614	9,469	2,026	1,171	1,403	2,867	7,467
16	5	30	9,083	9,134	31	13	44	7,441	7,529
-	8,541	690	834	10,065	12	7,321	182	580	8,095
1,332	585	743	2,668	5,328	617	260	353	1,144	2,374
-	2,611	-	-	2,611	-	4,991	-	-	4,991
-	-	-	9,526	9,526	-	-	-	6,662	6,662
1,667	994	1,996	1,533	6,190	1,695	799	2,205	1,385	6,084
45	-	4,172	4,597	8,814	37	-	4,425	858	5,320
5,306	7,235	4,306	8,797	25,644	5,382	2,140	4,234	8,085	19,841
165,493	71,978	77,982	135,593	451,046	113,409	42,013	66,867	107,695	329,984

16.1.3 Other Information

Segments assets employed

Unallocated assets

Total assets

Segments liabilities employed

----- Un-audited -----					----- Audited -----				
For nine months ended March 31, 2015					As at June 30, 2014				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
----- Rs. in '000 -----									
34,320	23,448	27,518	206,500	291,786	23,788	23,455	23,774	194,911	265,928
				589,327					477,923
				881,113					743,851
41,137	4,259	3,570	39,150	88,116	38,987	3,635	30,873	30,675	104,170

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

Allocated expenditure - Members and Students

Unallocated expenditure - General Services

Total expenditure (16.2.3)

Finance Income and Surplus on re-measurement of available for sale investments

Excess of income over expenditure

----- Un-audited -----									
For nine months ended March 31, 2015					For nine months ended March 31, 2014				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
----- Rs. in '000 -----									
47,729	21,663	10,840	32,626	112,858	41,438	18,949	9,210	28,208	97,805
137,803	148,954	76,733	67,283	430,773	87,424	98,295	51,671	43,728	281,118
-	-	-	-	12,294	-	-	-	-	14,669
185,532	170,617	87,573	99,909	555,925	128,862	117,244	60,881	71,936	393,592
110,517	98,949	50,755	60,350	320,571	78,558	69,486	36,015	44,392	228,451
-	-	-	-	135,593	-	-	-	-	107,695
110,517	98,949	50,755	60,350	456,164	78,558	69,486	36,015	44,392	336,146
				99,761					57,446
				47,537					32,889
				<u>147,298</u>					<u>90,335</u>

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 by benevolent fund

Vehicles maintenance and running cost

Legal and professional charges

Others

Expenditure - as and when incurred

Inter-segment allocation / transfer to unallocated

Allocated expenditure - Members and Students

Unallocated expenditure - General Services

Total expenditure

----- Un-audited -----									
For nine months ended March 31, 2015					For nine months ended March 31, 2014				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
----- Rs. in '000 -----									
135,393	18,704	6,605	2,806	163,508	111,056	15,241	5,789	2,443	134,529
44,417	23,393	9,819	8,481	86,110	23,287	6,698	3,240	13,868	47,093
16,148	4,201	1,489	1,254	23,092	12,208	3,276	1,322	1,244	18,050
11,177	5,861	1,614	400	19,052	8,431	5,756	1,869	67	16,123
25,902	492	263	102	26,759	9,079	679	426	180	10,364
7,351	3,570	1,828	1,352	14,101	8,706	2,441	1,639	1,204	13,990
6,308	1,705	998	1,062	10,073	4,858	1,399	978	875	8,110
8,234	6,620	4,363	2,353	21,570	6,869	2,771	1,910	1,812	13,362
8,554	626	174	115	9,469	6,853	412	121	81	7,467
2,896	2,313	362	3,563	9,134	2,581	1,520	154	3,274	7,529
3,142	5,710	942	271	10,065	2,054	5,257	612	172	8,095
5,328	-	-	-	5,328	2,374	-	-	-	2,374
729	1,316	289	277	2,611	788	2,812	798	593	4,991
4,401	3,760	1,365	-	9,526	3,083	2,512	1,067	-	6,662
5,085	857	241	7	6,190	5,056	787	237	4	6,084
8,330	469	-	15	8,814	4,850	470	-	-	5,320
20,404	2,727	1,835	678	25,644	13,782	3,653	1,717	689	19,841
313,799	82,324	32,187	22,736	451,046	225,915	55,684	21,879	26,506	329,984
(203,282)	16,625	18,568	37,614	(130,475)	(147,357)	13,802	14,136	17,886	(101,533)
110,517	98,949	50,755	60,350	320,571	78,558	69,486	36,015	44,392	228,451
				135,593					107,695
				<u>456,164</u>					<u>336,146</u>

16.2.4 Other Information

Segments assets employed

Unallocated assets

Total assets

Segments liabilities employed

Unallocated liabilities

Total liabilities

----- Un-audited -----					----- Audited -----				
For nine months ended March 31, 2015					As at June 30, 2014				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total
----- Rs. in '000 -----									
197,071	59,160	21,447	14,108	291,786	173,106	59,426	19,379	14,018	265,929
				589,327					477,922
				<u>881,113</u>					<u>743,851</u>
53,772	4,975	3,087	599	62,433	34,392	9,826	455	97	44,770
				25,683					59,400
				<u>88,116</u>					<u>104,170</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 Institute's surplus is subject to periodical fluctuation due to the fact that most of the membership subscription is received at the beginning of the financial year.

18 **CORRESPONDING FIGURE**

Corresponding figures have been re-arranged and/or re-classified for the purpose of better presentation.

Reclassification from component	Reclassification to component	Quarter ended Mar. 31, 2014 <u>Rupees in '000</u>	Nine months ended Mar. 31, 2014 <u>Rupees in '000</u>
Statement of Comprehensive Income			
Others - Consultancy charges	Legal and professional charges	632	632

19 **DATE OF AUTHORIZATION FOR ISSUE**

The Council of the Institute authorized these condensed interim financial statements for issue on May 08, 2015.

SECRETARY

PRESIDENT