

meeting challenges



CA
PAKISTAN

annual report 2015



**The Institute of
Chartered Accountants
of Pakistan**

CA
PAKISTAN



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

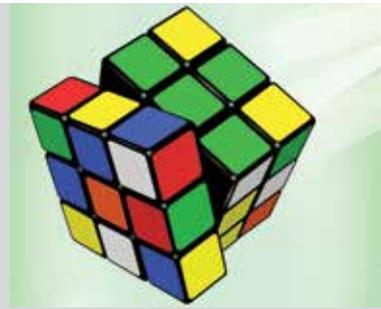
Signature Qualification
that Empowers to Lead



Professional accountants today are under increasing scrutiny from all stakeholders reliant on their work demanding ever exacting standards of professional expertise.

Yesterday's thinking will not solve today's problem. The Institute is committed to providing an enabling environment to its students and members to face up to the multifarious issues buffeting today's business landscape and to gear up to meet these challenges.

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Announcements



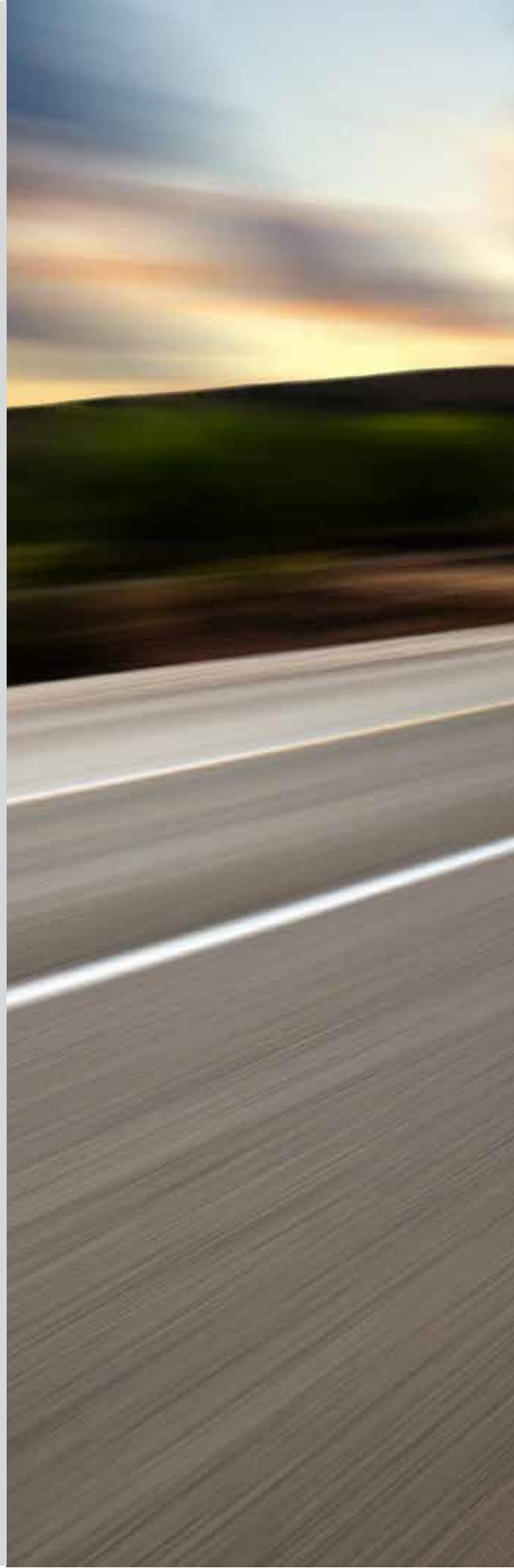
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vision

The profession of Chartered Accountants in Pakistan is the hallmark of professional excellence, upholding the principles of integrity, transparency and accountability.

mission

To achieve excellence in professional competence and value to business and economy, safeguard public interest, ensure ethical practices and contribute to good corporate governance while recognising the needs of globalisation.









core values

Professional Excellence

ICAP sets forth and enforces the highest standards of qualification, education, training, professional development and ethical practice. It is committed to promoting the attractiveness of the profession to the best students.

Relevance

ICAP attaches highest priority to its community including members, students, firms and its stakeholders through efficient application of communication technologies. This enables community members to form networks of knowledge to keep them informed about and able to access efficiently the development opportunities and services offered by ICAP, and also to contribute to the interests of economy and the society. Thus, ICAP is committed to developing products and services for its members and students that are relevant to them.

Impact

ICAP responds to its stakeholders' needs and especially encourages and facilitates the ongoing professional competencies of its members and students. It operates in a financially sustainable manner fully mindful of the organisation's social and environmental impact on the society.

Delivery

ICAP monitors, measures and assesses its operational environment and takes steps to address the challenges and avail the opportunities to maintain its role as a preeminent player in the accounting profession.

Ethical Standards

ICAP promotes professional excellence through developing, monitoring and enforcing the highest standards of competence and ethical conduct. ICAP's objective is that its logo and brand always remains the hallmark of trust, reliability and excellence.

governance structure

The Institute of Chartered Accountants of Pakistan was established as a statutory body on July 1, 1961 under the Chartered Accountants Ordinance, 1961 (CAO) to regulate the profession of accountancy in the country. The Institute operates under the provisions of CAO and CA Bye-laws 1983.

The governance of the Institute vests with the Council comprising nineteen members. Fifteen members are elected from amongst the members for a period of four years. The remaining four are nominated by the federal government of Pakistan. The Council has overall responsibility for monitoring the development and implementation of ICAP's strategy, planning, budgeting and the development of policies. The composition of the Council is as follows:

Composition of the Council	Members
Southern Region - Zone A	8
Southern Region - Zone B	1
Northern Region - Zone A	5
Northern Region - Zone B	1
Government Nominees	4
Total	19

The Council is supported by various standing and other committees to accomplish its objectives. In performing its functions, the Council is also supported by a management team headed by the secretary/ chief operating officer and key management personnel.

council of the institute



President

Yacoob Suttar, FCA

Vice Presidents

Mohammad Maqbool, FCA - North
Syed Najmul Hussain, FCA - South

Members

Farrukh Rehman, FCA
Hafiz Mohammad Yousaf, FCA
Hidayat Ali, FCA
Khalilullah Shaikh, ACA
M. Sharif Tabani, FCA
Nadeem Yousuf Adil, FCA
Naeem Akhtar Sheikh, FCA
Nazir Ahmad Chaudhri, FCA
Rashid Ibrahim, FCA
Riaz A. Rehman Chamdia, FCA
Sarmad Ahmad Khan, FCA
Usman Ghani Akbani, FCA

Government Nominees

Dr. Waqar Masood Khan
Secretary Finance

Mohammad Abdullah Yusuf, FCA
Former chairman Federal Board of
Revenue (FBR)

Muhammad Zafar-Ul-Haq Hijazi
Chairman Securities and Exchange
Commission of Pakistan (SECP)

Tariq Bajwa
Chairman Federal Board of Revenue (FBR)

council of the institute



Yacoob Suttar, FCA
President



Syed Najmul Hussain, FCA
Vice President - South



Mohammad Maqbool, FCA
Vice President - North



Hafiz Mohammad Yousaf, FCA



Hidayat Ali, FCA



Farrukh Rehman, FCA



M. Sharif Tabani, FCA



Nadeem Yousuf Adil, FCA



Khalilullah Shaikh, ACA

council of the institute



Nazeer Ahmad Chaudhri, FCA



Naeem Akhtar Sheikh, FCA



Rashid Ibrahim, FCA



Sarmad Ahmad Khan, FCA



Riaz A. Rehman Chamdia, FCA



Usman Ghani Akbani, FCA



Dr. Waqar Masood Khan
Secretary Finance



M. Abdullah Yusuf, FCA
Former Chairman FBR



Tariq Bajwa
Chairman FBR



M. Zafar-UI-Haq Hijazi
Chairman SECP

committees of the council

Standing Committees

- Executive Committee
- Examination Committee
- Investigation Committee

Technical Committees

- Accounting Standards Committee
- Auditing Standards Committee
- Accounting and Auditing Standards Committee
- Taxation Committee
- Financial Sector Committee
- Technical Advisory Committee
- Professional Standards and Technical Advisory Committee
- Public Sector Committee

The complete composition of the above Technical Committees is available at the ICAP website through the link: <http://www.icap.org.pk/icap/committees/technical-committees/>

Other Committees

- Audit Committee
- Continuing Professional Development Committee
- Education and Training Committee
- ICAP Benevolent Fund Management Committee
- IT Steering Committee
- Overseas Coordination Committee
- Professional Accountants in Business Committee
- Publications Committee
- Small and Medium Practices Committee

In addition to the above committees, there are Coordination Committees of ICAP with the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

The complete composition of the above Committees is available at the ICAP website through the link: <http://www.icap.org.pk/icap/committees/other-committees/>

committees of the council

Audit Committee

Chairman

Ahmed Dawood Patel, FCA

Members

Aftab Ahmad Khan, FCA
 Hafiz Mohammad Yousaf, FCA
 Rana Ahmed Humayun, FCA
 Usman Ghani Akbani, FCA

Regional Committees

Southern Regional Committee

Chairman

Arslan Khalid, FCA

Honorary Secretary

Mohammad Zulfikar Akhtar, FCA

CPD Convener

Abdul Rab, FCA

Members

Muhammad Junaid Shekha, FCA
 Syed Asmat Ullah Shakerzai, ACA
 Syed Muhammad Adnan Rizvi, FCA

Northern Regional Committee

Chairman

Saifullah, FCA

Honorary Secretary

Asad Feroze, FCA

CPD Convener

Kamran Iqbal Butt, FCA

Members

Muhammad Ali Latif, ACA
 Rafqat Hussain, ACA
 Sajjad Hussain Gill, FCA

Quality Assurance Board

Chairman

Ebrahim Yacoob Sidat, FCA

Members

ICAP Nominees

Ayaz Ahmed, FCA
 Mohammad Almas, FCA
 Syed Ahmed Abid, FCA
 Zulfikar Ali Causer, FCA

SECP Nominees

Ali Azeem Ikram, FCA
 Etrat H. Rizvi
 Mohammad Naeem, FCA
 Muhammad Lukman, FCA

SBP Nominee

Amer Aziz, FCA

KSE Nominee

Ahmed Ali Mitha, FCA
 Reconstituted on July 2015

External Auditors

Abdul Hameed Chaudhri

Chartered Accountant

Qasim Ebrahim Causer

Chartered Accountant

Bankers

Bank Al Habib Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank
 MCB Bank Limited
 Meezan Bank limited
 National Bank of Pakistan
 United Bank Limited

Legal Advisors

Bawaney & Partners
 Faisal Kamal & Arshad Hussain Advocates
 Mansoor Ahmad Khan & Co.

Tax Advisors

KPMG Taseer Hadi & Co

management of the institute



COO/Secretary
Feroz Rizvi, FCA

**Executive Director
Examination & Education**
Syed Masood Akhtar, FCA

**Executive Director
Legal & Membership Affairs**
Shoaib Ahmed, FCA

**Director Education Training &
CPD**
Omair Jamal, FCA

Director Quality Assurance
Shahid Hussain, FCA
(Not in the picture)

Director Examinations
Irfan Ghaziani, FCA

**Director Marketing &
Communication**
Badia Raza

Chief Financial Officer
Shehzad Farooq Patel, ACA

Head of IT
M. Faheemuddin Siddiqui

Head of Internal Audit
Tahera Arshad, FCA

Head of HR & Administration
Shahma Zahid

Head of Publication
Samina Iqbal

**Senior Manager
Technical Services**
Saira Shamsie, ACA
(Not in the picture)

management of the institute



Shoab Ahmed, FCA
Executive Director Legal &
Membership Affairs



Feroz Rizvi, FCA
COO/Secretary



Syed Masood Akhtar, FCA
Executive Director
Examination & Education



Badia Raza
Director Marketing &
Communication



Omair Jamal, FCA
Director Education
Training & CPD



Irfan Ghaziani, FCA
Director Examinations



Shehzad Farooq Patel, ACA
Chief Financial Officer



M. Faheemuddin Siddiqui
Head of IT



Samina Iqbal
Head of Publications



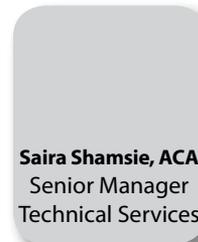
Tahera Arshad, FCA
Head of Internal Audit



Shahma Zahid
Head of HR &
Administration



Shahid Hussain, FCA
Director Quality
Assurance



Saira Shamsie, ACA
Senior Manager
Technical Services

“ a chartered accountant can make it possible ”

A hand in a suit sleeve holds a paint roller, applying white paint to the word "POSSIBLE" on a grey, textured wall. The roller is positioned to the left of the word, and the paint is being applied to the first few letters.

POSSIBLE

governance statement

ICAP's Approach to Governance

The Institute of Chartered Accountants of Pakistan (the Institute), a self-governing, autonomous body, was formed under the Chartered Accountants Ordinance, 1961 (CAO) for the purpose of regulating the accountancy profession. It operates under the provisions of the CAO and the Chartered Accountants Bye-laws, 1983 (Bye-laws). The provisions relating to the governance of the Institute are primarily contained in the said Ordinance and Bye-laws and cover detailed arrangements in relation to the scope of activities of the Institute, powers, duties and elections of the Council and regional committees, roles and responsibilities of the president and the COO/secretary, members of the Institute, accounts, meetings of the Council and other related matters.

Commitments to Good Governance

The Institute is committed to encouraging good corporate governance and has played a key role in formulating the Code of Corporate Governance issued by the SECP. The Institute requires its members to act with the highest ethical standards in accordance with its code of ethics. The Institute, being a regulatory body, is not required to comply with the provisions of the Code of Corporate Governance which are applicable to listed and public sector entities. Irrespective of the legal provisions, in order to ensure the implementation of best practices in its own operations, the Council of the Institute voluntarily decided to measure its governance against the requirements of the Public Sector Companies (Corporate Governance) Rules 2013 (herein after referred to as 'the Code'). The Institute recognises that some parts of the Code may not relate precisely to the governance of a professional and membership body. Accordingly, it complies with such provisions of the Code that specifically relate to its business and operations. In order to achieve this aim, the Institute has established policies, procedures, guidelines and processes which are described below.

Council

The governance of the Institute vests with the Council under the provisions of CAO and Bye-laws. The Council comprises 19 members (who have more than five years of post-qualification experience) including four members nominated by the Federal government and the rest elected by members for a four year term from its two regions, North and South. The former comprises the provinces of Khyber Pakhtun Khwa and Punjab while the latter, the provinces of Sindh and Baluchistan. This arrangement ensures the participation of members from smaller provinces on the Council.

The Council provides strategic direction to the Institute, deliberates on policies both short and long terms, reviews and approves operational plans, budgets, besides formulating policies on examination of candidates, education and training of students and membership of the Institute. The Council has developed significant policies along with vision and mission statements to enable the Institute to carry out its function economically, effectively and efficiently. It has also established appropriate arrangements to ensure it has access to all relevant information, advice and necessary resources to enable it to carry out its role effectively. In order to formalise and strengthen the Institute's decision making process, all issues of significance are placed before the Council either by the respective committees or the management for its information, consideration and decision.

The Council recognises that good governance is a pre-requisite for the effective and efficient functioning of the Institute. Accordingly, it has set clear outcomes and performance expectations for itself, its committees and the management of the Institute. The Council members do not receive any remuneration,

but are reimbursed for travel and subsistence costs incurred for the purposes of Institute business in accordance with defined policy.

A casual vacancy in the Council is filled by fresh election, provided the vacancy is for more than six months from the constituency concerned or by nomination by the Federal government, as the case may be, and the person elected or nominated to fill the vacancy will hold office until the end of tenure of the Council or its dissolution. However, no casual vacancy arose this year.

Code of Conduct and Conflict of Interest Policy for Council and Committee Members

The Council of the Institute has prepared a Code of Conduct along with its supporting policies and procedures, which have been circulated to all Council and committees' members and also posted on the Institute's website http://www.icap.org.pk/wp-content/uploads/meb_dept/Gmcc.pdf. The Code requires the Council and committees' members to act with utmost integrity and transparency and covers areas such as the requirement to act in good faith, due care and diligence, free of conflict of interest improper use of power and confidentiality of information.

Conflict of interest policy lays down the circumstances or considerations when a person may have actual or potential conflict of interest, and provides the procedure for disclosing such interests. Each Council member has to declare interests (if any) which might lead to conflict and is required to update the declaration at least annually by signing Annual Declaration. Such interests may include, but not limited to, membership of formal bodies or groups, partnerships, directorships or beneficial interests in companies, professional or social relationships with individuals or companies who have business dealings with the Institute. The members of the Council are also asked to identify and declare any potential conflict of interest in any of the agenda item at each meeting. The member declaring such a conflict abstains from participation in the discussions, deliberations and decision relating to that matter.

Orientation Course for Council Members

All the Council members are required to attend an orientation course arranged by the Institute to apprise them of the material developments and information as specified in the Rules at the start of their four years term as Council members.

Meetings of the Council

The Council meets at least once every quarter, written notices of the Council meetings, along with agenda and working papers are circulated not less than seven days before the meeting. The draft minutes of the meetings are recorded and circulated within fourteen days of the Council meeting. All meetings of the Council are presided by the president and in his absence by one of the vice presidents.

List of the Council members and their attendance of the Council meeting during 2014-15 (from October 1, 2014 to July 31, 2015) is given below:

Council

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (9)		Meetings Held (9)	
Name	Attended	Name	Attended
Yacoob Suttar (chairman)	9	Naeem Akhtar Sheikh (chairman)	9
Farrukh Rehman	8	Rashid Ibrahim	9
Hafiz Mohammad Yousaf	6	Riaz A. Rehman Chamdia	9
Hidayat Ali	8	Farrukh Rehman	8
Khalilullah Shaikh	8	Hafiz Mohammad Yousaf	9
M. Sharif Tabani	9	Hidayat Ali	8
Mohammad Abdullah Yusuf*	5	Khalilullah Shaikh	8
Mohammad Maqbool	9	M. Sharif Tabani	9
Muhammad Zafar-UI-Haq Hijazi**	0	Mohammad Abdullah Yusuf*	6
Nadeem Yousuf Adil	6	Mohammad Maqbool	9
Naeem Akhtar Sheikh	8	Nadeem Yousuf Adil	7
Nazir Ahmad Chaudhri	8	Nazir Ahmad Chaudhri	9
Rashid Ibrahim	9	Sarmad Ahmad Khan	9
Riaz A. Rehman Chamdia	7	Syed Najmul Hussain	8
Sarmad Ahmad Khan	8	Tahir Mahmood*	0
Syed Najmul Hussain	9	Tariq Bajwa*	0
Tariq Bajwa*	0	Usman Ghani Akbani	7
Usman Ghani Akbani	2	Dr. Waqar Masood Khan*	0
Dr. Waqar Masood Khan*	0	Yacoob Suttar	7

*Government Nominee
** Joined in January 2015

Committees of the Council

While the Council has the ultimate responsibility for the control and management of the Institute, in order to streamline the process, it has delegated certain powers and duties to its committees. These committees, including standing committees, primarily comprises members of the Council and in certain specialised areas members of the Institute outside the Council, both from practice and from industry and some non-member specialists. A term of reference (TOR) of each committee is approved by the Council and committees are required to operate within their respective TOR. The existence of these committees does not absolve the Council from its collective responsibilities in all matters relating to the Institute. The Council has established the following committees:

- **Executive Committee – Standing Committee**

This Committee comprises the president, vice presidents and not less than three Council members. The Committee is chaired by the president and is responsible for identifying the key risks relating to the Institute in meeting its strategic plans, and measures necessary to mitigate those risks. It is also responsible for the development of annual and long-term budgets and review of the annual and quarterly performance of the Institute.

- **Examination Committee – Standing Committee**

This Committee deals with all matters relating to the conduct of examinations including selection and appointment of examiners, prescription of books for the guidance of students, setting of questions, oversight of papers, checking and compilation of results, advising the Council on policy matters related to examination curriculum, etc.

- **Investigation Committee – Standing Committee**

The Investigation Committee has recently been reconstituted after notification of changes in its composition. The changes were made with a view to bring more independence and transparency in its operations. After the change, the Committee comprises six Council members including the president, three independent members, and a retired judge of High Court. This Committee conducts inquiry on matters of professional misconduct by the members and students of the Institute. The Committee is mainly responsible for determining the facts of the cases referred to it and the final decision on the alleged misconduct rests with the Council.

- **Audit Committee**

The Council is cognisant of the importance of a robust system of internal controls and in order to assist it in ensuring continued efficacy of its systems and procedures, it has established an independent Audit Committee. This Committee comprises two Council members, one of which is a member of the Executive Committee and three independent members including the chairman who should be the past president of the Institute. The president of the Institute is not part of Audit Committee.

This Committee is responsible for reviewing and evaluating the systems of internal control, financial reporting, risk management, etc. It recommends to the Council the appointment or removal of external auditors, audit fees and provision by external auditors of any service to the Institute in addition to audit of its financial statements. It also reviews the effectiveness, integrity and reliability of the Institute's annual and quarterly financial statements.

The Committee has an ongoing process for reviewing the effectiveness of the system of internal controls and effectiveness of Internal Audit Function. Necessary recommendations are made to the Council to further strengthen the systems. The Committee also monitors the effectiveness of the risk management process and whistle blowing policy of the Institute on a regular basis.

The chief financial officer (CFO), the head of Internal Audit, and a representative of the external auditors attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed. The external auditors attend at least one meeting (or part of a meeting) each year without the presence of the Institute management. Further, at least once a year, the Audit Committee meets with the head of Internal Audit and other members of the internal audit function without the presence of the CFO and the external auditors.

- **Human Resources Committee**

This Committee is a sub-committee of the Executive Committee and deals with all employee related matters including recruitment, training, remuneration, performance evaluation, succession planning, and measures for effective utilisation of the employees of the Institute.

- **Advisory Committees**

These committees provide advice to the Council and undertake specific tasks as delegated by the Council from time to time, e.g. Education and Training Committee (ETCOM), Professional Standards & Technical Advisory Committee (PS&TAC), etc.

List of committees with committee members' name and attendance for the year 2014-15 (from October 1, 2014 to July 31, 2015) is given below:

Executive Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (5)		Meetings Held (6)	
Name	Attended	Name	Attended
Yacoob Suttar (chairman)	5	Naeem Akhtar Sheikh (chairman)	6
Hafiz Mohammad Yousaf	4	Rashid Ibrahim	6
Hidayat Ali	4	Riaz A. Rehman Chamdia	6
Mohammad Maqbool	5	Farrukh Rehman	6
Nadeem Yousuf Adil	2	Hafiz Mohammad Yousaf	4
Naeem Akhtar Sheikh	3	Mohammad Maqbool	6
Rashid Ibrahim	5	Nadeem Yousuf Adil	5
Riaz A. Rehman Chamdia	5	Nazir Ahmad Chaudhri	6
Syed Najmul Hussain	5	Sarmad Ahmad Khan	6
		Syed Najmul Hussain	6
		Yacoob Suttar	6

Examination Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (5)		Meetings Held (8)	
Name	Attended	Name	Attended
Syed Najmul Hussain (chairman)	5	Riaz A. Rehman Chamdia (chairman)	8
Yacoo Suttar*	0	Naeem Akhtar Sheikh*	0
Riaz A Rehman Chamdia	5	Rashid Ibrahim	2
Farrukh Rehman	5	Farrukh Rehman	7
Rashid Ibrahim	3	Hidayat Ali	2
Mohammad Maqbool	2	Khalilullah Shaikh**	1
Nadeem Yousuf Adil	1	M. Sharif Tabani**	1
Usman Ghani Akbani	1	Mohammad Maqbool**	1
Hidayat Ali	0	Nadeem Yousuf Adil	6
M Sharif Tabani**	0	Syed Najmul Hussain	8
Mohammad Maqbool**	0	Usman Ghani Akbani	3
Khalilullah Shaikh**	0	Yacoo Suttar	5

* As per tradition, the president does not attend the meetings of the Examination Committee and vice president (South) chairs the meetings of the committee.

**Attended on request.

Investigation Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (7)		Meetings Held (6)	
Name	Attended	Name	Attended
Mohammad Maqbool (chairman)	7	Rashid Ibrahim (chairman)	6
Yacoo Suttar *	0	Naeem Akhtar Sheikh*	0
Naeem Akhtar Sheikh**	1	Riaz A. Rehman Chamdia	5
Riaz A. Rehman Chamdia	6	Justice Ahmad Sarwana	4
Nazir Ahmad Chaudhri	3	Farrukh Rehman	5
Farrukh Rehman	7	Hamid Khan	4
Justice Ahmad Sarwana	5	Hidayat Ali	4
Imran Afzal***	2	Khalilullah Shaikh	1
Jalil-Ur-Rehman Tarin***	2	M. Sharif Tabani	6
M.Z. Moin Mohajir***	1	Nazir Ahmad Chaudhri	6
Rashid Ibrahim****	4		

Hidayat Ali****	3		
M. Sharif Tabani****	4		
Hamid Khan****	2		
Khalilullah Shaikh*****	0		

* As per tradition, the president does not attend the meetings of Investigation Committee and vice president (North) chairs the meetings of the committee

** Naeem Akhtar Sheikh was nominated in the Investigation Committee with effect from April 4, 2015.

*** The members were nominated in the Investigation Committee by the Council w.e.f May 9, 2015 as a result of the changes made in Bye-law 75 of the Chartered Accountants Bye-laws, 1983 relating to composition of the Investigation Committee.

**** The members served in the Investigation Committee till March 27, 2015.

***** The member served in the Investigation Committee till February 19, 2015.

Audit Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (5)		Meetings Held (6)	
Name	Attended	Name	Attended
Ahmed Dawood Patel (chairman)	4	Ahmed Dawood Patel (chairman)	6
Aftab Ahmad Khan	4	Aftab Ahmad Khan	5
Hafiz Mohammad Yousaf	2	Hafiz Mohammad Yousaf	4
Rana Ahmed Humayun	5	Rana Ahmed Humayun	5
Usman Ghani Akbani	2	Usman Ghani Akbani	6

Quality Assurance Board (QAB)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (7)		Meetings Held (3)	
Name	Attended	Name	Attended
Mohammad Adnan Afaq (chairman)	6	Mohammad Adnan Afaq (chairman)	3
Farrukh Rehman	5	Farrukh Rehman	3
Ali Azeem Ikram*	4	Ali Azeem Ikram*	1
Amer Aziz**	2	Amer Aziz**	2
Ayaz Ahmed	3	Ayaz Ahmed	1
Fuad Azim Hashimi*	2	Fuad Azim Hashimi*	1
Habib Fakhruddin	3	Habib Fakhruddin	2
Mehmood	3	Mehmood	2
Mohammad Almas	6	Mohammad Almas	3

Mohammad Hanif Jhakura*	1	Mohammad Hanif Jhakura*	2
Mohammad Maqbool	4	Mohammad Maqbool	3
Omer Chughtai	4	Omer Chughtai	2
Syed Ahmed Abid	4	Syed Ahmed Abid	2
Syed Iftikhar Anjum	6	Syed Iftikhar Anjum	2
* Nominee SECP ** Nominee SBP			

Small and Medium Practices Committee (SMPs)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (4)	
Name	Attended	Name	Attended
Nazir Ahmad Chaudhri (chairman)	4	Nazir Ahmad Chaudhri (chairman)	4
Naeem Akhtar Sheikh	0	Abdul Basit	1
Arsalan Salauddin Vardag	3	Arsalan Salauddin Vardag	4
Farrukh Virqaruddin Junaidy	3	Farrukh Virqaruddin Junaidy	2
Laeq Ahmad Rana	1	Jawad Ahmed	1
Kausar Ali Fecto	2	Kausar Ali Fecto	2
Khan Mohammad	2	Khan Mohammad	4
Masoom Akhtar	1	Majeed Uddin Khan	0
Mohammad Maqbool	4	Masoom Akhtar	3
Osman Hameed Chaudhri	4	Mohammad Maqbool	4
Syed Mohammad Rehan	2	Osman Hameed Chaudhri	4
Zafar Iqbal	2	Syed Mohammad Rehan	4
Muhammad Fahim	2	Zafar Iqbal	3
Usman Ghani Akbani	1		

Education and Training Committee (ETCOM)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (6)		Meetings Held (3)	
Name	Attended	Name	Attended
Mohammad Moqbool (chairman)	6	Rashid Ibrahim (chairman)	3
Abdul Rafay Siddique	5	Abdul Qadeer	3
Rashid Ibrahim	3	Abdul Rafay Siddique	3
Nadeem Yousuf Adil	3	Amar Naseer	2
Iftikhar Taj	4	Altaf Noor Ali	3

M. Sharif Tabani	6	Iftikhar Taj	1
Abdul Qadeer	2	Jafar Husain	3
Khalilullah Shaikh	4	Khalilullah Shaikh	2
Syed Najmul Hussain	5	M. Sharif Tabani	3
Sajid Hussain	5	Mohammad Maqbool	3
Muhammad Usman Tahir Farooqi	5	Mukhtar Hussain Jaffery	2
Muhammad Samiullah	3	Nabiha Shahnawaz Cheema	2
Abdul Basit	5	Nadeem Yousuf Adil	2
Shabbir Yunus	2	Shabbir Yunus	2
		Syed Fahim ul Hasan	2

Professional Accountants in Business Committee (PAIB)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (3)		Meetings Held (3)	
Name	Attended	Name	Attended
Khalilullah Shaikh (chairman)	3	Yacoob Suttar (chairman)	3
Abdul Basit	3	Haroon Tabraze	2
Abdul Majid Alvi	0	Kamran Ahmed	2
Abdul Qadir	2	Kamran Gul e Anwer	2
Abdul Qadir	0	Saad Fahim Muhammad	1
Ahmed Hassan Ali Khoja *	1	Sirah Aman Ullah	1
Ahsan Rasheed	1	Syed Amir Ali	2
Ajmal Ilyas Nagaria	2	Ahsan Ghaffar Mehanti	1
Ali Noshad	1	Khalilullah Shaikh	2
Ali Raza	2	Abdul Basit	2
Hammad Rabbani	0	Abdul Qadir	2
Iftikhar Taj	1	Abdul Qadir	3
Imran Ahmad Mirza	0	Ahmed Hassan Ali Khoja *	2
Madiha Taj Siddiqui	1	Ajmal Ilyas Nagaria	2
Mansoor Ahmad Siddiqui	2	Ali Raza	2
Mian Bilal Zia	0	Hammad Rabbani	1
Mirza Muhammad Amir	1	Imran Ahmad Mirza	2
Mubeshir Ali Kazmi	0	Muhammad Arqam	2
Muhammad Arif	1	Muhammad Nayyer Aqib	2
Muhammad Arqam	2	Muhammad Rashid Dastagir	2
Muhammad Imran	0	Muhammad Umair Ismail **	2
Muhammad Nayyer Aqib	2	Muhammad Zafar Iqbal	3

Muhammad Rabnawaz Anjum	3	Murtaza Abbas Mooman	1
Muhammad Rashid Dastagir	2	Roshan Mehri	3
Muhammad Sajid Hamid Kapadia	3	Shahid Jamal Kazi	2
Muhammad Samiullah Siddiqui	3	Shakaib Arif	2
Muhammad Umair Ismail **	1	Suhail Ahmed	2
Muhammad Yasir Khan Ghori	1	Syed Moinuddin	3
Muhammad Zafar Iqbal	1	Syed Muhammad Mansoor Ali Zaidi	2
Muhammad Zaid Kaliya	1	Usama Rashid	2
Murtaza Abbas Mooman	3	Umair Ali Bhatti	1
Rizwan Zafar	1		
Roshan Mehri	1		
Shahid Jamal Kazi	3		
Shakaib Arif	3		
Shaukat Hussain	3		
Shezad Farooq	1		
Suhail Ahmed	0		
Syed Jamalullah Macdi	1		
Syed Jawwad Ul Haq Haqqi	2		
Syed Moinuddin	3		
Syed Muhammad Mansoor Ali Zaidi	2		
Usama Rashid	3		
Usman Ahsan	1		
Usman Aziz Shah	0		
Waqas Latif	1		
Naveed Abdul Hameed	1		
Ali Tariq	1		
Asiya Zaidi	1		
Umair Ali Bhatti	2		
Saad Masood	1		
Imran Jalil	1		
M. Sharif Tabani	0		
Junaid Ahmed Sheikh	0		
Khurram Muhammad Siddiqui	1		
Tauqir Hasan	0		
Farheen Ayaz	1		
Syed Safi Sarwar	0		

* Left in December moved to Australia

** Shifted to Dubai in December

Overseas Coordination Committee (OCC)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (2)		Meetings Held (2)	
Name	Attended	Name	Attended
Hidayat Ali (chairman)	2	Hafiz Mohammad Yousaf (chairman)	0
Hafiz Mohammad Yousaf	0	Riaz A. Rehman Chamdia	1
M. Sharif Tabani	2	Hidayat Ali	2
Mohammad Maqbool	2	Khalilullah Shaikh	0
Riaz A. Rehman Chamdia	1	M. Sharif Tabani	2
Sarmad Ahmad Khan	1	Mohammad Maqbool	2
M. Mohammad Iqbal	2	Sarmad Ahmad Khan	2
Kamran Qazi	1		
M. Iqbal Merchant	1		
Khalid Mahmood	0		

ICAP Benevolent Fund Management Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (4)	
Name	Attended	Name	Attended
Imran Afzal (chairman)	4	Khaliq-ur-Rahman (chairman)	4
Abdul Qadeer	1	Adeel Ahmad Khan	4
Adeel Ahmad Khan	4	Altaf Noor Ali*	3
Irfan Ilyas	2	Iftikhar Ahmad Moghal**	1
Kamran Iqbal Butt	0	Kamran Iqbal Butt	3
Liaquat Ali	3	Liaquat Ali	2
Masoom Akhtar	3	Mahmood A. Qureshi	3
Mohammed Rafiuddin Hyder	4	Majeed Uddin Khan***	0
Muhammad Ahmad Shahid	1	Mohammed Rafiuddin Hyder	2
Muhammad Awais	2	Muhammad Ahmad Shahid	3
Qamar Ul Islam	3	Rana Muhammad Usman Khan	4
Rana Muhammad Usman Khan	3	Rashid Ibrahim	0
Rashid Ibrahim	1	Rashid Masood Alam	4
Rashid Masood Alam	2	Rehan Mobin	3
Rehan Mobin	3	Syed Jamalullah Macdi	1
		* Resigned w.e.f. June 26, 2014 ** Resigned w.e.f. March 14, 2014 *** Could not attend any meeting due to prolonged illness	

Continuing Professional Development Committee (CPD)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (3)		Meetings Held (3)	
Name	Attended	Name	Attended
Rashid Ibrahim (chairman)	3	Usman Ghani Akbani (chairman)	3
Khan Mohammad	3	Agha Mujeeb Ahmed Khan	3
Abdul Rahim Suriya	1	Muhammad Ali Latif	1
Usman Ghani Akbani	1	Muhammad Usman Tahir Farooqi	2
Shahid Jamal Kazi	2	Rafqat Hussain	3
Muhammad Farid Alam	2	Syed Muhammad Adnan Rizvi	3
Zulfiqar Alam	1	Syed Muhammad Mansoor Ali Zaidi	1
Amar Naseer	2	Zeeshan Shahid	1
Aamir Waheed Ahmed	2	Khan Mohammad	2
Syed Fahim ul Hassan	3	Abdul Rahim Suriya	0
Sajjad Hussain Gill	0	Abdul Qadir	1
Jehan Zeb Amin	3	Shahid Jamal Kazi	2
Huma Pasha	1	Muhammad Farid Alam	2
Rana Muhammad Usman Khan	2	Aamir Waheed Ahmed	0
Kamran Iqbal Butt	2	Jehan Zeb Amin	2
Abdul Rab	2	Huma Pasha	2
		Rana Muhammad Usman Khan	1

IT Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (5)		Meetings Held (4)	
Name	Attended	Name	Attended
Saad Kaliya (chairman)	5	Saad Kaliya (chairman)	4
Irfan Umar Faruqui	2	Naeem Akhtar Sheikh	2
Moin Balkhi	3	Ali Omer Golam Morshed	1
Huma Pasha	5	Huma Pasha	4
Iftikhar Taj	3	Iftikhar Taj	3
Syed Najmul Hussain	4	Irfan Umar Faruqui	3
Waqar Ahmed Khan	5	Waqar Ahmed Khan	4
Yacoob Suttar	2		

Professional Standards & Technical Advisory Committee (PSTAC)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (5)		Meetings Held (3)	
Name	Attended	Name	Attended
Nadeem Yousuf Adil (chairman)	5	Hafiz Mohammad Yousaf (chairman)	3
Asad Ali Shah	3	Naeem Akhtar Sheikh	0
Amir Jamil Abbasi	4	Riaz A. Rehman Chamdia	2
Amir Waheed Ahmed	4	Abdul Husain A. Basrai	2
Ayaz Ahmed	3	Aftab Mahmood Butt	1
Bilal Ahmad Khan	3	Farrukh Rehman	3
Farrukh Rehman	4	Imran Afzal	3
Mohammad Maqbool	3	Imran Ashraf	0
Naeem Akhtar Sheikh	3	Mohammad Maqbool	3
Pervez Muslim	0	Mujahid Eshai *	0
Qasim Ebrahim Causer	4	Nadeem Yousuf Adil	2
Riaz A. Rehman Chamdia	1	Nasimuddin Hyder	2
Shah Naveed Saeed	4	Qasim Ebrahim Causer	1
Syed Najmul Hussain	5	Rashid Rahman Mir	3
Syed Mohammad Shabbar Zaidi	3	Syed Najmul Hussain	2
		Syed Mohammad Shabbar Zaidi	3
		* Resigned from committee w.e.f April 24, 2014	

Technical Advisory Committee (TAC)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (5)	
Name	Attended	Name	Attended
Syed Najmul Hussain (chairman)	4	Syed Najmul Hussain (chairman)	5
Asad Feroze	2	Abbas	0
Irfan Ilyas	3	Irfan Ilyas	3
Kashif Shafi	0	Mohammad Almas	5
Muhammad Ahmad Khan	1	Mohammad Zulfikar Akhtar	3
Muhammad Nasir Muneer	3	Moqem Ul Haque	0
Mohammad Zulfikar Akhtar	3	Muhammad Kamran Nasir	2
Muhammad Kamran Nasir	4	Muhammad Nasir Muneer	4
Mohammad Almas	1	Om-Perkash	2

Omer Chughtai	2	Omer Chughtai	3
Om-Perkash	0	Shahid Hussain	3
Shoaib Amin Ghazi	2	Shahzada Saleem	4
Shahid Hussain	2	Shoaib Amin Ghazi	4
Shahzada Saleem	2	Syed Aftab Hameed	3
Shakaib Arif	4	Syed Iftikhar Anjum	5
Syed Iftikhar Anjum	3	Syed Zishan Haider Zaidi	1
Syed Aftab Hameed	1	Zulfikar Ali Causer	4
Zulfikar Ali Causer	3		

Auditing Standards Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (6)		Meetings Held (6)	
Name	Attended	Name	Attended
Farrukh Rehman (chairman)	6	Farrukh Rehman (chairman)	6
Abbas	6	Asad Feroze	4
Asim Nazir Sheikh	0	Bushra Naz Malik	3
Asad Feroze	3	Iftikhar Haider*	1
Haroon Tabraze*	2	Khurram Jameel	5
Maheen Fatima	3	Laeq Ahmed Rana	3
Mehmood	2	Maheen Fatima	4
Muhammad Humair	5	Mehmood	5
Muhammad Haroon Rashid	2	Muhammad Haroon Rashid	1
Muhammad Nadeem	4	Muhammad Humair	3
Muhammad Kamran Nasir	3	Muhammad Kamran Nasir	5
Nadeem Tirmizi	6	Muhammad Nadeem	3
Osman Hameed Chaudhri	5	Nadeem Tirmizi	5
Tasneem Yusuf	2	Osman Hameed Chaudhri	3
Shariq Ali Zaidi	6	Tasneem Yusuf	4
Zeeshan Ghulam **	0	Zeeshan Ghulam	4

* Joined as a committee member w.e.f Jan 1, 2015
 ** Resigned from committee w.e.f March 1, 2015

Accounting Standards Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (5)	
Name	Attended	Name	Attended
Raiz. Rehman Chamdia (chairman)	4	Mohammad Maqbool (chairman)	5
Abdul Aleem	4	Abdul Aleem	3
Ahsan Ghaffar Mehanti	3	Atiq Anwar Mahmudi	2
Asim Nazir Sheikh	0	Ayesha Riaz	3
Atiq Anwar Mahmudi	2	Hena Irfan	5
Ayesha Riaz*	1	Irfan Ilyas	4
Farrukh Rehman* **	0	Mohammad Mahmood Hussain	3
Hena Sadiq	2	Muddassar Mehmood	0
Khurram Jameel	1	Muhammad Ali	3
Mohammad Ali Latif	1	Muhammad Sheeraz Zafar	3
Mohammad Mahmood Hussain	3	Muhammad Usman Tahir Farooq	5
Muhammad Ali	1	Qanit Khalil	1
Muddassar Mehmood ***	0	Salah-Ud-Din	3
Muhammad Asif Iqbal	3	Shariq Ali Zaidi	4
Muhammad Imran	3	Syed Zishan Haider Zaidi	1
Muhammad Usman Tahir Farooqi	3	Umair Madhani	2
Umair Madhani	2	Waqas Aftab Sheikh	3
Waqas Aftab Sheikh	2		
Waseem Ashfaq	3		

*Resigned from committee w.e.f April 13, 2015
** Joined committee w.e.f March 2, 2015
*** Resigned from committee w.e.f October 31, 2014

Financial Sector Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (2)	
Name	Attended	Name	Attended
Farrukh Rehman (chairman)	4	Nadeem Yousuf Adil (chairman)	2
Anjum Hai	2	Abdul Hafeez	1
Ali Noshad	1	Anjum Hai	2
Arslan Khalid	4	Arslan Khalid	2

Ayaz Ahmed	1	Khawar Iqbal	1
Ijaz Ur Rehman Qureshi	2	Muhammad Ahmed Ghazali Marghoob	0
Khawar Iqbal	3	Muhammad Haroon Rashid	0
Mansoor Ahmad	2	Najam Siddiqi	1
Naresh Kumar	3	Naresh	1
Naveed Aslam	1	Naresh Kumar	2
Naresh	2	Naveed Aslam	1
Najam Siddiqi*	0	Rayomond Kotwal	1
Rashid Jahangir	0	Salman Hussain	1
Riaz A. Rehman Chamdia***	1	Shabbir Hamza Khandwala	1
Riaz Nazar Ali	3	Syed Iftikhar Anjum	1
Rayomond Kotwal	1	Tahir Hassan	1
Syed Iftikhar Anjum	3		
Salman Hussain	3		
Shabbir Hamza Khandwala	2		
Tahir Hassan**	1		
M. Farhanullah Khan****	1		
Zulfiqar Ali Causer	2		
<p>* Resigned from committee w.e.f May 2015 ** Resigned from committee w.e.f June 2015 **** Joined committee from w.e.f January 2015 **** Joined committee from w.e.f June 2015</p>			

Committee on Accounting Standards for Interest Free Mode of Financing & Investments

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (8)		Meetings Held (5)	
Name	Attended	Name	Attended
Syed Najmul Hussain (chairman)	5	Syed Najmul Hussain (chairman)	4
Anwar Ahmed Meenai	3	Abdul Rab	1
Ahmed Ali Siddiqui	3	Ahmed Ali Siddiqui	4
Aziz Adil	2	Anwar Ahmed Meenai	4
Faizan Ahmed Memon	4	Aziz Adil	2
Haroon Tabraze**	6	Faizan Ahmed Memon	3
Mohammad Maqbool *	0	Mahmood Shafqat*	1
Mufti Irshad Ahmed Aijaz	4	Mazhar Saleem	3
Mahmood Shafqat	5	Mufti Ehsan Waquar Ahmed	4
Muhammad Rehan	4	Mufti Irshad Ahmed Aijaz	1
Mazhar Saleem	4	Mufti Muhammad Najeeb Khan	3

Mufti Muhammad Najeeb Khan	5	Mufti Muhammad Zubair Usmani	0
Mufti Ehsan Waquar Ahmed	2	Muhammad Rehan	3
Mufti Sabir Hussain	4	Noman Abbas Sheikh	2
Nadeem Amjad Khan	5	Omar Mustafa Ansari	4
Noman Abbas Sheikh	3	Pervez Said	2
Omar Mustafa Ansari	6	Rashid Rahman Mir	1
Pervez Said	0	Zulfiqar Khokhar*	1
Rashid Rahman Mir	1		
Sohail	3		

* Resigned from committee w.e.f March 2015

** Joined committee from w.e.f January 2015

Public Sector Committee (PSC)

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (2)		Meetings Held (2)	
Name	Attended	Name	Attended
Mohammad Abdullah Yusuf (chairman)	2	Mohammad Abdullah Yusuf (chairman)	2
Amer Tufail	1	Riaz A. Rehman Chamdia	1
Asad Ali Shah	1	Asad Ali Shah	2
Asif Mahmood	2	Fuad Azim Hashimi	2
Fuad Azim Hashimi	2	Hasan Saqib	0
Hasan Saqib	0	Imran Iqbal	0
Jamal Abdul Nasir Usmani	1	Jehan Zeb Amin	1
Jehan Zeb Amin	1	Muhammad Faheem	1
Muhammad Arif	1	Muhammad Naveed Iftikhar	1
Muhammad Ali Latif	1	Mutee-Ur-Rehman Mirza	0
Muhammad Faheem *	1	Nazir Ahmed Shaheen	2
Muhammad Naveed Iftikhar	0	Noman Siddiqui	1
Noman Siddiqui **	1	Saeed-Ur-Rahman	1
Riaz A. Rehman Chamdia	2	Shah Naveed Saeed	1
Salman Anwar Malik	1	Syed Ghulam Rasool Shah	1
Shahid Mohsin Shaikh	2	Syed Jamalullah Macdi	2
Shah Naveed Saeed	1		
Syed Ghulam Rasool Shah	0		
Syed Jamalullah Macdi	0		
Waseem Ahmad Khan	1		

* Resigned from committee w.e.f 1 March 2015

** Resigned from committee w.e.f 15 March 2015

Committee on Taxation

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Naeem Akhtar Sheikh (chairman)	4	Naeem Akhtar Sheikh (chairman)	3
Abdul Wahid Qureshi	4	Adnan Ahmad Mufti	2
Adnan Ahmad Mufti	1	Asif Haroon	3
Asif Haroon	3	Asif Siddiq	3
Asif Siddiq	4	Ejaz Hussain Rathore	3
Ashfaq Yousuf Tola	1	Faisal Iqbal Khawaja	2
Habib Fakhruddin	4	Habib Fakhruddin	2
Junaid Khan	1	Hafiz Mohammad Yousaf	0
Khalid Mahmood	4	Haidar Ali Patel	1
Laeq Ahmed Rana	2	Hamid Masood	1
Mohammad Arif Ashraf	1	Imran Afzal	2
Muhammad Awais	3	Muhammad Rehan	2
Muhammad Umair Ismail	1	Qasim Ebrahim Causer	1
Rafqat Hussain	3	Shahbaz Raza	3
Rashid Ibrahim	1	Shoaib Ahmad Waseem	3
Saira Piracha	3	Shaikh Saqib Masood	3
Shahbaz Raza	3	Syed Khalid Nafees Zaidi	3
Shaikh Saqib Masood	2	Zeeshan Ijaz	1
Syed Tariq Jamil	3	Zubair	3
Talat Javed	2		
Umair Ali Bhatti	2		
Zubair	3		

Publications Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (1)		Meetings Held (1)	
Name	Attended	Name	Attended
M. Sharif Tabani (chairman)	1	M. Sharif Tabani (chairman)	1
Aamer Razzak	1	Aamer Razzak	1
Muhammad Fahim	1	Aamir Waheed Ahmed	0
Muhammad Haseeb Atif	1	Asad Feroze	0
Mansoor Ahmad Siddiqui	0	Danish Arif Patel	0

Waqas Latif	1	Muhammad Amir Afzal Rana	1
Junaid Abbas	1	Muhammad Fahim	1
Munim Imran	1	Omar Mustafa Ansari	1
Muhammad Amir Afzal Rana	0	Syed Athar Hussain Zaidi	1
Mubeshir Ali Kazmi	0	Zafar Hussain	0
Sarosh Saleem	1		
Usman Aziz Shah	0		
Hina Shamsi	0		
Fariha Wajid	1		

Human Resources Committee

2014-2015 from October 1, 2014 to July 31, 2015		2013-2014 from October 1, 2013 to August 31, 2014	
Meetings Held (1)		Meetings Held (3)	
Name	Attended	Name	Attended
Yaqoob Suttar (chairman)	1	Naeem Akhtar Sheikh (chairman)	3
Muhammad Maqbool	1	Rashid Ibrahim	3
Syed Najam ul Hassain	1	Riaz A. Rehman Chamdia	2
Hafiz Muhammad Yousuf	0	Hafiz Mohammad Yousaf	3
Naeem Sheikh	1	Khalid Rahman	3
		Yacoob Suttar	3

Regional Committees (RC)

The members of the Institute in addition to electing 15 members of the Council, also elect five members for each of its RCs for a four-year term running concurrently with that of the Council. The RCs operate under the directives and supervision of the Council.

These RCs present their reports separately to the members in their respective regions and also hold general meetings of members independent of the Council. However, brief reports of their activities are included in this report, other than the names of the RC members and attendance at RC meetings.

The Office Holders

The Office Holders comprises the president and the two vice presidents and exercises powers and perform such duties as are provided in CAO and Bye-laws as delegated by the Council or entrusted by Standing Committees from time to time. The Office Holders play a role of oversight of the management and ensure that the views of the Council and the wider membership within the Institute are taken into account in helping the Council in the development of the Institute's strategy, policies and operations.

President

The president is elected by the Council. The president is the chief executive of the Council and presides over the Council meetings and assists the Council in setting the strategic direction of the Institute. Generally, the president serves one-year term, which may extend up to three years. The Council also elects two vice presidents, one from each region.

Secretary/COO

The secretary/COO is the administrative head of the Institute and is responsible for its management in accordance with the delegation of authority by the Council and in compliance with the Ordinance. His responsibilities include implementation of strategies and policies approved by the Council, working with executive directors and staff in support of the Institute strategy, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory and other legal obligations.

Appointment and Removal of Secretary/COO, CFO and Head of Internal Audit

The Council approves the appointment of COO/secretary on recommendation of the Executive Committee; the latter approves the appointment of CFO on recommendation of HR Committee and head of Internal Audit (in consultation with Audit Committee). The Council approves their remuneration and terms and conditions of employment as per their prescribed qualifications.

Employees

The Institute is committed to core values of acting responsibly, with integrity, and in accordance with the highest ethical standards. It is the Institute's policy to treat all staff fairly and equally regardless of race, cast, gender, marital status or disability. These will not be considered as grounds for rejection of job offers to otherwise suitable candidates. In the event of disability of a staff, the Institute ensures adequate arrangements to help such staff in continuing his/her career in existing role where ever possible, or in an alternative position in the organisation. The Institute has also established a harassment policy to ensure that staff work in an environment free from stress and are not subjected to any form of harassment on any grounds.

Management Performance

The Management team undergoes annual performance planning and review. The performance of executive up to senior manager level is assessed by the secretary/COO and above that level by the HR Committee. Executives are assessed against achievement of their job specifications and goals, contribution towards specific business and strategic objectives, and adherence to the Institute's organisational values.

Internal Control System

The Council has established a system of sound internal control, to ensure smooth operation as well as compliance with the fundamental principles of probity, propriety, objectivity, integrity and honesty. In order to further strengthen the internal control procedures, the Council has also developed a whistleblowing policy which encourages staff to identify control weaknesses, frauds, unethical or illegal practices and related matters. The policy also provides the procedure for handling such complaints.

Internal Audit

The Council has set up an effective internal audit function, with an audit charter, duly approved by the Council. The head of Internal Audit is accountable to the Audit Committee and has unrestricted access to the financial and other records of the Institutes and to the Audit Committee.

The head of Internal Audit functionally reports to the Audit Committee and administratively to the secretary/COO. The Audit Committee has ensured that the chief internal auditor has relevant audit experience and also meets the "fit and proper" criteria as given in the Code.

External Auditors

Qasim E. Causer and Abdul Hameed Chaudhri are the external auditors of the Institute and each is also the auditor of the respective regional committees as required under CA Bye-law 127 for the financial year 2015.

The auditors, who are required to be partners on QCR rated firms, are deemed to be nominated at each annual meeting unless they have intimated in writing to the secretary their desire not to be re-elected.

The Audit Committee annually reviews and considers the quality, effectiveness and independence of the external auditors. This includes a review of safeguards in place in relation to non-audit services and compliance with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as applicable in Pakistan. External auditors independently report to the members in accordance with statutory and professional requirements and also report to the Council and Audit Committee the matters of audit interest, as laid down in the International Standards on Auditing. An analysis of fees paid to the external auditor, including a breakdown of any non-audit fee is given in Note No. 25.1 of the annual accounts.

Financial reporting responsibilities of the Council

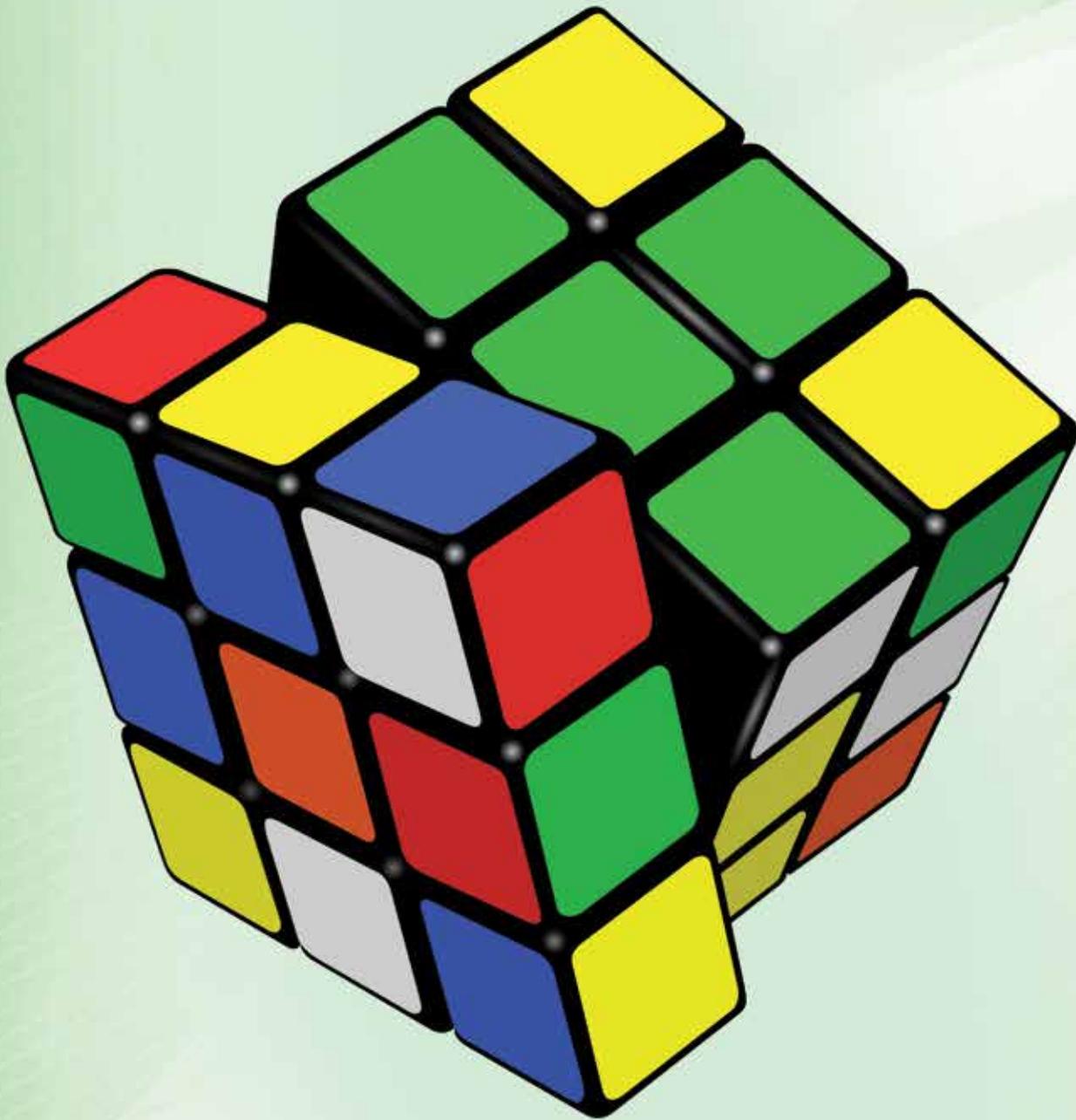
The Council is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Institute. It is also responsible for safeguarding the assets of ICAP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council has approved the Profit & Loss Account for, and Balance Sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the Institute's website.

The Institute has adopted International Financial Reporting Standards (IFRS) notified by the Securities & Exchange Commission of Pakistan under section 234(3) of the Companies Ordinance. Financial statements of the Institute, before approval of the Council, are duly endorsed by the secretary/COO and the CFO and after approval, these are duly signed by the secretary/COO and the president before submission to members.

Related Party Transactions

All related party transactions are made on arm's length basis and approved by the Council on the recommendation of Audit Committee. A party-wise record of transactions entered into with the related parties during the year has been disclosed.



no matter how complex the problem
no matter how difficult the solution
Chartered Accountants are there to
help the profession and businesses.

Procurement Policy

The Council ensures that procedures relating to public procurement, tender regulations, purchasing and technical standards are complied with laws as well as the Institute's internal rules, when dealing with suppliers of goods and services.

Communication

At the Annual General Meeting, the Council presents to members the Annual Report, signed by the president and secretary/COO, which includes the Institute's audited financial statement for the financial year. Hard copies of the Annual Report are sent to all members and soft version of the Annual Report is emailed. Hard copies of the Annual Report are also available for members and other key stakeholders. Annual Report, including annual financial statements, has also been placed on the Institute's website.

The report of the Council for the year has been prepared in compliance with the requirements of the Chartered Accountants Ordinance (CAO) and Bye-laws and fully describes the strategic objectives and key priorities agreed by the Council.

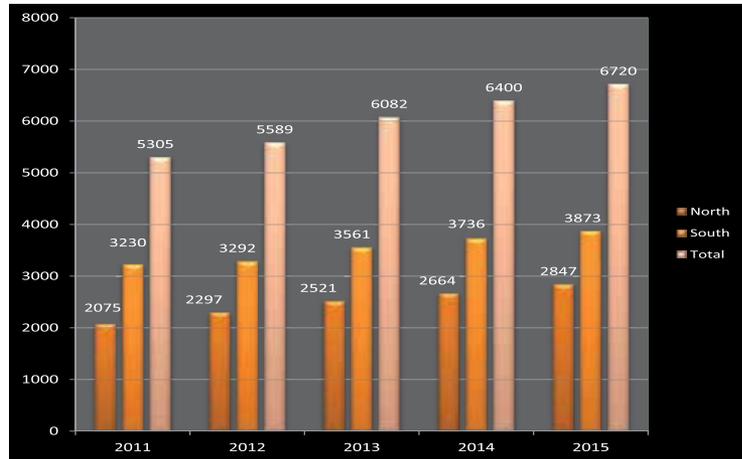
The Institute is at the forefront of putting good corporate governance high on the corporate agenda. It has played a leading role in ensuring compliance with the Code of Corporate Governance across a broad spectrum of industrial, commercial and public sector entities. As a professional regulatory body it endorses the concept that good governance is critical to the survival of corporate entities and is as important as any other parameter against which corporate performance is judged. Good governance leads to investors' confidence and reliance on corporate sector which sometimes gets badly shaken by ingenuously perpetrated frauds or disastrous decisions both of which are facilitated by lack of governance.

It is with this realisation and consideration that the Council of the Institute has approved compliance with the Public Sector Companies (Corporate Governance) Rules 2013 as much as it could be applicable to it. This has not been done because the regulation requires it – which it does not - but because this is the only sustainable option.

2015 highlights

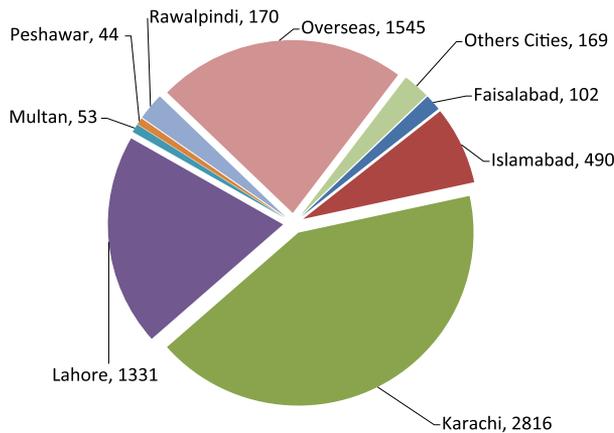
Our Membership

Members' data Region-wise

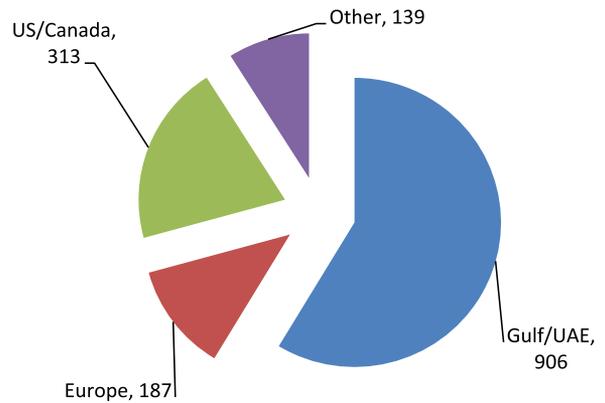


Geographical Spread

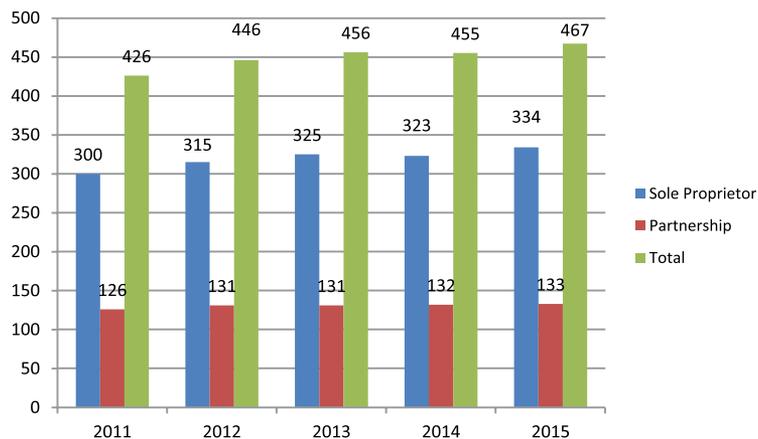
Domestic Members



Overseas Members



Firms Data



Job Sector Information of Members

Job Sector Information of Members			
	June 30, 2015		
	Associates	Fellows	Total
Pakistan			
Public Practice - Sole Proprietor	73	216	289
Public Practice - Partnership	62	394	456
Employed in Practice	865	43	908
Financial Institutions/Banks	271	160	431
Education	75	42	117
Government	23	25	48
Power Generation and Distribution	52	36	88
Engineering	32	27	59
Telecommunication	87	48	135
Oil and Gas	95	84	179
Information Technology	26	13	39
Chemicals/Paints	26	18	44
Cement/Ceramics	29	16	45
Consumer Goods	58	14	72
Automotive	36	10	46
Textile	97	62	159
Construction	29	14	43
Fertilizer/Agriculture	33	21	54
Food, Beverages and Restaurants	50	31	81
Transport/Logistics/Courier Services	22	11	33
NGOs/Social Services	30	14	44
Shipping & Marine	12	5	17
Healthcare and Pharmaceutical	74	55	129
Financial/Management Consulting	20	16	36
Electronics	15	10	25
Sugar and Allied	11	15	26
Commerce and Industry	870	448	1318
Senior Members	11	243	254
Sub Total	3084	2091	5175
Outside Pakistan			
Public Practice	3	20	23
Other than Public Practice	824	650	1474
Senior Members	2	46	48
Sub Total	829	716	1545
Total	3913	2807	6720



president's review

I am pleased to welcome you to the 54th Annual General Meeting of the Institute of Chartered Accountant of Pakistan and to present the Annual Report of the Institute for the year ended June 30, 2015.

The Council on taking charge recognised the need to enhance the role of ICAP for better recognition and trust. On assuming charge of the office of president in September 2014, I was fully aware that our priority was to focus on the ongoing Strategic Plan set by the Council for the term 2013-17. The execution on the strategic objective set by the current Council is on track, and in line with the action plan submitted in the Institute's Annual Report 2014.

The Institute's major priority is to play an effective role in the national objective of attaining sustainable economic development by providing quality education, training and regulation of accounting profession in the country. In achieving this objective, our prime focus remains the attainment of national interests; however, it is imperative that the whole process is in line with the international best practices.

Some of the important developments pertaining to the profession during the year are:

Good Governance

Governance Manual: Being the regulator of the profession, it is important that ICAP sets forth a governance mechanism which is functional, robust and transparent. Efforts have been made in this regard and the Governance Manual is with the Council for approval. The manual includes, inter alia, Code of Conduct and Whistle Blowing Policy which were already approved by the Council and being implemented.

Amendments to the Chartered Accountants Ordinance, 1961: The task force constituted by the Council to develop proposal for amendments to the Chartered Accountant Ordinance, 1961 presented its recommendations earlier to the Council in 2014 and are under discussion of the Council. Due to extensive set of proposals, the Council deems it appropriate to take some more time to holistically review, discuss and finalise the amendments prior to sending it to the Federal Government for necessary approvals.

Investigation: The Bye-law 75 of the Chartered Accountants Bye-laws has been amended to change the composition of the Investigation Committee to enhance its independence and transparency. With this objective, the Investigation Committee has been reconstituted comprising six Council members, three independent members and a retired judge of High Court.

Election Reforms: An Election Reforms Committee was constituted by the Council to review the existing election process and make recommendations for its further improvement to provide for better representations of all demographics and geographies of our membership, improve transparency while making the process simpler and more convenient for members. The Task Force report is under consideration of the Council and proposed amendments will be presented to the members prior to finalisation.

Practice Licensing Regime

Revision in the existing Practice License Regime is one of key focus areas of the Council. The Committee presented its recommendations for prescribing certain conditions for grant and renewal of Certificates of Practice. The salient features of the Practice Licensing Regime along with draft Practice Review Framework were circulated to the members for seeking feedback. In this regard, three consultative sessions were also held in April 2015 in Lahore, Islamabad and Karachi respectively. Post these consultative sessions an amended draft was also circulated to the members for comments and suggestions. The overall scheme is under consideration of the Council in the light of comments and suggestions received from members.

Strengthening the QCR Program

In order to bring improvement, clarity and transparency in the Quality Control Review Framework in line with best practices, the Council approved the revised Framework of the QCR Program 2015 which has been applicable from July 01, 2015.

The major changes in the revised Framework include: issuance of QCR ratings on the basis of both Engagement and Firm Review; bringing more independence in the composition of Quality Assurance Board (QAB); introduction of the concept of Appellate Board; and opportunity of personal hearing to the aggrieved partner or sole proprietor.

ICAP's Contribution to Public Financial Management

The Institute held a two-day conference on Public Financial Management in Islamabad which was a great success. We have received positive feedback on the Conference, and I would like to specially thank Rashid Ibrahim, chairman Organising Committee PFM Conference, and our partners Ministry of Finance, auditor general of Pakistan, USAID, World Bank and Chartered Institute of Public Finance and Accountancy (CIPFA) for making this endeavour a success. The Conference brought together all stakeholders on a platform for deliberations for the way forward.

During the Conference ICAP and CIPFA signed an MoU. The two institutes will now work together to advance public financial management within Pakistan through capacity building amongst members of ICAP, development of a center of excellence and other professional development opportunities for ICAP members.

Education, Training and Examination

The Council reconsidered the revised Education Scheme launched last year and introduced some additional changes, such as; (a) The Multi Subject Assessment (MSA), which earlier had a slightly restricted focus, concentrating mainly on reporting and auditing, has been rationalised by making it more business focused; (b) Responding to the often highlighted weakness, two communication skill compulsory courses have been added at the CAF and CFAP stages; (c) ethics being the core of professional services of a chartered accountant has been further emphasised by including a compulsory course on ethics during the training period.

In order to enlarge the avenues available for training and to cater to an increasing number of students who wish to pursue their career other than in practice, the Council approved changes in the training regulations to enable such students to complete their training in industry. Necessary amendments in the Bye laws in this regards have been made and will be implemented once approved by the federal government. The Council has also made appropriate changes relating to training in professional firms. The draft was shared with practicing members and has recently been approved by the Council for implementation.

The Institute has taken firm steps for integration of CA Pakistan qualification with degree programs in order to take benefit of the well recognised educational system of high ranking universities. The Institute's drive has now picked up pace and the size of the pool of such universities is increasing gradually. Concurrently, the Institute is formalising its relationship by signing MoUs with different universities who are interested in degree programs leading to CA Pakistan qualification.

ICAP has successfully implemented Computer based Examinations (CBE) at Assessment of Fundamental Competencies (AFC) level and is now working to increase the frequency of CBE and also to include four knowledge-based subjects at CAF stage to this assessment mode. The Institute has also launched the Student Feedback Scheme on a pilot basis. Under this scheme, professional level students are being provided individual guidance on their performance in the examinations.

To recognise the efforts of (late) Ebrahim S. Dahodwala for the profession, the Council at the request of the family approved to award an ICAP gold medal in his name, sponsored by his family. The gold medal will be given to the student who qualifies all the examinations in first attempt with highest marks.

As has been informed earlier, the Institute has signed an MoU with CIMA which will enable experienced members of the Institute to gain CMA and CGMA designation after passing only one case study examination. As mentioned earlier under the MoU signed with Chartered Institute of Public Finance Accountants (CIPFA) members of the Institute with at least five years of experience in public service may gain membership of CIPFA without further exam requirement.

The Council of the Institute has approved a scheme of a mid-tier qualification. This scheme is applicable to those students who have passed both the Assessment of Fundamental Competencies (AFC) and Certificate in Accounting and Finance (CAF) examinations and certain specified subjects of the final

examination along with completion of their training period. Such students would be permitted to designate themselves as Professional Accounting Affiliate. In this regard the necessary changes in the Bye laws have been approved by the Council and forwarded to the federal government for notification.

International Representation

The Institute continues to play an effective role on global forums such as the International Federation of Accountants (IFAC), South Asian Federation of Accountants (SAFA), and Confederation of Asian and Pacific Accountants (CAPA). On September 2014, I was appointed as the deputy chair of IFAC Professional Accountants in Business (PAIB), and chair of the Advisory Group on Advocacy at the IFAC PAIB. In addition Council member M. Abdullah Yusuf was appointed on International Public Sector Accounting Standards Board (IPSASB); (ex) secretary/COO Khalid Rahman was also appointed on Compliance Advisory Panel (CAP) of IFAC. These appointments are indeed proof of recognition of the role played by ICAP in advancement of the profession both locally and internationally.

In the regional forums, Council member and past president Naeem Akhtar Sheikh has been appointed as vice president SAFA for a term of one year starting from January 1, 2015. Naeem Sheikh would take over charge as president of SAFA for the term commencing on January 1, 2016.

Global Outreach and Mutual Collaboration

Global alliances and collaborations are the new age solution to sustainability. The flagship event of International Federation of Accountants (IFAC), World Congress of Accountants (WCOA) 2014, was held in November in Rome, Italy. The theme, 2020 Vision: Learning from the Past, Building the Future, depicted an opportunity to share a vision for the future of accountancy and innovative ideas and practices in the field of accountancy and finance.

The Conference was largely attended by professionals from the accountancy organisations and financial bodies. A delegation comprising of myself, Council members Naeem Akhtar Sheikh, Hafiz Muhammad Yousaf, Nadeem Yousuf Adil, Farrukh Rahman and Khalid Rahman, the then secretary/COO, represented the ICAP during the four-day Conference.

During the Conference, ICAP delegation held meetings with leading international institutes, which provided opportunities to explore possible areas of mutual interest, collaborations and measures for professional development of the members.

We are working on possible collaborations and will be updating the members regularly. Our immediate focus remains engaging with the Institute of Chartered Accountants in England and Wales (ICAEW) and Chartered Professional Accountants Canada (CPA Canada) to recognise our qualification. Reciprocal evaluations of CPA Australia are in decisive stage.

Collaboration with Saudi Organisation of Certified Public Accountants (SOCPA)

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, in April 2015 in Jeddah. The purpose of this Conference

was to bring together the thought leaders from Saudi Arabia, Pakistan and worldwide to discuss the emerging issues, challenges and new trends of the profession and find their possible solutions. The speakers from Pakistan at the forum were: Syed Asad Ali Shah, Dr. Syed Salman Shah, Syed Masoud Ali Naqvi, Noman Ansari and Asher Noor. The Conference was well attended by the accounting fraternity comprising members of SOCPA and ICAP. Here I would like to take the opportunity to thank and appreciate the efforts of our Kingdom of Saudi Arabia (KSA) Chapter and its president Muhammad Iqbal for their role in not only organisation of this Conference but also in promoting relations between ICAP and SOCPA.

Enhancing Capacity of Small and Medium Practices

The Institute has conducted Corporate Governance training program (CG program) for Small and Medium Practices (SMPs) using training material developed by the International Finance Corporation (IFC). The objective of the training is to provide CG training to SMPs to build their capacity to provide CG services to their clients. Under the CG Program, IFC conducted two Training of Trainers (ToT) workshops and provided training of CG Program to around 37 ICAP's trainers in Karachi and Lahore to build their training capacity. After the completion of ToT, ICAP also conducted three CG Programs in Karachi, Lahore and Islamabad in February 2015 which was attended by around 75 member SMPs.

Strengthening the Professional Accountants in Business (PAIB)

The ICAP PAIB Committee, to advocate the talent of the PAIBs, organised a series of initiatives for the professionals in the industry like mentorship program, soft skill events, collaborations with industry for some exciting events and the annual CFO Conference 2015 at Karachi and Islamabad.

CFO Conferences 2015

The two CFO conferences held in March 2015 in Karachi and Islamabad respectively got overwhelming response from the accounting fraternity. This year, the Institute took the CFO Conference to the global stage and was organised in Dubai on May 2015 with the assistance of ICAP UAE Chapter. The Conference was attended by more than 400 participants.

These conferences were made possible through sheer hard work under the leadership and guidance of PAIB chairman Khalilullah Shaikh (CFO Conferences in Pakistan) and president UAE Chapter Khalid Mahmood (CFO Conference Dubai).

Strengthening the Institute

In order to facilitate the strategic challenges concerted efforts are being made to recruit talented professionals at the Institute. Shahma Zahid, with diverse experience, has joined the Institute as head of HR and Administration.

To revamp and energise the Publication department of the Institute, Samina Iqbal, a journalist with more than twenty five years of professional experience, has joined the Institute as head of Publications.

In order to introduce younger generation, ICAP has also launched a Management Trainee program for fresh university graduates/fresh qualified CAs who, with proper exposure, mentoring and career development, would become part of ICAP family and eventually be groomed to take on the leadership role.

Infrastructure Expansion

The Institute's branches are its arms which play a vital role in facilitating contacts with locally resident students and members. In order to strengthen these branches a number of steps have been taken to ensure better infrastructure. Two new offices of ICAP have been opened in Mirpur, AJK and Quetta, Baluchistan province. Both the offices are now fully commissioned for providing better services to our members and students.

CSR Assurance Report

The Corporate Social Responsibility (CSR) Assurance report, prepared in accordance with ISAE 3000, also contains the contents suggested by SECP in the concept paper on CSR. The report mentions certain procedures and limitations which may be used by the practitioner while forming the conclusion. However, the procedural limitations may vary based on the professional judgment of the practitioner.

Revised Code of Ethics 2015

Revised Code of Ethics issued by IFAC in July 2014 with some amendments was adopted by the Institute 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 payers' compliance, improving quality of Human Resource of the FBR and the governance structure of the Policy Board.

I would like to thank Naeem Akhtar Sheikh, chairman Taxation Committee, for his time and dedication in the finalisation of the Budget proposals.

Unregulated Accountancy Bodies in the Country

The Institute has raised the matter relating to unregulated accountancy bodies in the country with the minister of Finance and Revenue, secretary Ministry of Finance, chairman SECP and the Higher Education Commission. The Council is more concerned about the presence of one such body operating under the name of "The Institute of Certified Public Accountants of Pakistan" and especially on the aspect of engagement of ICAP members and students as its members. In addition to raising the issue at the highest government levels, the Institute has in collaboration with the Institute of Cost and Management Accountants of Pakistan and Pakistan Institute of Public Finance and Accounts, filed a writ petition at the High Court of Sindh seeking a restraining order against this Institute.

The Council earnestly advises its members to refrain from getting membership of ICPAP or engaging in offering coaching classes for ICPAP programs. The Institute assures its members that in addition to

the writ petition, the Institute will continue to take all measures to stop ICPAP from operating in an unregulated manner through strong advocacy in government circles.

ICAP Secretary/COO

As you all may be aware ICAP's secretary/COO Khalid Rahman resigned after serving the Institute with dedication, and has moved on to another assignment. I would like to record my appreciation for the work done by him during his period at the Institute.

Feroz Rizvi joined ICAP as secretary/COO in March 2015. He is a Fellow member of Institute of Chartered Accountants of Pakistan and the Institute of Chartered Accountants in England and Wales, and has more than 35 years of professional experience at senior management positions.

Looking ahead, I see a number of opportunities present for the accountancy profession. The initiatives taken by the Institute for the harmonisation of the profession will open geographical channels for members. Gradually the role of the accountant is evolving ... this represents both an opportunity as well as a challenge. However, in my opinion, the opportunities outweigh the challenges. As accountants, we need to hone our abilities, develop new skill sets and enjoy the new role! The challenge at hand is to ensure smooth progression towards embracing the change by all stakeholders through effective communications and engagement.

The Institute is an independent representative professional body which regulates the profession and has been instrumental in enhancing the public trust in the work of professional accountants throughout the past five decades. Throughout our journey, growth and progress has maintained a pace, and we are confident that it will continue unabated in times to come. I hope we all continue to benchmark our efforts in the interests of the national development and integrity and create better opportunities for accountancy professionals in this vibrant phase of globalisation.

I feel quite relaxed too for the leadership of our profession will be in safer and deserving hands. During the year, I have had the privilege of great support from Syed Najm-ul Hussain, vice president South and Muhammad Maqbool, vice president North, and the unmatched support of each and every member of the Council. I wish to place my profound gratitude for the worthy Council members for their committed support and guidance.

All these achievements would have not been possible without the devoted support and services of the Secretariat and other executives and staff of the Institute. I, on my own behalf, and on behalf of the Council, place on record our appreciation for their services to the Institute. I am happy that we could achieve all this together. I wish and pray for a very successful and prosperous future for the Institute, its members and the staff, and look forward to following your accomplishments.

Yacoob Suttar, FCA

President, The Institute of Chartered Accountants of Pakistan

notice of the annual general meeting

The 54th Annual General Meeting of the Institute of Chartered Accountants of Pakistan will be held on September, 11, 2015 at 7.00 p.m. at ICAP House, Lahore.

Agenda

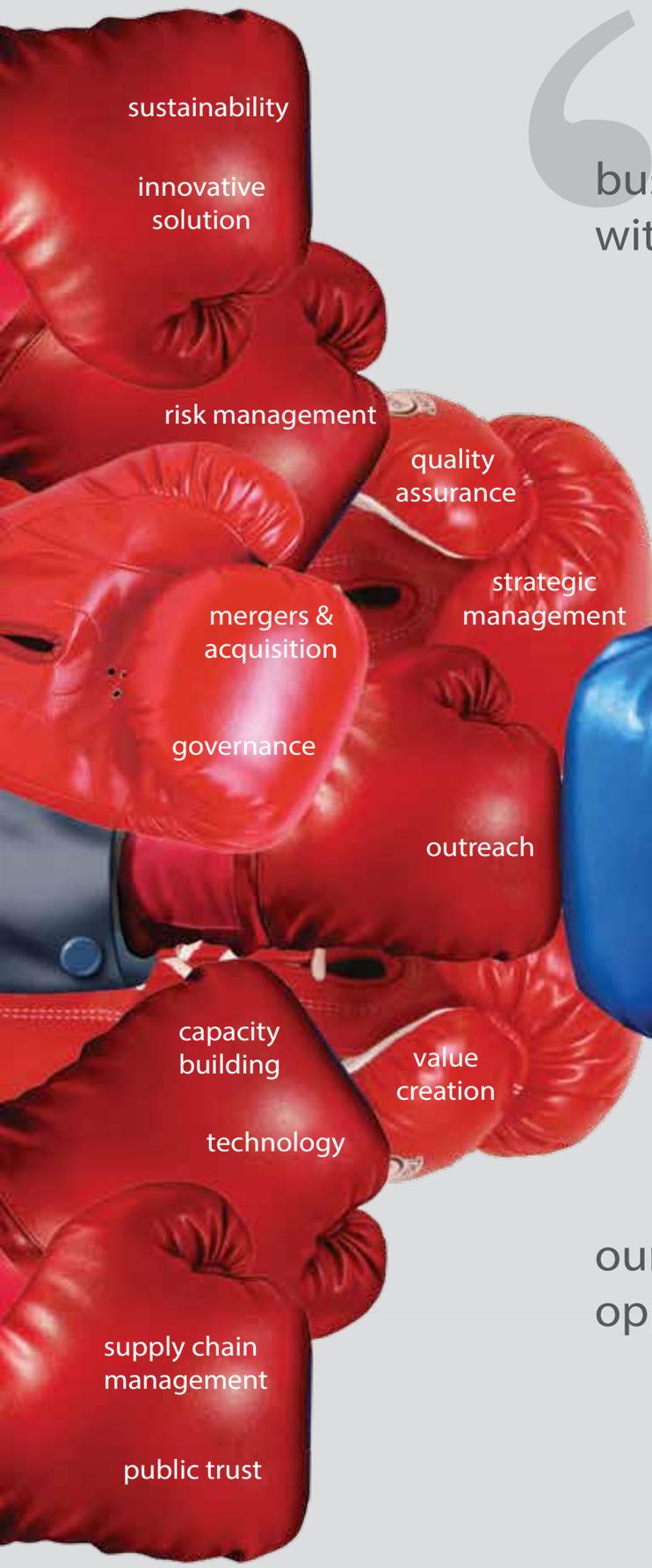
The proceeding of the meeting will commence with the recitation from the Holy Quran and will have the following agenda:

Ordinary Business

1. Confirmation of the minutes of the 53rd Annual General Meeting.
2. Consideration and adoption of the Report of the Council and the Financial Statements of the Institute with Auditors' Report thereon for the year ended June 30, 2015.
3. Appointment of auditors for the year ending June 30, 2016 and fixation of their remuneration. The present auditors, Abdul Hameed Chaudhri and Qasim Ebrahim Causer, being eligible, have offered themselves for re-appointment.
4. Any other business with the permission of the Chair.

Feroz Rizvi, FCA
COO/Secretary

Karachi, August 25, 2015



sustainability

innovative
solution

risk management

quality
assurance

mergers &
acquisition

strategic
management

governance

outreach

capacity
building

value
creation

technology

supply chain
management

public trust



businesses today are bombarded
with issues and challenges



our members regard these as
opportunities



report of the council

The Council of the Institute of Chartered Accountants of Pakistan (ICAP) is pleased to present its Annual Report for the year 2015.

On assuming charge in September 2014, our priority was to take account of the implementation of Strategic Plan set by the Council for the term 2013-2017; in this regard the ICAP management and chairmen of the respective standing and other committees presented their action plan for the current year. This enabled the Council to facilitate committees and task forces in achieving their objectives in line with the overall Strategic Plan.

The Institute's key strategic objectives are based on areas of focus which are essential in ensuring the long term sustainability of the Institute and the CA profession in Pakistan. During the year, the Council focused and prioritised the activities to cater for the needs of the profession keeping in view the strategic plan and objectives.

Strategic Focus

The following strategic objectives were agreed by the Council:

- Refining the governance structure.
- Greater international recognition of our qualification.
- Enhancing reciprocal arrangements with leading foreign professional accounting bodies.
- Modernising the education and examination system in line with the requirements of the profession.
- Broadening the scope of Quality Control Review (QCR) and making it more effective.
- Reforming the investigation procedures to make them more effective and efficient.
- Strengthening Small and Medium sized Practices (SMPs).
- Promoting the ICAP's brand.
- Addressing the needs of the Professional Accountants in Business (PAIB).
- Building alliances with other regulatory bodies.
- Driving innovation through technology.
- Enabling women to transcend the barriers.

The Institute is steadfastly adhering to its vision of being an internationally recognised, top quality professional body that serves its students, and strives to enhance the professional learning of its members. It is also making concentrated efforts at generating associations with the regulators and other relevant stakeholders for the evolution of the profession and contributes to its sustainable development as a leading professional body. The way forward for the Institute lies in ensuring that these key priorities are met through the strategic imperatives which will enable the Institute to enhance its recognition and acceptance at national and international levels. An update on the key priorities to achieve the strategic objectives is enumerated below.

key priorities

	Goals	Action Plan 2014	Status/Achievements
Education, Training and Examination	<ul style="list-style-type: none"> ▪ Greater international and local recognition Modernise the education system in line with the requirements of the profession ▪ Improve education facilities ▪ Improve training environment ▪ Build confidence in the examination system 	<ul style="list-style-type: none"> ▪ New Education Scheme aligned with IFACs International Accounting Education Boards benchmarks. ▪ Engagement with renowned international institutes for greater collaboration and mutual recognition. ▪ New syllabus of CAF, CFAP and MSA stages, linked with learning outcomes. ▪ Train the trainer program. ▪ Develop Revised Study Packs. Improve RAET evaluation system. ▪ Introduce computer based examination. ▪ Improve Training Regulations. ▪ Student Feed Back Scheme has been introduced initially for final level students. 	<ul style="list-style-type: none"> ▪ Scheme launched in 2014 is now in place and is being implemented according to the transition. ▪ Learning outcomes of AFC and CAF stage further improved. ▪ First phase of training of teachers launched. ▪ Various collaborations have been made during the year like MoU with CIPFA for full membership for ICAP senior members, MoU with CIMA for substantive exemptions to ICAP members, and reciprocal agreement with CPA Canada for ICAP members which is now being reassessed due to the formation of new CPA Canada International Qualification Appraisal Board. This is expected to be finalised by December 2015. ▪ Multi Subject Assessments have been introduced and would become applicable from 2017. ▪ Study Packs for AFC and CAF have been developed; the Study Packs for CFAP are being developed and will be distributed in January 2016, while Study Packs for MSA will be developed in the next phase in 2016. The Study Packs will be updated regularly. ▪ Specified Degree Awarding status has been introduced and initially granted to two top universities. ▪ A new system of RAET evaluation based on KPI Concept will be introduced. ▪ Computer based examination have been introduced at AFC stage. These examinations have been introduced with effect from Autumn 2014. Initially, two papers were fully computer based and two papers were 50% computer based. It has now been decided that with effect from Autumn 2015, these examinations will be fully computer based. Further, it has also been decided that with effect from December 2015, these examinations would be held on quarterly basis instead of half yearly basis. ▪ A review of Training Regulations has been conducted and the revised Training Regulations are in the process of approval of the Council. ▪ The Council approved that in Student Feed Back Scheme the maximum number of applications would be 50 only. While the maximum application in a particular subject would be 25 only.

	Goals	Action Plan 2014	Status/Achievements
Licensing Regime	<ul style="list-style-type: none"> Build public trust in the work performed by the practicing members 	<ul style="list-style-type: none"> A task force on practice license regime is working to align it with best practices prevalent in this area. 	<ul style="list-style-type: none"> The regime along with draft Practice Review Framework exposed to members. The Council is in the process of finalising the scheme in the light of comments made by members.
Investigation	<ul style="list-style-type: none"> Make Investigation process more independent and transparent Reduce the cases of misconduct and time lag in processing of investigation cases 	<ul style="list-style-type: none"> Amendments in the CA Ordinance to improve focus on enhancing the efficiency and effectiveness of the investigation mechanism. Induct more independent members on the Investigation Committee in order to enhance transparency. Enhance the frequency of Investigation Committee meetings to speed up the process of disposal/ conclusion of the cases. 	<ul style="list-style-type: none"> The Council has approved the proposed amendments in the CA Ordinance which will be exposed to members after legal vetting for comments. Relevant changes were made in the Chartered Accountant Bye-laws, 1983 to enhance the number of independent members on the committee. The number of Investigation Committee meetings held was seven. Efforts are made to hold the meetings of Investigation Committee on monthly basis to expedite the process of disposal of cases. A manual of decisions of investigation cases has been prepared by the Secretariat in order to provide assistance to the Council and Investigation Committee to decide complaints in a consistent manner.
Quality Control Review (QCR)	<ul style="list-style-type: none"> Broaden the scope of QCR and making it more effective and transparent 	<ul style="list-style-type: none"> Revision of QCR framework to remove impediments and to enhance effectiveness and efficiency of existing QCR program. 	<ul style="list-style-type: none"> Revised Framework of the QCR Program 2015 was issued in March 2015. The Framework has been made effective from July 1, 2015.
Good Governance	<ul style="list-style-type: none"> Promote ethics and integrity at all levels to facilitate independent and unbiased decision making 	<ul style="list-style-type: none"> Make necessary changes in Governance Manual. Revise Code of Conduct and Conflict of interest policy for members of the Council and its committees/board. 	<ul style="list-style-type: none"> Governance Manual is under the deliberation of Council. More than half of its chapters have been approved and remaining are under discussion. The delay is due to prolonged discussions on the CA Ordinance. Revised policy has been implemented. Whistle blowing policy and code of conduct for employees has been formulated and implemented.
International Recognition and Global Outreach	<ul style="list-style-type: none"> Pursue international recognitions through mutual recognition agreements 	<ul style="list-style-type: none"> Active engagement with ICAEW and CICA for mutual reciprocity arrangements. 	<ul style="list-style-type: none"> Negotiations with ICAEW.

	Goals	Action Plan 2014	Status/Achievements
	<ul style="list-style-type: none"> ▪ Broaden activities outside Pakistan ▪ Create alliances with internationally acknowledged organisations 	<ul style="list-style-type: none"> ▪ Support to Overseas Chapters in organising activities. ▪ Adding more overseas chapters depending upon number of members. ▪ Collaboration with CIPFA for capacity building in the area of public financial management. 	<ul style="list-style-type: none"> ▪ Overseas Coordination Committee (OCC) discussed various matters relating to overseas chapters and made appropriate recommendations to the Council to resolve problems of the overseas chapters. ▪ MoU signed between ICAP and CIPFA whereby ICAP members can gain membership of CIPFA. ▪ New chapter in Bahrain was created where election of Managing Committee (MC) has already been held. Bahrain Chapter MC is in the process of planning its activities for its upcoming term of two years. ▪ Election of MC of new chapter in Oman are planned to be held soon after certain legal matters to establish overseas chapter are resolved by the members in Oman. ▪ Another new chapter i.e. Qatar is awaiting the decision of the committee regarding holding of election. ▪ CFO Conference Dubai. ▪ Conference in Jeddah in collaboration with SOCPA.
Local Outreach	<ul style="list-style-type: none"> ▪ Extend outreach to students throughout Pakistan ▪ Provide opportunity to all talented students 	<ul style="list-style-type: none"> ▪ Extending office network to all major cities of each province. ▪ Participating in education expos and student fairs. ▪ Networking with principals and student councillors of leading schools and colleges. ▪ Series of open house counselling and orientation sessions throughout the country. ▪ CA Talent Hunt Program. ▪ Seeking scholarships from public and private sector to ensure that meritorious students are absorbed in the folds of profession. 	<ul style="list-style-type: none"> ▪ Institute established two new offices, one in Quetta, Baluchistan and another in Mirpur, Azad Kashmir. ▪ To generate awareness about chartered accountancy profession amongst the young generation, 249 counselling sessions were conducted nationwide. Around 26000 potential students from various academic backgrounds were informed about the chartered accountancy profession through these efforts. ▪ Networking sessions with principals and students counsellors were arranged at Karachi, Lahore and Islamabad to promote chartered accountancy among the young lot of A-Levels and Intermediate. ▪ For a smooth transition into the professional stream orientation sessions were held at all ICAP stations (Karachi, Lahore, Gujranwala, Faisalabad, Multan, Islamabad, Peshawar) to welcome new students. ▪ During the year 2014, 17 talented students were facilitated through CA Talent Program. ▪ Cowasjee Foundation sponsored four students and Shield Corporation Limited sponsored one student for the CA Talent program in 2014. Punjab Educational Endowment Fund (PEEF) has given scholarships to another 15 deserving CA students from Punjab for pursuing education for a period of five years.

	Goals	Action Plan 2014	Status/Achievements
Service to Members and Students	<ul style="list-style-type: none"> ▪ Build an image of service oriented organisation ▪ Value creation for membership through improved employability 	<ul style="list-style-type: none"> ▪ Ensuring effectiveness of the task management system for prompt response to queries of members and students. ▪ Meeting with HR heads of leading organisations for better placements, soft skill workshops for freshly qualified members. 	<ul style="list-style-type: none"> ▪ An independent audit of emails of two accounts of Education department was carried out by a member of ETCOM and found the response time satisfactory. ▪ Meeting with HR heads of leading organisation were arranged. These meetings facilitate placements and identify avenues of working together in the best interest of the economy and country. Softs Skill workshops, CA Pakistan seminar & Job Fair and recruitment drives by Unilever and Coca Cola were also arranged for freshly qualified members to support placements. ICAP Job Portal offers a compendium of new local and international job openings on regular basis. Institute has also initiated an arrangement with Rozee.Pk to provide customised service to its fraternity in placements.
Strengthening Small and Medium sized Practices	<ul style="list-style-type: none"> ▪ Build capacity of SMPs ▪ Create opportunities for SMPs 	<ul style="list-style-type: none"> ▪ Specific purpose programs to enhance capacity of SMPs to deliver. ▪ Pursuing SECP to introduce stock-brokers inspections through SMPs. ▪ Development of E-audit software for SMPs. ▪ Pursuing SBP to introduce Corporate Governance evaluation of borrowers. ▪ Train the Trainer Program for SMPs for evaluating and advising effective Corporate Governance practices in SMEs. 	<ul style="list-style-type: none"> ▪ A paper prepared by DTS was discussed in the ICAP/ SECP Coordination Committee meeting held in January 2015. ▪ Evaluation of E-Audit Software has been conducted and soon members' interest would be sought before its finalisation. ▪ ICAP and International Finance Corporation (IFC) entered into a Cooperation Agreement in July 2014 under which both the organisations agreed to cooperate on delivering corporate governance training program (the "CG Program") to ICAP's Small and Medium Practices (SMPs) using IFC MENA SMEs Governance Training Material developed by the IFC. ▪ Under the CG program, IFC conducted two Training of Trainers (ToT) workshops in October 2014 in Karachi and Lahore. ICAP in coordination with IFC also conducted three sessions for SMPs on "Corporate Governance Action Planning Workshop for SMEs" in Karachi, Lahore and Islamabad in February 2015.



if the plan
doesn't work, our
members change
the plan but
never the goal

	Goals	Action Plan 2014	Status/Achievements
Driving Innovation through Technology	<ul style="list-style-type: none"> ▪ Efficiency through technology ▪ Innovative solutions 	<ul style="list-style-type: none"> ▪ Integration with IFAC Global Knowledge Gateway. ▪ Social media presence on Facebook, Twitter, LinkedIn. ▪ Providing online solutions to members, students and other stakeholders through online submission of examination forms, Availability of CPD videos on web. ▪ Participation in international meetings through VC/web-portal. 	<ul style="list-style-type: none"> ▪ ICAP website has been integrated with IFAC Global Knowledge Gateway. ▪ Facebook and LinkedIn account of ICAP is working. ▪ Exam forms with online fees payment are now available on the website. CPD videos are being uploaded on ICAP Daily Motion account. ▪ International Meetings Participations through VC and Lync (Skype for Business) is available.
Enabling Women to Transcend the Barriers	<ul style="list-style-type: none"> ▪ Build capacity of women chartered accountants ▪ Create opportunities for women chartered accountants 	<ul style="list-style-type: none"> ▪ Series of leadership programs focussed on women and leadership through Chartered Accountant Women Forum (CAWF). ▪ Encouraging CAWF to act as a platform for experience sharing. ▪ Encouraging newcomers to raise issues significant to females and work towards innovative solutions. 	<ul style="list-style-type: none"> ▪ Plan to conduct a series of leadership programs for professional and personal development of female chartered accountants in Pakistan. ▪ Regularly conduct programs to boost the morale and motivate female professional and trainee accountants. ▪ Launched the CAWF logo in March 2015 to give a symbolic representation to the forum.
Future Growth	<ul style="list-style-type: none"> ▪ Business Plan to deliver strategic priorities 	<ul style="list-style-type: none"> ▪ Reviewing of business opportunities, building up of endowment funds to ensure that adequate funds are available to accomplish the programs. 	<ul style="list-style-type: none"> ▪ Resource Mobilisation program is under consideration of the Institute.

year at a glance



Regulations

Practice licensing regime
Amendments in Bye-laws;
changing composition of
Investigation Committee;
Quality Assurance and
Appellate Board formed



Members

CFO Conferences
(Karachi, Islamabad, Dubai);
Public Financial Management
Conference



Students

Mid-Tier qualification;
Revised Education Scheme;
Industrial Training



Collaborations

Specified Degree
Awarding Institutes (SDAI);
MoU with CIPFA



Innovation and Technology

Computer based
Examination (CBE);
Integration with IFAC
Knowledge Gateway



Governance

Proposed Amendments in
CA Ordinance;
Governance Manual;
Revision in QCR Framework

year at a glance



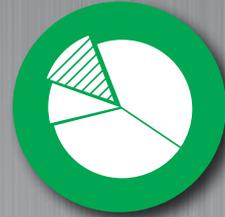
Global Outreach

Engagement with ICAEW and CICA for mutual reciprocity arrangements; MoU signed with CIMA



Community

CA Talent Hunt program; Scholarship from public & private sector



Capacity Building

Agreement with International Financial Corporation for providing corporate governance planning workshop for SMPs



Transcending Boundaries

Plans for extending ICAP's reach to Dubai



Infrastructure Development

Established ICAP offices in Quetta and Mirpur (AJK)



Publications

Coffee Table Book; New-look Newsletter & The Pakistan Accountant

year at a glance

students

One of the primary functions of the Institute is education and training of students. The Institute's Education department caters to the needs of the students and deals closely with the Registered Accounting Education Tutors (RAETs), Specified Degree Awarding Institute (SDAIs), and training firms to ensure quality education and training of students. During the year, the department, in line with the strategic plan and policies decided by Education & Training Committee (ETCOM), met the required targets and goals.

During the year, the department continued with the educational reforms and improvements in Study Packs. It also undertook some new initiatives such as Revised RAET scheme, revised Training Regulations, introduction of Industrial Training, Mid-tier Qualification, a course of ethics before membership and Presentation and Communication Skills Course (PSCS). The aim of these measures is to bring qualitative changes in CA Pakistan qualification in line with international trends and practices.

Education Reforms

The educational reforms were launched last year to match the international best standards in education and examination. The quest to further improve the reforms continued with further revision in the education scheme namely:

- Rationalisation of Multi Subject Assessments (MSA) resulting in the introduction of business focused MSA. This will be applicable from June 2017.
- Addition of two communication skill courses at the Certificate in Accounting and Finance (CAF) and Certified Finance and Accounting Professional (CFAP) stages. This will be applicable from December 2016.
- A course of ethics has been made compulsory during the training period or before applying for membership. This will be applicable from December 2016.

These changes are made to strengthen the competencies and address gaps existing in the scheme.

Mid-Tier Qualification

The Institute has been aware of the plight of students who are unable to pass all its examinations and qualify for admission to membership and at the same time to remain committed to enhancing public trust in the services provided by its members. Thus while maintaining the quality synonymous with excellence, it also recognises the difficulties of such students in the absence of an exit mechanism and lack of recognition as Institute's members.

In order to redress this situation, the Council approved the Mid-Tier Qualification as part of the education reforms. The scheme is applicable to students who have passed the Assessment of Fundamental Competencies (AFC) and Certificate in Accounting and Finance (CAF) examinations as well as certain specified subjects of the final examination along with the completion of their training period.

Those students who comply with the eligibility criteria will be able to designate themselves as Professional Accounting Affiliates, though, they will not be members of the Institute. The Mid-Tier Qualification will also open up employment opportunities in mid-level management which otherwise was restricted without a formal recognition. In this regard, necessary changes in the Bye-laws have been approved by the Council and forwarded to the federal government.

year at a glance

Revised Scheme of RAETs

In continuation of the education reforms, a revised RAETs scheme has been introduced which will provide for grading of RAETs based on Key Performance Indicators (KPIs). This initiative aims to bring healthy competition, develop a performance culture, resulting in better service to the students.

Effective Teaching Methods

It is a recognised fact that teachers who are trained in the latest teaching methodology can impart education more efficiently than untrained ones. In fact, research shows that inspiring and informed teacher is the most important factor in influencing student's achievement. It is, therefore, essential that teachers should be equipped with the necessary teaching tools to enable them to discharge their responsibilities more efficiently. With this aim, the Institute launched its series of teachers training program with two workshops on general effective teaching techniques held in Islamabad and Karachi. The Institute will continue to hold such programs and workshops in future as well.

Training Regulations

The Institute shares a strong bond with its students from the moment a student is first admitted leading to support provided during and after the training period. Training experience is what differentiates our students from the rest; the unique combination of theoretical with practical application is critical in shaping the best of the profession. In line with the revised International Education Standards, the existing training regulations were revised after series of debate and rationalisation. The regulations were then exposed to the membership and finalised accordingly.

Some of the salient features of the reforms include reduced requirements for smaller firms to enter the fold as training organisations; mandatory requirement of diversified experience; introduction of a mentor during the training period to provide the trainees coaching, motivation and career planning along with detailed learning outcomes of training at each stage of progression; and annual assessments of the trainees. The revised regulations aim to bring about appropriate improvements in line with the latest international developments in the profession.

Training outside Practice

The Institute's training scheme has always been in public practice firms due to the diversity of exposure such a training can provide. However, with the emergence of dynamic and modern businesses and considering that majority of our members work in industry, it was felt that industrial

students



challenges make our student's
life interesting, overcoming
them make it meaningful.



year at a glance

students

and commercial organisations are also now capable of providing the required diversity and depth of training which would be more suitable for and tailored to the needs of members who do not wish to go into public practice.

Industrial training is the latest global trend and almost all major institutes have opened the doors for this training. In line with the international trend the Council approved the introduction of industrial training regulations. This will also enable existing employees in industry to aim for membership of the Institute. The decision of industrial training was introduced after due consultation with all stakeholders on board, such as the firms, industry as well the general membership. The necessary amendments in the Bye-law have been made and forwarded to the federal government.

Arrangements with Specified Degree Awarding Institutes (SDAI) and Relevant Degree Awarding Institutes (RDAI)

The Council, in a bid to ensure there is no dilution of quality in declaring any university a Specified Degree Awarding Institute (SDAI), decided to introduce progressive university recognition scheme, where the university will initially be approved as Relevant Degree Awarding Institute (RDAI) and may progress to SDAI based on performance. This initiative has been taken to attract top students having strong academic knowledge of relevant subjects along with an excellent exposure of university education.

The Institute also continues its drive to integrate CA Pakistan qualification with degree programs of reputable universities, with more than eight universities added to the pool by entering MoUs. The Institute has also negotiated reciprocal credit in degree programs of such universities for its students and members.

Presentation and Communication Skills Course (PCSC)

Our members are recognised across the world as extremely competent accountants though it is also felt that they somewhat lack communication and presentation skills. Today, effective communication skills training is a crucial component for developing world class professionals. In order to strengthen this skill, the Institute has introduced two compulsory courses on presentation and communication skills of 50 hours each.

- PCSC – 01 to be attended at CAF stage before commencement of training.
- PCSC – 02 to be attended after commencement of training, but prior to attempting any MSA or Module F examinations.

In order to ensure quality of the above courses offered by RAETs and universities, the Institute formulated a criteria to be fulfilled by such RAETs and universities.

Revised Syllabus

The revised Education Scheme launched in 2013 was commenced with a phase-wise implementation starting from Autumn 2014 session. Under the revised scheme, Foundation & Intermediate Examinations have been replaced with Assessment of Fundamental Competencies (AFC) and Certificate in Accounting & Finance (CAF) examinations. All four papers of AFC are now computer-based and from December 2015, the AFC examinations will be held on a quarterly basis. The new certified Finance and Accounting Professional (CFAP) will be held starting from December 2016 examination while the Multi Subject Assessment (MSA) is expected to commence from June 2017.

year at a glance

students

Examinations

The chartered accountants examinations were conducted smoothly during the year and 38839 students appeared in various examinations as compared to 37574 students in the 2013-14. During the year 4249 new students were registered as compared to 3828 in the previous year. The Institute has also decided to conduct the Final Examination in Jeddah, Saudi Arabia with effect from Winter 2015.

Gold Medals and Merit Certificates

Gold Medals and Merit Certificates were awarded by the Institute to the following students:

GOLD MEDALS

FINAL EXAMINATION

Summer 2014

Marium Mohammed Farooq

ICAP S.A. Salam Memorial Gold Medal

Business Management



Winter 2014

Nadir Malkani

ICAP Irtiza Husain Gold Medal

Corporate Laws



Umair Bin Idris

ICAP JP Patel Memorial Gold Medal

Management Accounting



Hiba Azhar

ICAP Ebrahim S. H. Dahodwala Gold Medal

For outstanding performances in all papers of CA program



CAF EXAMINATION

Autumn 2014

Abubakar Siddique

ICAP Kasbati Memorial Gold Medal

For outstanding performance in CAF Examination



Muhammad Nauman

ICAP Gold Medal (Ameena Khatib Foundation)

Financial Accounting & Reporting II



Spring 2015

Muzzamil Waheed

ICAP Kasbati Memorial Gold Medal

For outstanding performance in CAF Examination



Raees Abbas

ICAP Gold Medal (Ameena Khatib Foundation)

Financial Accounting & Reporting II



year at a glance

students

MERIT CERTIFICATES

Winter 2014

Sayed Wasif Ali Riaz

Information Technology Management, Audit and Control

Autumn 2014

Muneer

Functional English

Sunniya Faisal

Business Communication

Muneer

Quantitative Methods

Sabir Kaleemullah Khan

Introduction to Information Technology

Muhammad Sheharyar Basra

Introduction to Accounting

Hassaan Hussain Siddiqui

Introduction to Economics and Finance

Hafiza Faryal Riaz Chatha

Business Law

Muzzamil Waheed

Business Management & Behavioural Studies

Shizza Shahid

Financial Accounting & Reporting I

Muzzamil Waheed

Principles of Taxation

Muhammad Rizwan Farooq

Cost & Management Accounting

Hafiza Faryal Riaz Chatha

Audit & Assurance

Spring 2015

Zulayed Farooqi

Functional English

Sidrah Shaikh

Business Communication

Hamza Tariq

Quantitative Methods

Mohammad Omer Awais

Introduction to Information Technology

Malik Hamza Sohail

Introduction to Information Technology

Abdul Ghani Bharamchari

Introduction to Accounting

Abdul Rafeh Faiz

Introduction to Economics and Finance

Fouzia Umer

Business Law

Talha Shahid Siddiqui

Business Management & Behavioural Studies

Hunza Alam

Financial Accounting & Reporting I

Muhammad Qasim

Principles of Taxation

Raees Abbas

Financial Accounting & Reporting II

Shahzad Panjwani

Cost & Management Accounting

Rida Waseem

Audit & Assurance

year at a glance

students



Student Activities

CA Pakistan Annual Presentation Skills Competition

To hone soft skills, the Institute's Marketing and Communication Department (MARCOM) conducted an annual Inter Firm Presentation Skills Competition at ICAP houses Lahore and Islamabad on November 27, 2014 and at Karachi on December 17, 2014. Trainee students were invited to participate in this competition. Fourteen students participated in Lahore, six in Islamabad and twelve in Karachi. The participants were asked to prepare a presentation on any one of the following two topics: Your vision about Pakistan's economy in year 2015 and Democracy or Dictatorship, what suits the Muslim economy? Students gave presentations to a panel of judges ranging from academia to corporate sector. In Lahore, 1st position: Amna Fazal-A.F. Ferguson, 1st runner up: Nida Farooq-BDO Ebrahime & Co., 2nd runner up: Haidar Ali-Horwath Hussain Chaudhury & Co. In Islamabad, 1st position: Nigha Ali Kazmi-KPMG Taseer Hadi & Co, 2nd position: Izz Ghana Ansari-KPMG Taseer Hadi & Co., 3rd position: Jamal Ahmed-A.F.Ferguson & Co. In Karachi, 1st position: Ozair Omer Shaikh-M. Yousuf Adil Saleem & Co. Chartered Accountants (Deloitte), 1st runner up: Maira Arshad-A.F. Ferguson & Co. (PWC), 2nd runner up: M. Jahanzaib, BDO Ebrahim & Co.

Inter RAETS Debate Competition

Keeping in view the importance of public speaking, the Inter RAET Debate Competition was organised on January 07, 2015 at ICAP Karachi and on January 15, 2015 at Lahore and Islamabad. The students were asked to speak in favour or against the topic: The private life of the politicians is no concern of the public. The competition taught students to recognise how others think, improved their ability to cooperate and resolve conflicts. In Lahore, 1st position: Maryam Waheed-SKANS School of Accountancy, 2nd position: Zahra Shahid- SKANS School of Accountancy, 3rd position: Shamyle Aamir- Rise School of Accountancy. In Islamabad, 1st position: Shehroz Ahmed Khan-School of Business and Management, 2nd position: Khola Akhtar- Indus College of Business & Finance, 3rd position: Fahad Saboor-SKANS School of Accountancy. In Karachi, 1st position: Manaal Ismail- Tabani's School of Accountancy, 2nd position: Amsal Asif Kasbati- KnS School of Business Studies, 3rd position: Khadija Tanweer- Tabani's School of Accountancy.

Orientation Sessions

The Institute always feels proud to welcome new students to the profession. Orientation sessions were held at all ICAP stations (Karachi, Lahore, Gujranwala, Faisalabad, Multan, Islamabad, Peshawar) in order to introduce the students to the Institute's role, its values, and its education stream and also to answer their questions related to education

year at a glance

and examination. These sessions serve as an instrument for a smooth transition into the professional stream. To motivate and inspire the students, merit certificate holders, gold medalists and qualified chartered accountants were also invited at all centers to share their experiences and methodology of study and learning.

CA Talent Program

The Institute launched CA Talent Program in 2013 with the aim of attracting top twenty talented students from underprivileged backgrounds into the chartered accountants programme. Twelve students were given scholarship by the Institute under this arrangement in the first year. Beside the Institutes' own initiative, external charitable organisations are also participating in this programme and under their auspice, Cowasjee Foundation and Shield Corporation Limited sponsored four and one students respectively in 2014. As a result of these agreements, five additional deserving students of CA Talent Program were granted fully funded scholarships.

Counselling and Outreach

To generate awareness about chartered accountancy profession among the young generation, 249 counselling sessions were conducted during the year through which the Institute was able to reach out to almost 26000 potential students from various academic backgrounds. Significant efforts were also made to reach out to students in smaller cities and towns all over Pakistan.

Education Expos and Career Fairs

The Institute participated in various career fairs and education expos to meet with young aspirants and to introduce them to CA as a career choice. Besides participating in leading education expos throughout the country, MARCOM team also attracted thousands of students, parents and professionals by participating in career fairs arranged by leading school chains in all major cities.

Competitions

It is generally recognised that competition is a great source of motivation and generates a healthy attitude and the desire to excel. In the field of education the spirit of competition can be turned into a powerful incentive towards achieving excellence. With this aim, MARCOM organised a number contests in all parts of the country and these are briefly described below:

CA Pakistan Olympiad 2015: A quiz contest under the title CA Pakistan Olympiad was organised for the students of Class 9 & 10 at Lahore, Islamabad and Karachi. The purpose of the contest was to motivate and help students to structure their academic efforts. Teams battled against each other in mathematics, science, english language, and general knowledge. Winning

students



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students



teams were awarded cash prizes of Rs. 30000, Rs. 20000 and Rs. 15000 respectively and certificates were distributed to all participants.

Inter RAET Quiz Competition 2015: An Inter RAET Quiz competition for the students of AFC and CAF was organised on May 19, 2015 at ICAP houses (Karachi, Lahore and Islamabad). Participants were presented with certificates and trophies were given to the winners. The competition was won by Tabanis School of Accountancy in Karachi, Rise School of Accountancy in Lahore and School of Business and Management in Islamabad. 1st runner up: KnS School of Business Studies-Karachi, Professionals' College of Accountancy Faisalabad-Lahore and The Professionals' Academy of Commerce Peshawar-Islamabad. 2nd runner up: Al-Hamd Academy-Karachi, CFE College of Accountancy and Finance-Lahore and SKANS School of Accountancy Peshawar-Islamabad

Orientation Session for Training Opportunities in Firms

Training is the essence of the chartered accountancy profession. To educate students of module D/CAF regarding training opportunities available for them in various types of training firms, MARCOM team arranged an Orientation Session for Training Opportunities in Firms at ICAP Lahore on December 4, 2014 and at ICAP Karachi on December 19, 2014. Representatives of firms from small, medium and large sector were invited on this occasion to brief the students about the benefits of joining their respective organisations.

Student Facilitation

ICAP Satellite Offices

The Institute has established two new offices, one in Quetta to facilitate the students of Baluchistan and another in Mirpur for the potential students of Azad Kashmir. These new offices serve as information centers and help the students and members in the adjoining cities. The satellite stations are working hard to create awareness about the profession and also develop strong network with the local community

Students' Endowment Fund

In addition to CA Talent Program, the Endowment Fund since 2008 is supporting hundreds of deserving students. During the year, 1205 students were helped by the Institute.

Punjab Educational Endowment Fund (PEEF)

The Institute has given scholarships to 15 CA deserving students from Punjab for pursuing quality education for a period of five years.

year at a glance

members

Membership

The strength of membership has been increasing steadily, leading the Institute to greater eminence and stature. Members have a key role to play in driving sustainability, by providing valuable suggestions to support sustainable professional and organisational strategy in both immediate and long-term decision making. Membership of the Institute as on June 30, 2015 was 6720 out of which 1545 members are overseas which accounts for 23 percent of the total membership. During the year 2014-15, 431 new members were admitted to the Institute and memberships of 91 were restored, resulting in an increase of 522 members. Out of the total membership, 89 percent are employed in commerce and industry, financial institutions, government departments, education, and 11 percent are in public practice. During the year, Council removed the names of 182 members from the register of members, under Section 19 of the Chartered Accountants Ordinance, 1961.

Service to Members

Continuing Professional Development (CPD)

The International Federation of Accountants (IFAC) has made it mandatory for its member bodies to design and implement a Continuing Professional Development (CPD) mechanism in such a way that it becomes a prerequisite of continued membership for the professional accountants. The Institute ensures compliance through the CPD. The department works under the guidance of the CPD Committee.

Over the years, CPD department has become mature with a dedicated team constantly conducting research to understand the growing needs of the professionals and to develop programs accordingly. The department has successfully launched various initiatives that continue to form a strong part of the Institute.

CCPD - way forward - Launch of Certificate Programs

Understanding the need of professional development, the Institute is working to launch the Centre of Continuing Professional Development (CCPD) for specific training certification programs. This CCPD will provide a unified platform for the industry and the members to develop and enhance focused skills.

Currently, CCPD is in its first phase in which it will conduct few certification programs, such as the Directors Training Program (DTP) launched in 2013 and Certification in Board Evaluation Techniques launched this year. Once matured, CCPD will have its own dedicated infrastructure and formally engaged faculty.

Certification on Board Evaluation Techniques (CBET)

The Code of Corporate Governance 2013 specifies that all listed entities should have in place a mechanism for Board Evaluation by 2015. In order to facilitate professionals and organisations in adhering to the requirements, the Institute launched a program specifically designed for board evaluation on June 16, 2015 in Karachi. The program received an overwhelming response with 25 participants from leading organisations.

CPD Portal for Members' Engagement & Compliance

To engage the Institute members, a CPD portal was developed and launched on January 27, 2015. It serves as a center of all important CPD related information and an easy way to record and update CPD

year at a glance

members

hours. The members were informed about the launch of the portal and are regularly reminded to update their CPD hours to increase compliance level.

Revised CPD Directive

In line with the International Educational Standard for Professional Accountants (IES-7), the CPD Directive 8.01 was revised effective from January 1, 2015. Under the new directive members will need to submit the declaration of compliance with CPD requirements along with annual renewal fee of the membership. In case of non-compliance with the CPD requirement at the end of each year and at the end of three year rolling period, the members will sign a declaration form of noncompliance with a firm commitment to make up the deficit within 180 days.

Proactive Initiatives for Members

To keep members up to date with new changes, the following initiatives were taken during the year:

- **Audit Bulletin:** To provide members useful guidance and resource material and to keep them up to date with the local and international auditing practices, the Institute has taken the initiative for developing a quarterly Audit Bulletin. The bulletin serves the purpose of a regular update to all members on international developments in the audit profession, increase in scope of auditors' responsibilities with the issuance of new IFRSs, new legal and regulatory requirements and matters under the deliberation of auditing standard committee.

To date three issues have been circulated to members whose feedback will helps to make the next issue even more informative and presentable.

- **Assurance & Related Services Guidance Booklet for Stakeholder's Awareness:** It has been observed that sometimes there is confusion on the issues of applicable framework on the provision of professional services relating to assurance and related services. In order to redress this anomaly, the Institute has developed a guidance booklet for the benefit of members and other stakeholders. It aims to look at the types of services being provided by the chartered accountants in practice and the relevant pronouncements of the International Auditing and Assurance Standards Board (IAASB) and ICAP in order to ensure consistency and enhance the quality of the profession. This booklet could be used as a reference guide when selecting type of assurance and related services.

Director's Training Program (DTP)

The Institute launched Director's Training Program in January 2013 in accordance with the Code of Corporate Governance 2012 (The Code). Since then the program is being conducted successfully at regular intervals. Along with conducting the program in major cities such as Karachi, Lahore, Islamabad and Faisalabad, last year it was launched in Multan as well. Since the launch, 260 professionals have been certified with 103 being members and 157 non-members.

The Institute also conducted the first session of the directors orientation & training program for public sector which will be concluded in the coming quarter.

year at a glance

Developments in Chartered Accountants Women's Forum (CAWF)

The Institute encouraged the establishment of Chartered Accountants Women's Forum (CAWF) in March 2011. The forum aids at providing a platform for women chartered accountants and other members to grow together and enhance professional development. The forum is currently active in Karachi.

This year the CAWF committee organised Women's Day Celebration in which the logo for the forum was launched. The CAWF logo was designed in-house portraying the forum in the shape of a tulip and a woman's reflection. Prominent speakers participated to share their thoughts at the event.

Mutual Recognition Arrangements

The Institute has entered into an MoU with the Chartered Institute of Management Accountants (CIMA) by virtue of which members of the Institute with minimum six years experience would gain CIMA and Chartered Global Management Accountants (CGMA) designation after passing only one case study examination.

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

CPD Update

The Institute's CPD program is dedicated to providing the highest quality of professional development opportunities to meet the constantly evolving CPD needs of our membership. During the year 89 programs were conducted through the regional committees and the overseas chapters. The details are as follows:

▪ Southern Regional Committee	19 programs
▪ Northern Regional Committee	52 programs
▪ Kingdom of Saudi Arabia Chapter	12 programs
▪ PAF-Jeddah	05 programs
▪ UAE Chapter	01 programs

During the year, the top CPD earners were as follows:

S. No.	Name and Registration Number	Location	Hours
1.	Syed Imtiaz Abbas Hussain, FCA (R-1676)	Karachi	993
2.	Abdul Rahim Suriya, FCA (R-1531)	Karachi	650
3.	Najeeb Qadir, FCA (R-2461)	Islamabad	608
4.	Altaf Noor Ali, ACA (R-2208)	Karachi	479
5.	Ashfaq Yousuf Tola, FCA (R-1920)	Karachi	359

members



year at a glance

members



Goals and Targets

- CCPD - way forward - Launch of Certificate Programs
- Engagement of members for compliance
- International collaboration for training programs

Professional Accountants in Business Committee (PAIB)

ICAP's PAIB Committee formed in 2009 has developed into a dynamic platform of finance leaders working in industry in just a matter of six years. The ICAP PAIB Committee strives to promote and provide meaningful professional support and guidance to the members working in industry. Today, the contribution of ICAP PAIB Committee is recognised at global level with president ICAP, Yacoob Suttar honored as deputy chair of IFAC PAIB Committee and chair of IFAC PAIB Advocacy Group.

CFO Conference 2015

The Institute of Chartered Accountants of Pakistan (ICAP) in 2010 initiated the CFO Conferences with the objective to enlighten the finance professionals with updated knowledge and prospects for the future. Today, ICAP has successfully delivered 10 conferences resulting in the participation of over 4000 professionals across the country. The Conference offers practical knowledge, tactical information and networking opportunities for senior finance executives, business leaders, and audit and tax professionals.

The Annual CFO Conference 2015 was held on March 17 and 19 in Karachi and Islamabad respectively with the theme, Sustaining Excellence, Shifting Gears. The conference was graced with eminent speakers such as World Public Speaking Champion 2014, Toastmasters International, Dananjaya J. Hettiarachchi and former country managing partner & CEO, Ernst Young Ford Rhodes Sidat Hyder, Ebrahim Sidat.

Continuing the tradition, the fifth Professional Excellence Awards were announced in the CFO Conference held at Karachi. The first prize was awarded to MTBC Pakistan for their project Initial Public Offering (IPO) and second prize was awarded to K-Electric Limited for KE AZM SUKUK.

Strengthening the Toastmaster's Club

Witnessing the increasing need to excel at communication and presentation skills, the CA Toastmaster's Club was initially formed in Lahore and later on was also created in Karachi and Faisalabad. The Institute plans to increase the number of the Club in order to provide opportunity to members in different cities.

year at a glance

Goals & Target

- Annual CFO Conferences
- Advocacy of PAIBs
- Mentorship Project
- Finance Olympiad
- IFAC PAIB Contribution
- Strengthening the Toastmaster Club

Overseas Chapters

Overseas Coordination Committee (OCC) is involved in looking after the affairs relating to ICAP members residing overseas, through overseas chapters. Following are various matters discussed in meetings of the committee upon which decisions were taken and/or recommendations were made to the Council, during the period under review:

- Election of ICAP members' overseas chapter UAE's managing committee were held.
- ICAP members' Kingdom of Saudi Arabia chapter organised a workshop in Riyadh and Al-Khobar about IFRS 15 and on Saudi Income Tax and Zakat Laws in Riyadh.
- ICAP members' UK chapter's election was held.
- Under the patronage of Minister of Commerce and supported by SOCPA, ICAP members' KSA chapter organised Fourth Saudi-Pak Accountancy Symposium in Riyadh.
- The first election of ICAP members' new overseas chapter in Bahrain was held.
- Decisions regarding holding of elections in U.S.A., Australia and Qatar are under consideration of the committee.

The ICAP Saudi Arabia (KSA) Chapter has played a key role as brand ambassador for ICAP's members and students. In recognition of its performance, it was awarded the best overseas chapter of ICAP at the CFO Conference Karachi in March 2015.

Publications

Publication department is the external face of Institute of Chartered Accountants of Pakistan (ICAP). It designs and prints the ICAP newsletter, The Pakistan Accountant magazine and other publications to promote the Institute to the external community. It also links members, students, staff and other stakeholders through its publications.

In addition, the Publication department manages the editorial and design requirements of other ICAP departments (bulletins, brochures and booklets), and provides support to ICAP president (speeches, messages and communiques) and other senior management.

members



year at a glance

members



Listed below are some of the tasks of Publications through 2015:

Coffee Table Book

ICAP's coffee table book, ICAP - A Journey through Time, was perhaps Publication's greatest challenge of 2015. This 250 page document encapsulates the Institute's fifty-four year history.

Annual Report 2015

ICAP's annual report 2015: meeting challenges is another major effort of the Publication department. The style and design of this year's annual report gives it a contemporary look, different from ICAP's previous annual reports.

The Pakistan Accountant

The Pakistan Accountant (TPA) is the flagship quarterly journal of ICAP. Started in 1963, only a couple of years after the establishment of the Institute in 1961, TPA has come a long way changing in looks and improving over the years. This year Publications is working on a completely new-look TPA. Change in size, design and improved contents from the April-June quarter - to make it more attractive and readable.

Publications has taken the initiative to collaborate with International Federation of Accountants (IFAC) to acquire quality articles from its Global Knowledge Gateway (GKG) for TPA.

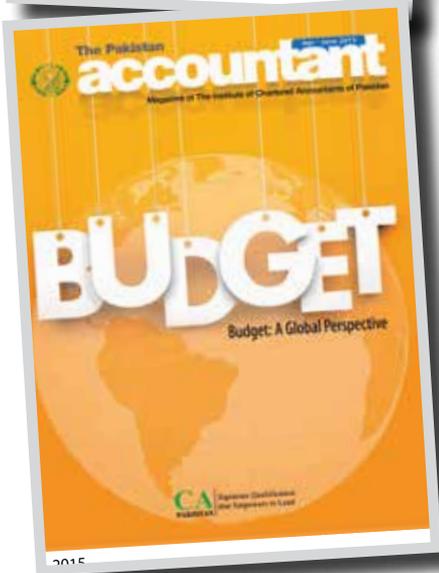
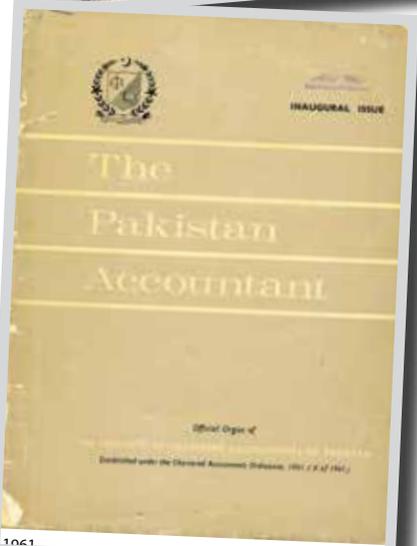
Newsletter

The ICAP Newsletter keeps the members, students and staff informed about the various ICAP conferences, seminars and other events and activities. The Newsletter too has gone through various stages of transition since its first issue in January 1980. On its thirty-sixth year of journey, the ICAP Newsletter underwent a face-lift from January 2015. New masthead and design – attractive presentation of ICAP activities and events to motivate its readers (members, students, staff and other stakeholders) not only to read, but to wait for their Newsletter. A new column, meet of the month, was also initiated. Informal interviews highlighting the achievements and views of ICAP members, students and staff in meet of the month was well-received by all.

The Publication Committee played an important role in reviewing articles (for The Pakistan Accountant) and the final review of TPA and the Newsletter. The Committee brainstorms with the Department to select topics for the TPA cover themes, and provides valuable input and guidance.

Small and Medium Practices (SMPs)

The SMP Committee is actively involved in assessing the problems of Small and Medium Sized CA Firms in Pakistan and trying to resolve them by bringing the matters to the attention of the Council and making appropriate recommendations for the same.



year at a glance

During the period under review several matters concerning SMPs were discussed by the committee for which appropriate recommendations were made to other committees/the Council. Such matters included the following:

- Alternate dispute resolution committee of ICAP members, within ICAP.
- Undue use of SBP panel of auditors by companies other than banking companies.
- E-Audit software for SMPs.
- Mandatory statutory audits of bank branches.
- Guideline for implementation of 'ISQC 1' in SMPs.
- Capacity building for SMPs and their trainees.
- Survey of Small and Medium Practices.

Selected Opinions

Selected Opinions Volume XX containing technical opinions issued during the period July 2014 to June 2015 has been uploaded on the Institute's website. During the year responses were given on the following:

- Deferred tax impact of change in taxation rate of companies
- Technical opinion on class of assets
- Accounting treatment of sale of right of hospital rooms.
- Clarification on the definition of 'subsidiary' in terms of section 237 of the Companies Ordinance, 1984
- Application for exemption of provisions of IAS 39 & IAS 40 while applying IAS 28 to account for result of operations of an associated company
- Signing of previous year audit report of corporations
- Amortisation of interest free loan under IAS 39
- Query on Trading Right Entitlement Certificates (TREC)
- Clarification regarding section 230 & auditor's report to the members
- Primary and secondary freight costs related to inventory
- Accounting treatment of subsidy
- Technical opinion on IFRIC 15 'Agreements for the Construction of Real Estate' read with IAS 18 'revenue'
- Clarification on different letter heads used by same audit firm.
- Implementation of IFRS 10 'Consolidated Financial Statements' on mutual funds in Pakistan

Placement of New Qualified CAs

To facilitate placements of young CAs, the Institute is working closely with the industry and the corporate sector. The following placement initiatives were taken in 2013-2014

- **CA Pakistan Seminar and Job Fair:** A chartered accountants' job fair and seminar was organised at ICAP houses (Karachi and Lahore) on August 30, 2014. This initiative provides a unique networking opportunity that brings together different employers, qualified CAs and trainee students allowing them to interact with experts from the

members



year at a glance

members



industry and profession and get valuable advice for entering into the professional world.

- **ICAP Job Portal:** ICAP Job Portal offers a compendium of new local and international job openings on regular basis. The portal is usually updated in the beginning of the week, to facilitate the membership in their job search. During the year 2014-15, 321 vacancies have been posted on ICAP Job Portal, which can be access at <http://www.icap.org.pk/icap/career/>.

Soft Skills Workshop

MARCOM organised a two-day Soft Skills Workshop for freshly qualified chartered accountants and trainee students on February 27 & 28, 2015 at ICAP houses Karachi, Lahore and Islamabad. The workshop was designed to offer tips for career success and concentrated on significance of building business connections through viable soft skills.

ICAP launched ICAP.ROZEE.PK

The Institute has initiated an arrangement with Rozee.Pk to provide customised service to its fraternity that will interlink the Institute, employers, members and students on a single platform. The website page icap.rozee.pk was launched by the ICAP president Yacoob Suttar at ICAP head office Karachi. The service will provide ICAP members and students an opportunity to tap the most recent jobs in the industry and employers to reach out to our exclusive professionals.

Deceased Members

During the year some of our members left us. The Institute shares the loss and pain of the families of the departed members. Members are requested to pray for the following departed souls:

Name of Member	R-No.
Ebrahim Shaikh Hussainbhai Dahodwala	0032
Badrul Anwar	0073
Aspy Nariman Fatakia	0136
Ebrahim Alimahomed Merchant	0154
Fida Hussain R. Merchant	0177
Shahab Azfar	0195
Ch. Maqbool Ahmad	0268
Mohammad Yacoob Naviwala	0360
Khawaja Abdul Aziz	0455
Mohammad Islam Munawar	0482
Rai Faqir Muhammad Bhatti	0715
Habib Alam	0801
Muhammad Latif Ullah	1326
Muhammed Ali	1946
Riaz Ahmad	2250

year at a glance

The Institute continued its policy of engaging meaningfully with its members, international standards setters, regional bodies, relevant stakeholders, the government and the regulators at large.

During the year the Council approved the following technical matters to further strengthen the relationship of the Institute and the stakeholders.

- ATR 17 'Auditors' Report to The Trustees/Board of Governors/Management Committee' (Revised-2015)
- Revised ICAP Code of Ethics for chartered accountants 2015
- Adoption of Clarified ISA 600 'Special Considerations – Audits of Group Financial Statements' (including the work of Component Auditors)
- CSR Assurance Report
- Revised Accounting and Financial Reporting Standard for Small Sized Entities
- Accounting and financial reporting standard for NGOs/NPOs

In addition to the above, accounting regulations and format of financial statements for General Takaful Companies were finalised and sent to the SECP. The Institute also provided its comments on the following IASB Exposure Drafts.

- Recognition of deferred tax assets for unrealised losses.
- Measuring quoted investments in subsidiaries, joint ventures and associates at fair value (proposed amendments to IFRS 10, IFRS 12, IAS 27, IAS 28 and IAS 36 and Illustrative Examples for IFRS 13).
- Investment Entities: applying the consolidation exception (proposed amendments to IFRS 10 and IAS 28).
- Classification and measurement of share-based payment transactions.
- Disclosure initiative (proposed amendments to IAS 7) statement of Cash Flows.
- Classification of Liabilities (proposed amendments to IAS 1).

Comments were also given on the following pronouncements of IAASB/IESBA:

- Exposure Draft - addressing disclosures in the audit of financial statements.
- Exposure Draft - proposed changes to certain provisions of the code addressing the long association of personnel with an audit or assurance client.
- Consultation paper - Improving the structure of the code of ethics for professional accountants.
- Exposure Draft - proposed changes to part C of the code addressing presentation of information and pressure to breach the fundamental principles.
- Exposure Draft - Proposed ISA 800 (Revised), Special Considerations–Audits of financial statements prepared in accordance with special purpose frameworks and proposed ISA 805 (Revised), Special Considerations-Audits of single financial statements and specific elements, accounts or items of a financial statement.

Comments on the following drafts were sent to the SECP:

- 'The Companies (Proxy E-Voting) Regulations, 2014'.
- 'Employees Provident Fund (Investment in Listed Securities) Rules, 2014'.
- Circulars with respect to compliance with certain requirements of IFRS.
- Revised Audit Report formats under Form 35A and 35C of the Companies Ordinance 1984.

year at a glance

other activities



- Guideline for companies & directors on 'going concern reporting in financial statements.'
- ICAP recommendations on the Public Sector Companies (Corporate Governance) Rules, 2013 and Public Sector Companies (Corporate Governance Compliance) Guidelines, 2013.
- FAQs of Public Sector Companies (Corporate Governance) Rules 2013 developed by SECP.
- Consolidated statement of compliance for listed public sector companies with the code of corporate governance 2012 and public sector companies (Corporate Governance) Rules, 2013.

Budget Proposals 2015-16

The Institute has always advocated for documentation of the economic activities and long term tax planning. 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. Budget proposals 2015-16 were submitted by the Institute to the Federal Board of Revenue (FBR) and Ministry of Finance and provincial tax authorities.

Best Corporate and Sustainability Reports Awards 2013

The Best Corporate and Sustainability Reports Awards ceremony was held on September 19, 2014. Maple Leaf Cement Factory Limited was declared the overall 1st winner for Best Corporate Report Awards and Engro Corporation Limited secured 1st position for Best Sustainability Report Awards. List of winners is available at the Institute's website.

The objective of these awards is to encourage entities to make the annual reports more user friendly and improve disclosure in reporting. Since its inception the awards have been very well received and have contributed in enhancing the quality of reporting in Pakistan.

Consultative Sessions on NPO Standard

Proactive consultative sessions were held at Karachi, Lahore and Islamabad in order to get input from the members and the representatives of NPOs registered with the Pakistan Center for Philanthropy on Accounting and Financial Reporting Standard for Non-Governmental Organisations (NGOs)/Not for Profit Organisation (NPOs) developed by the Institute.

Future Projects

To keep members and stakeholders abreast with international best practices, work is being done on the following:

year at a glance

- Adoption of IFRS 1, 9, 14 and 15;
- Revision of Form 35A and 35C as per revised ISA 700-Forming an Opinion and Reporting on Financial Statements - that would be effective for audits of financial statements for periods ending on or after December 15, 2016 and clarified ISA 600;
- Standard on General Presentation of Islamic Financial Institutions;
- IFAS on Diminishing Musharaka;
- Revision of IFAS 1 Murabaha and IFAS 2 Ijarah;
- Accounting Guidelines for Other than Going Concern Entities;
- CSR Reporting Framework for Pakistan;
- Guidelines for Certificates issued for Special Purposes; and
- Format of financial statements for Family Takaful Companies.

other activities



year at a glance

operational activities

Investigations

The Investigation Committee (IC) of the Institute is a fact finding body which scrutinises complaints and after detailed review and analysis provides its recommendations to the Council for decision. The IC continued in its efforts to expeditiously dispose off cases referred to it.

During the year, seven meetings of the Investigation Committee were held. The Committee after active deliberation and review of the merits of complaints, finalised its conclusions on forty nine cases during the year. Out of these forty nine cases, twenty two cases were dropped by the Committee as in its opinion those cases did not require further investigation and twenty-seven were finalised for referring to the Council for decision. The Council disposed off a total of twenty-two cases during the year, out of which six were closed whereas action was taken on sixteen cases.

A manual of decisions on past cases of professional misconduct has also been developed by the Secretariat in order to provide assistance to the Council and Investigation Committee to decide complaints in a consistent manner.

A summary of the cases received and disposed off during the year is as follows:

Cases at the beginning of the year	98
Complaints received by the Investigation Committee during the year	35
Cases disposed off during the year	(44)
Cases under review at the end of the year	89
Cases under review of the Investigation Committee	73
Cases under review of the Council	16
	89
Members Reprimanded/Warned with/without Name	16
Cases Closed	6
Total cases decided by Council	22
Cases dropped by Investigation Committee	22
Total cases disposed off during the year	44

Risk Management

The Institute is facing a number of risks, critical and otherwise, in its day to day operations. In order to address these risks in an organised and efficient manner, the Institute has adopted an incremental step by step methodology to implement formal risk management process.

Brand Strengthening and Communication

The Institute is working hard to generate awareness about CA Pakistan in order to reinforce its position

year at a glance

as the first choice in accounting qualifications. Positive messages have been disseminated nationwide to strengthen brand CA and ICAP through print media, presentations, networking sessions and online marketing. The Institute is also forging relationships with industry to ensure higher recognition and better placements of our members.

Promotional Material and Media Coverage

To spread the information about CA Pakistan new promotional material was developed to fortify the brand and corporate slogan CA Pakistan. It included brochures, flyers, standees, backdrops of events, banners and posters. Wall branding at ICAP centers and RAETs was also developed and displayed.

Roundtable session with Media on ICAP Budget Proposal

The Institute of Chartered Accountants of Pakistan organised a Meet the Press session on April 30, 2015 with reporters and journalists to discuss on the taxation proposals and issues affecting the Pakistan's economy. Naeem Akhtar Sheikh (chairman) and members of Committee on Taxation of ICAP participated in the session.

Marketing Research

To gauge various factors of brand, surveys play a vital role. MARCOM conducted two surveys one was Employer Satisfaction Survey to gauge employer satisfaction level with respect to various skills of chartered accountants and gaps between employers' expectations and service delivery of our members performing in the industry. Second was Members Satisfaction Survey to gauge the satisfaction level of members with respect to current services delivered and to study overall engagement and satisfaction. Both surveys will help the Institute to improve its services to the members.

Industrial Training for CA Students

ICAP organised a session to introduce industrial training to organisations on April 15, 2015 at Lahore and on May 18, 2015 at Karachi. This session was attended by CFOs and HR heads from leading organisations. This initiative was taken to update the industry about the Institute's recent initiative regarding the industrial training of CA students.

ICAP Delegation met Governor of Baluchistan

A high level delegation of the Institute headed by ICAP president Yacoub Suttar met with governor of Baluchistan Muhammad Khan Achakzai at the governor house in Quetta. ICAP delegation briefed the governor Baluchistan about CA Pakistan and the Institute's recent initiatives and establishment of ICAP's branch in Quetta. The governor appreciated the efforts of the Institute and assured the delegation full support from the government of Baluchistan in terms of infrastructure development.

operational activities



year at a glance

operational activities

Human Resources and Administration

The Institute strives to create an environment in which employees can realise their full potential through professional development programs and employee engagement activities.

Human resource management and development at ICAP is a holistic approach to attract, develop and retain potential talents. Some key objectives that drive human resource functions at ICAP includes:

- Attract the best available talent across Pakistan.
- Encourage an inclusive culture and provide on-going career development opportunities.
- Retain talent to provide opportunities for personal and professional growth.

Talent Management

ICAP strives to recruit, develop, retain and reward and enhance employees performance in the best possible way.

- **Management Trainee Program:** During the year, Management Trainee Officer Program (MTO) was launched. The purpose of management trainee program is to build a dynamic workplace by fostering a stimulating working environment that elevates team spirit, passion, engagement, and achievement, instilling a performance culture built on strong leadership.
- **Learning and Development:** Learning and development opportunities were offered to employees throughout the year. These opportunities center around on- the-job training as well as public programs conducted by various training providers in the country.
- **In-house Training Programs:** This year were designed to meet the development needs of the employees to enhance their skills, knowledge and competency levels. During the year, most of the employees attended one of the four programs offered internally - Communication skills, Time Management, Ownership and Stress Management Skills.

Workplace Harassment Prevention Policy

In order to ensure that the work environment at the Institute is free from any form of harassment, a Workplace Harassment Policy was approved by the Council and was launched in June 2015.

Strengthening the Infrastructure

During the year, concentrated efforts were made to strengthen the Institute infrastructure to meet the growing needs of members and the students. One of the key priorities of development was to increase ICAP's presence across the country. In this regard, the Quetta office was inaugurated in October 2014, and Mirpur (Azad Kashmir) office is in full function since January 1, 2015.

year at a glance

operational activities

Existing staff strength

This year the Institute inducted 38 individuals including qualified chartered accountants, MBAs and those holding Masters degree. This year the total staff strength was 209.

Strength of ICAP Employees			
Department	Management Staff	Non Management Staff	Total
South			
Karachi	136	24	160
Sukkur	1	0	1
Quetta	1	0	1
North			
Islamabad	9	2	11
Lahore	24	3	27
Multan	2	0	2
Faisalabad	1	1	2
Peshawar	3	0	3
Gujranwala	1	0	1
Mirpur, AJK	1	0	1
Sub Total	179	30	209

Information Technology

The Information Technology department of the Institute continued in its drive of modernising its system and processes aimed at improving the IT infrastructure and service delivery of the Institute. The department is in pursuit of providing enterprise solutions to the staff so they can meet their goals, deliver results, and enhance the Institute's standing within and outside of the country. Some of the work carried out during the year is described below:

- IT along with the examination department has taken up an initiative to enable online submission of examination forms integrated with bank payment system for payment by using Debit/Credit cards.
- For smooth flow and operations, all Standard Operating Procedures (SOPs) have been reviewed and GAP analysis between Enterprise Resource Planning (ERP) has been performed.
- A number of web based user-friendly solution for members and students have been offered. This includes re-engineering of help desk, educational technology areas, members area, CPD Portal and separate National Finance Olympiad web pages.
- IT department is developing a Business Integrated IT Strategy for the next five years in coordination with IT Committee which will be presented to the Council for approval.



“champions do not become champions when they win the event, but in the hours, weeks, months and years they spend preparing for it.”

acknowledgement

The Council would like to place on record its sincere gratitude to all members in general and those who served in various committees of the Institute in particular for their support, dedication and help they extended in policy formation.

The Council would also like to thank the Federal Government, the Securities and Exchange Commission of Pakistan, the Federal Board of Revenue, the State Bank of Pakistan, Auditor General of Pakistan Office and other government organizations for their continued support.

The Council expresses its appreciation for the work done by Abdul Hameed Chaudhri, and Qasim Ebrahim Causer, in their capacity as the auditors of the Institute.

The Council also gratefully acknowledges the active role played by Audit Committee, Quality Assurance Board and Benevolent Fund Management Committee in their respective areas.

The Council would also like to acknowledge the contributions made by the respective Regional Committees in strengthening the image of the Institute and for their whole hearted support.

The Council would like to take this opportunity to express its appreciation to the Institute's staff for their continuous hard work and dedication and for helping the Council in discharging its responsibilities.

By the order of the Council.

Feroz Rizvi, FCA

COO/Secretary, The Institute of Chartered Accountant of Pakistan

Karachi, August 25, 2015

other reports

audit committee report

Audit Committee of the Institute was constituted with an aim to assist the Council in fulfilling its oversight responsibilities towards the integrity of Institute's financial statements, effectiveness of the system of internal controls and risk management and efficiency of internal and external audit processes.

The Audit Committee comprised of five members, three being independent non-Council members including the chairman who is also a past president of the Institute.

The Committee met six times during the year ended June 30, 2015. For each meeting, the Committee submitted a report to the Council for its activities.

Besides head of Internal Audit, who also acted as the secretary to the Audit Committee, secretary/COO and other senior management personnel were invited in the meetings when the business of the committee required so. The Committee also held meetings with the External Auditors.

The full Terms of Reference (ToR) of the Committee are available on the Institute's website.

Work carried out by the Audit Committee during the year 2014-15:

- **Review of the Financial Statements of the Institute**

The Committee reviewed the quarterly, half yearly and annual financial statements of the Institute before recommending the same for approval of the Council.

Relevant executives and external auditors were invited in the meetings when financial statements were discussed to advise the Committee on the financial results/highlights and significant matters relating to the financial statements.

During the course of its review, the Committee considered the quality of accounting policies, reasonableness of accounting estimates and judgments and the disclosures in the Institute's financial statements and appropriate recommendations were made to the Council.

- **Internal Control and Risk Management**

During the year, the Committee reviewed and discussed the efficiency, effectiveness and integrity of the internal control systems; including risk management, information technology security and control and financial policies in such areas as procurement, stock and fund management.

The Committee has made necessary recommendations to the Council to further strengthen the systems.

- **Internal Audit**

The Committee reviewed and discussed scope of work and audit plan, including any material changes to the audit plan during the year and where necessary specific audits were suggested for inclusion in the plan. The Committee also reviewed internal audit reports summarising the audit findings, recommendations and management responses there against. The Committee also had separate meetings with the Head of Internal Audit.

At least quarterly, the Committee also reviewed the internal audit activity reports containing the current inventory of all recommendations and progress of their implementation. All significant observations/recommendations along with management responses and implementation status were reported to the Council. It was also ensured that Internal Audit function is properly resourced.

- **External Audit**

The Committee during the year had three meetings with the External Auditors.

In these meetings, the Committee discussed External Auditors' plan, their scope and objective, key risks identified and their findings from the review of half yearly financial statements and the audit of annual financial statements.

The External Auditors' management letter was also thoroughly discussed. Emphasis was placed on implementation of the recommendations given to strengthen the existing internal controls.

The Committee also assessed the independence, objectivity and performance of the External Auditors and made recommendations for their reappointment to the Council, for it to put to the members for approval in AGM.

- **Whistle Blowing Policy**

The Audit Committee also monitored the effectiveness of Whistle Blowing Policy which was introduced in March 2014 (updated in June 2015).

- **Terms of Reference (ToR)**

During the year the ToR of the Committee was reviewed and changes were recommended to the Council for approval.

The Audit Committee takes this opportunity to place on record its gratitude to Institute officials for assisting the Committee in the effective discharge of its responsibilities.

Ahmed Dawood Patel, FCA

Chairman Audit Committee

Karachi, August 5, 2015

quality assurance board report

The Quality Assurance Board (QAB) performs its functions and discharges its responsibilities in accordance with the Framework of the Quality Control Review (QCR) Program. During the period the Council approved the revised Framework for QCR Program 2015 which is applicable from July 1, 2015. The major changes in the revised Framework include: issuance of QCR ratings on the basis of both Engagement and Firm Review; discontinuation of Review of Additional Files; coverage of Minimum Audit Partners; bringing more independence in the composition of Quality Assurance Board (QAB); introduction of concept of Appellate Board; and opportunity of personal hearing to the aggrieved partner.

The new Quality Assurance Board and Appellate Board have also been formed and their term has commenced from July 1, 2015 i.e. with the application of revised framework. With the revised framework, the Board is confident to raise the bar of audit quality in Pakistan to its new heights through a more transparent and effective QCR Program.

The objectives of the QCR Program would remain focused to determine whether the audit firms in Pakistan:

- are conducting the audit engagements in accordance with relevant professional standards and applicable legal and regulatory requirements; and
- have established, documented and implemented adequate policies and procedures for quality control within the firms in accordance with the requirements of ISQC-1. The QAB is committed to set the benchmark for the highest ethical and professional standards and monitoring its compliance through the defined QCR Program.

QCR of Audit Engagements

During the period from July 1, 2014 to June 30, 2015, reviews of 47 firms took place. This entailed 121 audit engagements at 66 office locations spread over Karachi, Lahore, Islamabad, Rawalpindi, Peshawar, Faisalabad, Multan and Hyderabad as compared to 62 firms last year involving 125 audit engagements at 93 office locations.

Out of 47 audit firms reviewed during the period, conclusions of 18 firms were "supported by appropriate audit evidence" while the conclusions of 12 firms were "not supported by appropriate audit evidence" and for 10 firms the QAB directed Quality Assurance department (QAD) to carry out review of additional files. QCR Reports of seven firms are yet to be presented to QAB for their review. As on June 30, 2015, 99 firms were listed on the Institute's website, having satisfactory QCR rating.

During the year 10 new firms offered their audit working paper files for review and the QCR conclusions of 4 firms were "supported by appropriate audit evidence" while the conclusions of 6 firms were "not supported by appropriate audit evidence." During the period under review five firms were removed from the list of QCR Rated Firms.

Firms' Review under ISQC-1

In addition to engagement review, overall quality of firms is also reviewed under ISQC-1 so that a robust system of quality control could be established with respect to leadership responsibilities for quality within the firm, compliance with relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, human resources and monitoring.

During the period under review, 15 firms were reviewed under ISQC-1.

Annual Report of QAB

The third Annual Report of the QAB was issued in February 2015, covering frequent significant findings noted during various QCR visits during the year 2013-14. The fourth annual report of QAB is under process and is expected to be issued soon.

Concluding Remarks

In the end, I would like to extend my gratitude and appreciation to all those firms and their staff who cooperated with our reviewers throughout the QCR process. I also would like to thank all members of the QAD team who have done an excellent job in compiling and finalising the Report.

Mohammed Adnan Afaq, FCA
Chairman Quality Assurance Board

benevolent fund report

The Institute of Chartered Accountants of Pakistan (ICAP) Benevolent Fund (the Fund) is an important and independent function of the Institute of Chartered Accountants of Pakistan (ICAP). The affairs of the Fund are managed by an independent committee constituted by the Chairman of the Fund who is nominated by the Council of the ICAP each year. The Fund was established in 1972 with the aim of providing financial assistance and grants to financially distressed members as well as families of the deceased members to enable them to have a respectable living, support education of their dependent children, marriage of their daughters and to meet their medical needs. The Fund has been undertaking this function with commitment and sincerity of purpose since inception.

In addition to meeting its sacred obligation of identifying the deserving families and providing financial grants, the Fund also undertakes special projects for the benefit of the members. A brief account of the performance of the Fund during financial year 2014-15 appears below:

Financial Assistance

Visiting sub-committees in Southern and Northern regions have been formed to assess/verify the needs of deserving families of deceased members and living members in distress. Based on need analysis, recommendations are put before the Committee, which after due consideration, takes decision on the merit of each case.

During the year under report, the Fund extended financial assistance of Rs. 13,079,143 to twenty-five families (including seven living members) compared to assistance of Rs. 9,436,952 provided to twenty-three families (including six living members) during the preceding year. Average monthly assistance per family comes to Rs. 43,597 during the year in comparison average assistance per family in the preceding year amounted to Rs. 34,192.

Group Life Insurance Scheme

The Committee has been striving for providing hassle free term life insurance cover to members of the Institute at the most economical price. The scheme has been designed to accommodate members up to the age of 69 years. Members can choose from sum insured levels ranging between Rs. 1 million to Rs. 7 million. The Committee was able to negotiate Rs. 2.65 per thousand rupees sum insured as rate of premium for age upto 60 years. For age group 61 to 64 years, the rate of premium was Rs. 2.73 per thousand rupees sum insured.

While renewing the arrangements for ensuing year 2015-16, the Committee negotiated premium rate of Rs. 3.37 per thousand rupees sum insured for age upto 60 years. For age group 61 to 64 years, the rate of premium will be Rs. 4.00 per thousand rupees sum insured. Members above 65 years of age will also be considered for coverage. However, rate of premium and terms of coverage will be communicated by the insurers after assessment on case to case basis.

Group Health Care Scheme

For the year under report, Habib Insurance was considered as the preferred service provider for offering the lowest premium rates and comparatively better terms. The overall participation in the scheme crossed 1400 participants during the year under report as compared to 1370 persons enrolled during the previous year. Participation level increased as more CA firms joined the scheme. Claims in excess of Rs. 15 million were settled by Habib Insurance at the close of financial year expected to increase further by

the time policy term gets completed on July 31, 2015. This includes the amount of claims directly settled by the panel hospitals and claims reimbursed to members. Overall premium of Rs. 11.382 million was recorded at the close of financial year.

For the ensuing year 2015-16, due diligence process for renewal of the policy is in progress. A sub-committee is reviewing the proposals from leading service providers as well as the existing insurers. The details will be circulated to members before July 31, 2015 (the date of renewal of the policy) through email, newsletter and brochures. Details will also be posted at the website of the Institute www.icap.org.pk/members/bf/gbs

Acknowledgement

On behalf of the Management Committee of the ICAP Benevolent Fund, I gratefully acknowledge the valuable contribution to the Fund, of Rs. 1 million approved by the Council of the Institute for the year under report. This will strengthen the Fund in its efforts to provide maximum support to the members and families of the deceased members, in distress, particularly in the years to come when the quantum of this support is likely to increase substantially owing to increase in number of such cases and the ever-increasing inflation. The Committee firmly believes that this contribution will continue from year to year as a regular feature.

In the end, on behalf of the Management Committee of the Fund, I would like to thank the members, the president, the Council members, and management and staff of the Institute for their continued co-operation and support. I am also thankful to my colleagues at the Committee for their continued support and dedication.

Imran Afzal, FCA

Chairman Benevolent Fund

southern regional committee report

On behalf of the SRC, I am pleased to present this annual report of the year which was full of events and activities undertaken by the Committee not only in relation to the CPD events but also due to the pleasant and entertaining social gatherings and networking events organised for the members.

Continuous Professional Development (CPD)

We believe that our members deserve the highest quality of technical and professional training which is most relevant to their professional work. When planning for the CPD events our objective is to focus on the core professional topics, however, we also always endeavour to have diversity by including soft skill courses and subjects of economic and social interest.

This year the SRC organised 18 seminars and workshops spread over 103 CPD hours. (2013-14:93 hours) covering various subjects such as accounting standards, taxation and fiscal measures, corporate governance, information technology, interpersonal skills, investor education and leadership skills. The seminars were attended by both members and non-members.

Social Events

We hold close to us the aim of promoting social activities and networking for members and their families. The SRC organised an annual dinner in September 2014 for all the members of the Southern Region which was attended by about 450 members. Consistent with the previous years, we hosted the Annual Family Get-together for members and their families at Sindbad which was thoroughly enjoyed them. The SRC also organised a Zafrani Mushaira at Alliance Française Karachi and was well-received by the members.

Certificate Distribution Ceremony

As per the regular practice, the bi-annual Certificate Distribution Ceremony was held for the newly qualified chartered accountants themed Milestone for a New Beginning and Ready. Set. Go! in November 2014 and April 2015.

Chartered Accountant Students' Association – South (CASA-S)

The CASA, CA Students Conference 2014 Move Outside the Box was successfully organised in a very short time frame. Amongst other highlights were the elections and appointment of the management committee of the Chartered Accountant Students' Association, South (CASA-S). Exam based seminars and workshops were also organised for the finalists for better revision and exam preparation techniques.

Finance and Accounts

The financial statements reflect a surplus of Rs. 2.45 million for the current year. During the year Rs. 2.81 million was received from ICAP on account of Members' subscription fee. Rs. 12.13 million was collected from members for CPD activities and Social Events. Rs. 9.99 million was spent on CPD activities. Rs. 1.68 million was spent on Social Events.

Acknowledgement

On behalf of SRC, I would like to thank the sitting president, past presidents, Council members, fellow members for their guidance, support and patronage. We are also thankful to the ICAP secretary/COO and the staff of the Secretariat for their help and assistance provided to SRC.

Arslan Khalid, FCA

Chairman Southern Regional Committee (SRC)

northern regional committee report

Chartered Accountants (CAs) are playing an important role as the backbone of organisations in finance and accounting as well as business advisors, strategists and forefront administrators. In this age of information explosion and the rapid changes in technology, trade and industrial environment, the need for continual professional updation is supreme. The Northern Regional Committee (NRC) provides a platform to the ICAP members in the form of Continuous Professional Development (CPD) so as to enable them to keep abreast of aforesaid changes, broaden their skills and be more effective in their professional work and to add value to the corporate arena around the world

CPD is a commitment by the members to continually update their skills and knowledge in order to remain professionally competent and achieve their true potential, by combining unrivalled knowledge, skill and commitment, which empowers them to enable businesses, organisations, individuals and communities to achieve their financial and strategic goals – with rigor, integrity and vision.

Continuous Professional Development (CPD)

The NRC's CPD program strives to provide highest quality of professional development opportunities to meet the rapidly evolving CPD needs of our members.

Whilst planning for professional development, we strived to ensure that a diverse range of topics are carried out from the NRC platform. This year, the NRC organised 56 seminars and workshops addressing areas and topics of professional interest. Various CPD activities were held in Lahore, Islamabad, Peshawar, Faisalabad, Multan and Gujranwala. This year, first time in history of the NRC, a foreign accomplished trainer was invited by the NRC to conduct two-day workshop on IFRS/IAS. Various out of box themes were introduced this year including Creativity, Self and Time Management, Career Stagnation, Communication Skills, How to sell and market your expertise, etc. Pre Budget Seminars were held after many years to showcase ICAP's Budget Proposals. Post Budget Sessions were held in all stations and members in huge numbers attended these useful sessions. High profile guests, including federal secretary finance, member Inland Revenue Federal Board of Revenue (FBR), chief commissioner, and commissioners of FBR, attended these sessions as guests of honour. We made sure that members had abundant CPD opportunities to gain useful knowledge and update them as well. Free of cost CPD events on QCR Framework, SECP awareness events were also held for members during the year.

During the year, the NRC has also live telecasted various CPD activities through video conferencing to Multan, Faisalabad and Peshawar to enable members of these cities to participate in CPD programs conducted in Lahore and Islamabad.

A total number of 281 hours of CPD activities were collectively held in the region through workshops and seminars as compared to 190.5 CPD hours during the previous year. During the year, CPD committee Gujranwala, was formed to cater to the specific needs of the Gujranwala members.

Initiation of e-Learning Platform

Countless problems and inconveniences such as long traveling, car parking hassle, traffic issues at peak times, time constraint, etc., were being faced by our members in completion of their CPD hours. To facilitate members particularly those who are working at remote locations or who do not find sufficient time to physically attend the required CPD sessions, NRC has initiated E-Learning platform, which enables ICAP members to directly log on to the event from their convenient place without the hassle of travelling to a specific location, just by using a computer and an internet connection. E-Learning facilitates hassle free learning and has a potential of becoming a popular source of CPD.

The NRC is all geared up for the future to extend E-learning facility to our overseas members.

Gold Medal and Certificate Distribution Ceremony

Keeping alive the tradition of honoring its most illustrious and bright students, the Northern Regional Committee has organised the Gold Medal and Certificate Distribution Ceremony in April 2015. The ceremony honored high achievers of the year 2014. More than 200 students were awarded their certificates. The event was attended by more than 700 people including parents, senior chartered accountants, media personnel and dignitaries from different walk of life. The certificates and gold medals were distributed by the guest speaker, president, vice president, past president, regional and council members.

Meet with President and Council Members - North

To engage the members as well as to benefit from a large pool of wisdom, the NRC organised an interactive session with the president ICAP and Council members-North in Lahore in July 2014. Members from industry practice and education participated in the session. The members were appraised about the various initiatives taken by the Council. The session also provided an opportunity to the Council to receive invaluable insight from the members and use the information to deliberate on matters of professional interest. The discourse was energetic and candid and the president and Council members responded to various observations of the audience.

Recreational Activities

The NRC is also making effort in providing social and recreational opportunities to the members and their families in the form of family get-to-gathers and entertainments. NRC organised a members' family get together on June 12, 2015 at Greens Hut, Peshawar. The evening was filled with exciting and engaging activities for kids, i.e. magic show, puppet show, face painting, Tall-Man, cartoon characters, jumping castle, musical chair and quiz competition. The event had sumptuous buffet dinner, delightful socialising and networking opportunities for members and their families. The members and their families actively participated and appreciated the efforts of NRC for organising such events. Similar functions are also being planned in other cities of the region.

Libraries

Libraries play rich role in the educational and research process. Gaining Access to information and knowledge are fundamental for education purposes and for improving the quality of life for people living in different regions.

The Committee manages and operates eight libraries in various cities of the country in order to satisfy the needs of the members and the students in the academic area. With the initiation of satellite office of ICAP Gujranwala and Muzaffarabad, NRC played a leading role in providing books to these centers.

A comprehensive review of libraries at various centers has been conducted to identify the requirements for improving the existing as well as providing additional facilities. Based on the review, major up-gradation of libraries has been planned during the coming months.

Chartered Accountant Students' Association – North (CASA-N)

The Committee also promotes professional development and growth of CA students. During the year, for the first time in history of CASA-N, Cricket Tournaments were arranged in Lahore, Islamabad and Peshawar during March and April this year. An overwhelming response and positive feedback was received from all the three locations. The tournament success was due to the participating teams, cheering and enthusiastic crowd, Institute staff and CASA management committee who gave their heartiest efforts to make it a successful event.

An interactive session was organised for CA students which provided an excellent opportunity to the participants to learn the tips and tools for career development.

Acknowledgement

I would like to express my sincere gratitude to all the members, in general; and, those who served on various committees, in particular, for their extended support, dedication and help in carrying out informative, engaging and diverse activities throughout the year. In this respect CASA Management Committee as well as CPD and Library Committees of various cities merit to have my special thanks.

I am particularly grateful for the efforts made by the guest speakers in CPD activities and would like to show appreciation on the contributions made by all of them. I look forward to their participation in future events as well.

I consider there are three crucial components for the success and effective conduct of NRC affairs: support, coordination and innovation. I would therefore like to extend my gratitude for the support and valuable guidance by ICAP president, vice presidents (North & South), and Council members. The committee looks forward to a more eventful and productive year ahead and hope that we continue to be more innovative in our future events.

For and on behalf of the Committee.

Saifullah, FCA

Chairman Northern Regional Committee (NRC)





sustainability

sustainability

Commentary

Sound Financial Base

The Institute remains debt free, continues to grow its strong revenue base and is well placed to continue its investment in the business.

The Institute achieved a surplus of Rs. 113 million for the year. Total revenue increased by 34% while increases in expenses were limited to 27% over the previous year, despite absorbing significant increases in cost relating to computer based examinations and repair and maintenance.

The increase in this year’s investments and cash equivalents balance of Rs. 98.1m (to a total of Rs. 558.2m) was higher than the previous year’s increase (of Rs. 35.3m) due to higher receipts from examination and registration fees.

The overall increase in Total Members’ Funds of 18% (to Rs. 753.8m) reflects the sound financial strength of the Institute, continuing to build on its asset base while providing members and students with the high level of services envisaged within its Strategic Plan.

Environmental Impact

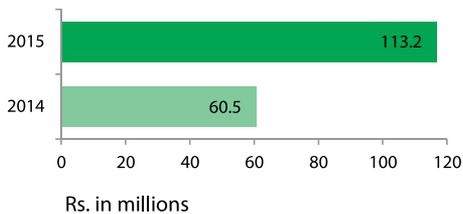
The scope of the greenhouse gas inventory is based on activities that generate an environmental cost to society, including electricity, flight travel and paper consumption.

At year end, our carbon footprint was 988 tonnes of carbon (tCO₂e), a 12% increase compared to 2014. This increase was driven by a 21% increase in emissions from flight travel, primarily international flights. Despite the increase in operation emissions from electricity remains the same as of last year due to energy saving measures at the head office.

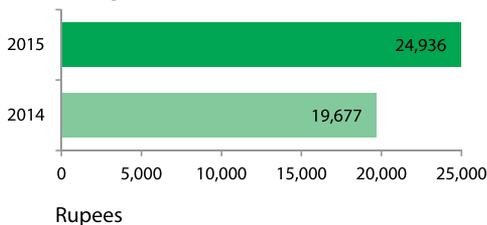
Human Resource Development

The Institute strives to create an environment in which employees can realise their full potential through professional development programs and employee engagement activities. We strive to create a workplace that facilitates employees to grow. During the year, employee number has increased to meet the business needs. Employee training programs conducted by external trainers were organised on Board Performance Evaluation, Business Communication, Cash Flow Base Financing and Working Capital Management, IFRS, Code of Corporate Governance and Situational Leadership. As well as in house training programs were uniquely designed to meet the development needs of the employees to enhance their skills, knowledge and competency levels.

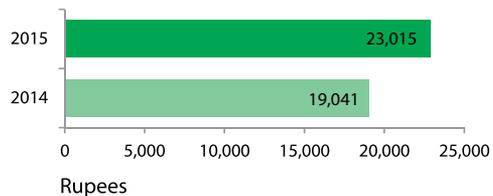
Surplus



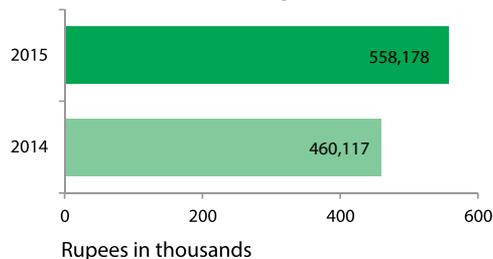
Revenue per member and student

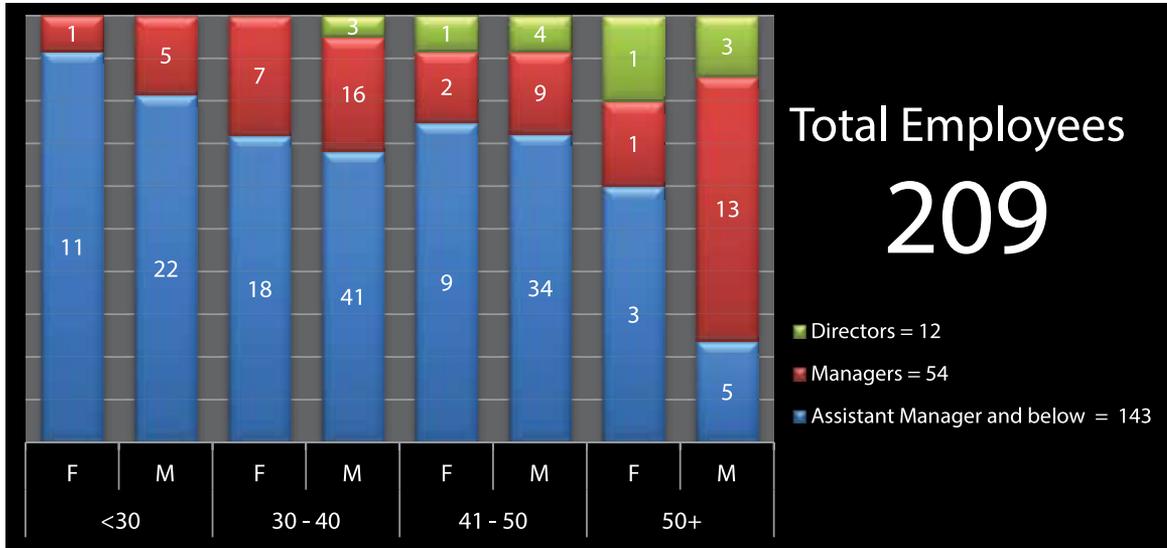


Cost per member and student



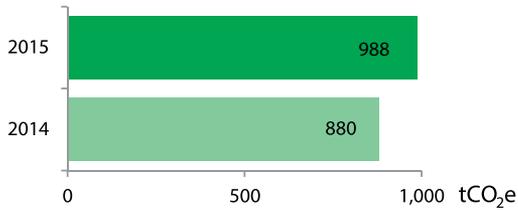
Investments and cash equivalents



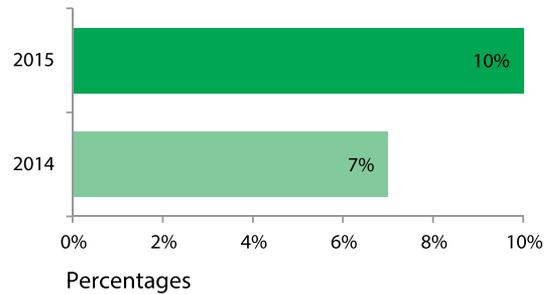


Greenhouse gas emissions

(tCO₂e = tonnes of carbon)



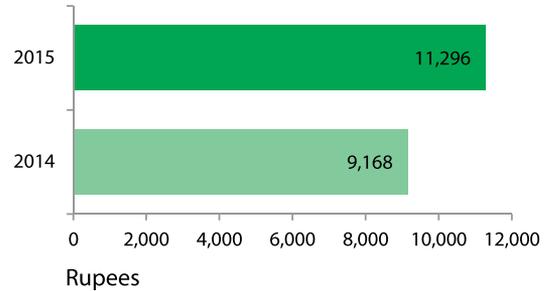
Voluntary employee turnover



Itemised Emissions (tCO₂e)

	2015	2014
Purchased electricity	454	442
Travel - flights	518	428
Paper consumption	16	10

Average training spend per employee







financial highlights

financial review

Results

The Institute achieved surplus of Rs. 113.23 m for the year (2014: Rs. 60.51 m). Total revenue and other income rose by 34% to Rs. 715.25 m, while expenditure increased by 27.5% to Rs. 602.02 m.

Income and Expenditure

The increase in members' subscription of Rs. 15.95 m over the 2014 result derived from 10% increase in membership fee combined with increased number of members of 5%.

Revenue from examination and other fees rose by 44% to Rs. 435.79 m. Education and training fees increased by Rs. 15.13 m.

The increase in expenditure of Rs. 129.68 m over 2014 result was mainly due to increase in examination charges impacting Rs. 44.16 m and increase in salaries, rent, repair and maintenance & financial assistance to members/families.

Capital Expenditure

Capital expenditure totaled Rs. 68.63 m, which was predominantly office equipment, vehicles and furniture and fixtures.

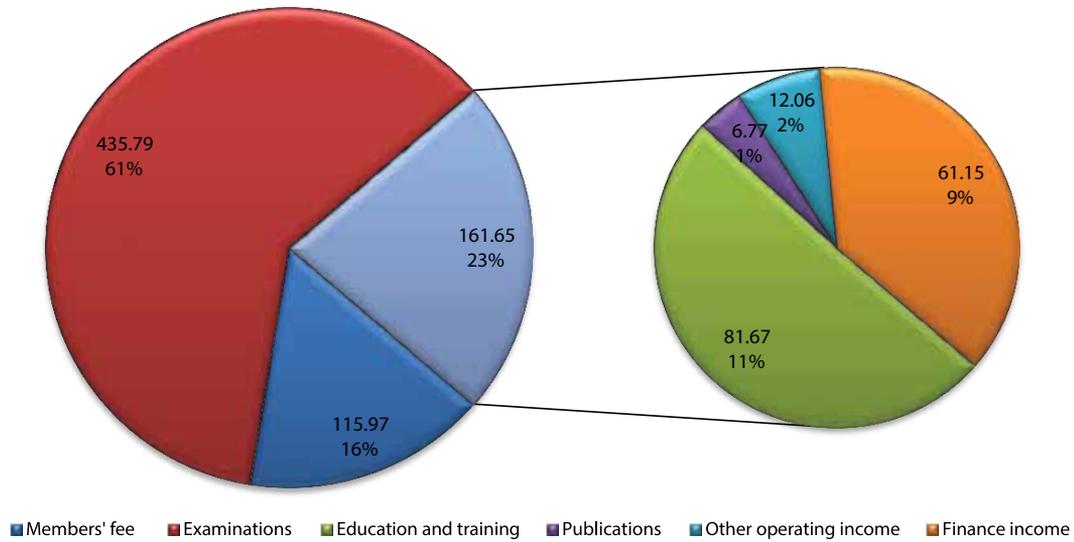
Financial Position

Net assets at 30 June 2015 were Rs. 753.81 m, an increase of Rs. 114.13 m on the 2014 position. At balance sheet date, the Institute had cash and bank balances of Rs. 36.83 m while total investments marked at 521.35 m. Loans and receivables at balance sheet date remains stable, with debtors expected to be recovered in normal course of business, and with adequate provision for any debt considered doubtful.

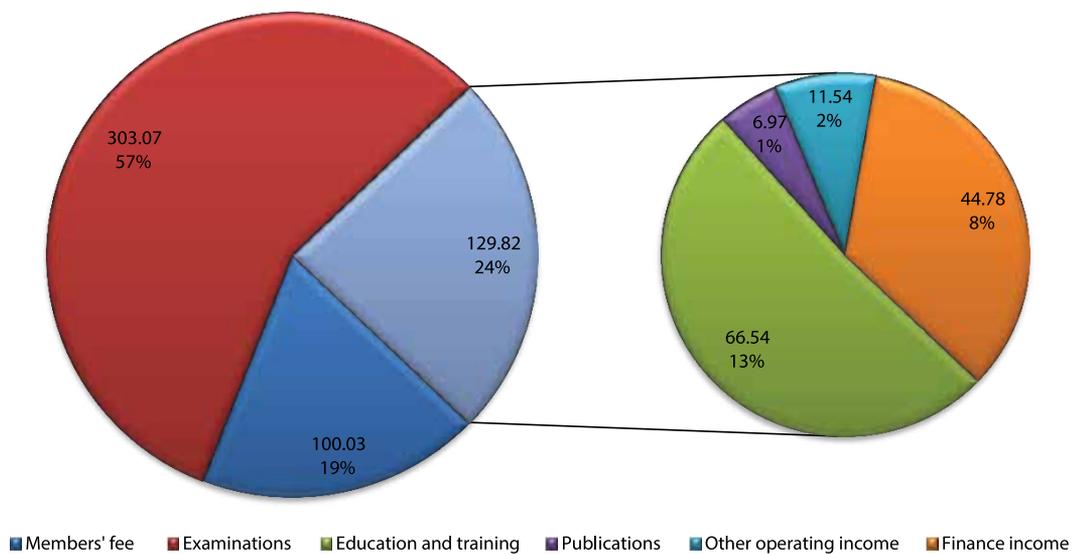
Fees in advance includes Rs. 28.07 m relating to the payments received from members for the annual subscription of financial year ending 30 June 2016.

income composition

Income 2015 (Rupees in million)

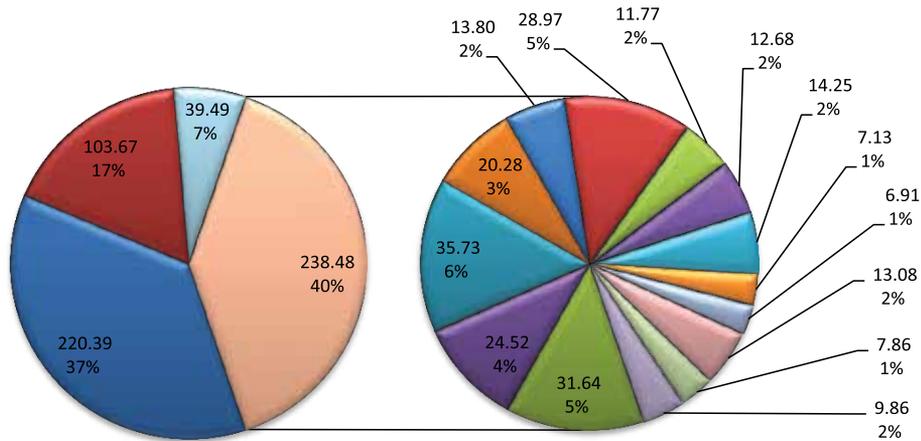


Income 2014 (Rupees in million)



expense composition

Expenses 2015 (Rupees in million)

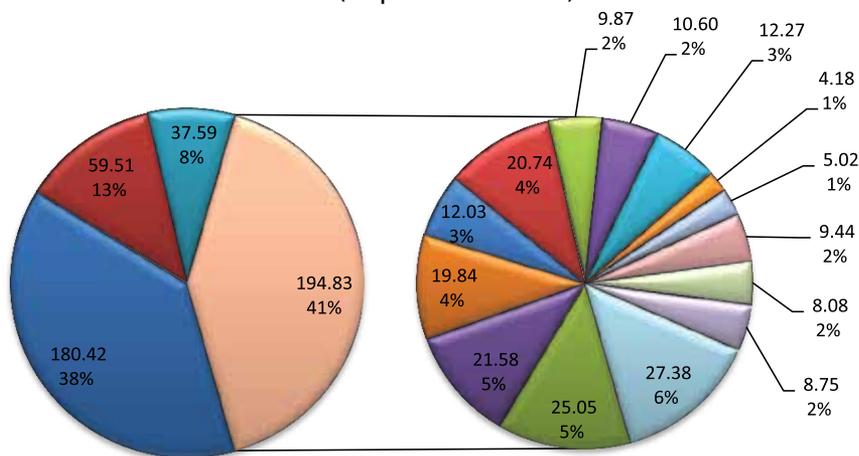


- Salaries, allowances and other benefits
- Traveling and related expenses
- Postage and telephone
- Rent, rates and taxes
- Financial assistance to students
- Legal and professional charges

- Examination charges
- Stupy packs and other publications
- Repairs and maintenance
- Advertisement and exhibition
- Financial assistance to members/families
- Other expenditures

- Depreciation
- Utilities
- Printing and stationery
- Amortization of intangible assets
- Vehicles maintenance and running cost

Expenses 2014 (Rupees in million)



- Salaries, allowances and other benefits
- Traveling and related expenses
- Postage and telephone
- Rent, rates and taxes
- Financial assistance to students
- Legal and professional charges

- Examination charges
- Stupy packs and other publications
- Repairs and maintenance
- Advertisement and exhibition
- Financial assistance to members/families
- Other expenditures

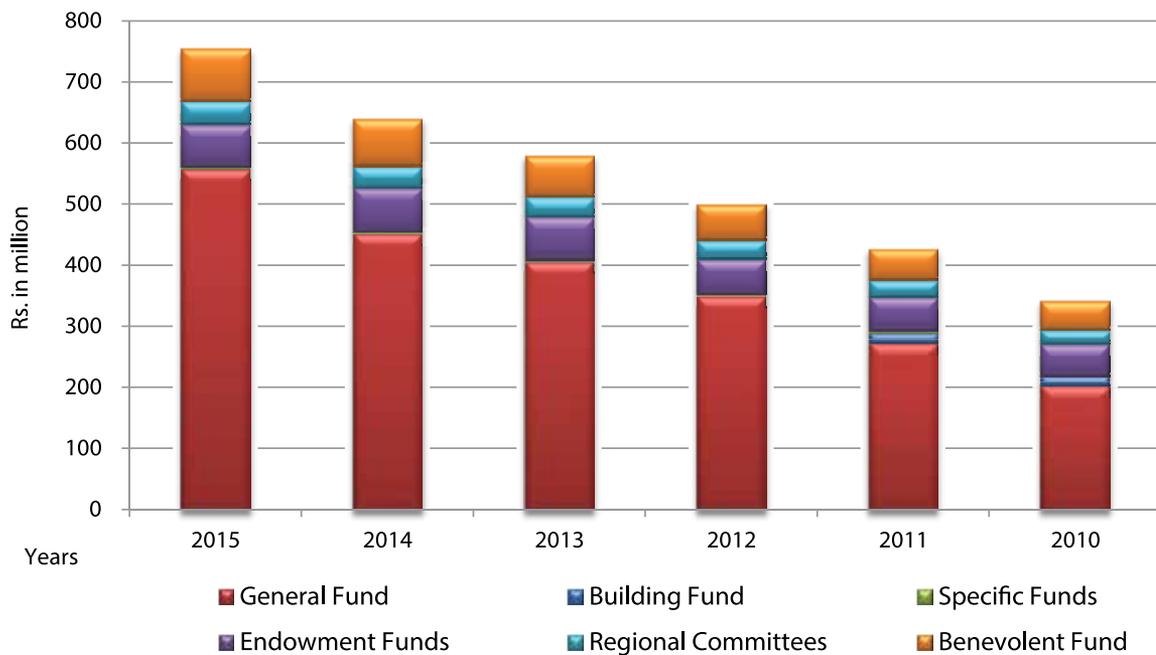
- Depreciation
- Utilities
- Printing and stationery
- Amortization of intangible assets
- Vehicles maintenance and running cost

six years' summary

Summary of Financial position

Rs. in million

Descriptions	2015	2014	2013	2012	2011	2010
General Fund	555	452	406	350	273	203
Building Fund	-	-	-	-	16	16
Specific Fund	5	4	3	3	3	4
Endowment Funds	71	71	70	58	55	52
Regional Committees	38	36	33	31	28	24
Benevolent Fund	86	77	67	58	50	46



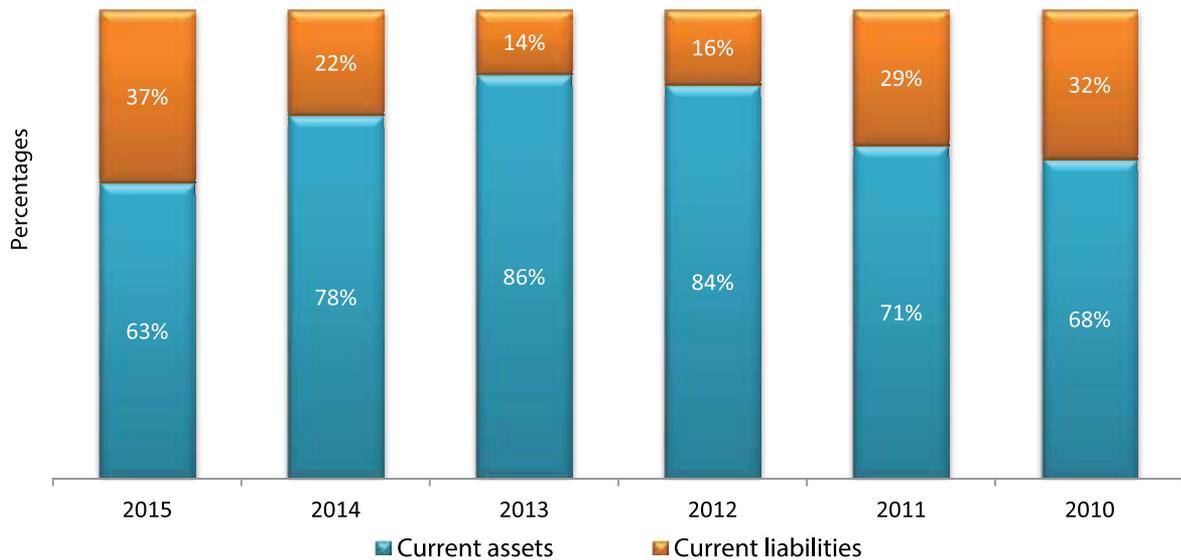
six years' summary

Summary of Assets & Liabilities

Rs. in million

Descriptions	2015	2014	2013	2012	2011	2010
Property, plant and equipment	235	225	184	168	155	162
Long term assets	445	159	91	111	194	128
Current asset	179	359	361	273	129	103
Current liability	105	104	57	52	53	48
Net current assets	74	255	304	221	77	55

Current Assets 'vs' Current Liabilities

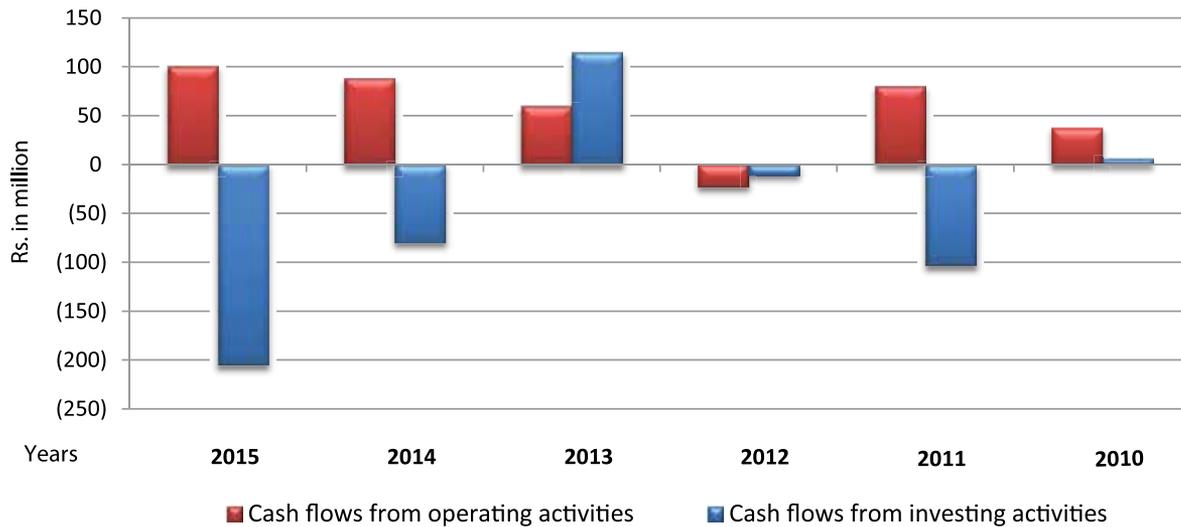


six years' summary

Summary of Cash flows

Rs. in million

Descriptions	2015	2014	2013	2012	2011	2010
Cash & cash equivalents at the beginning of the year	200	192	17	51	74	30
Cash flows from operating activities	101	88	60	(23)	80	38
Cash flows from investing activities	(205)	(80)	115	(11)	(103)	6
Net changes in cash and cash equivalents (104)		8	175	(34)	(23)	44
Cash & cash equivalents at the end of the year	96	200	192	17	51	74

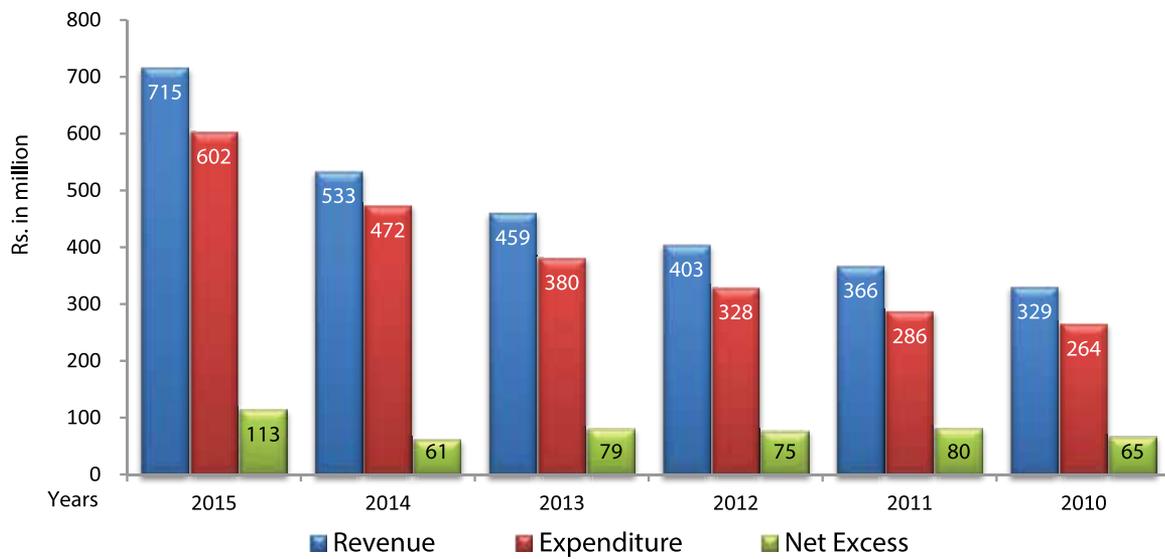


six years' summary

Summary of Income & Expenditure

Rs. in million

Descriptions	2015	2014	2013	2012	2011	2010
Revenue	715	533	459	403	366	329
Expenditure	602	472	380	328	286	264
Net Excess	113	61	79	75	80	65



six years' summary

Summary of Travelling and related Expenses

Rupees in '000

Category	2015	2014	2013	2012	2011	2010
OVERSEAS TRAVELLING						
International Federation of Accountants (IFAC)						
Members of the Council	3,625	2,507	3,268	3,111	4,274	2,407
Members of the Committee	410	541	223	455	1,278	684
Staff of the Institute	615	398	-	-	-	273
	4,650	3,446	3,491	3,566	5,552	3,364
Confederation of Asian and Pacific Accountants (CAPA)						
Members of the Council	2,240	726	879	1,581	827	488
Members of the Committee	-	-	-	-	-	582
	2,240	726	879	1,581	827	1,070
South Asian Federation of Accountants (SAFA)						
Members of the Council	1,392	2,163	606	1,335	761	719
Members of the Committee	-	-	-	-	-	392
Staff of the Institute	143	321	110	-	-	170
	1,535	2,484	716	1,335	761	1,281
Professional Accountants in Business (PAIB)						
Members of the Council	1,071	358	1,068	884	267	-
Staff of the Institute	-	143	-	-	-	-
	1,071	501	1,068	884	267	-
Others						
Members of the Council	1,688	1,297	127	575	432	713
Members of the Committee	-	-	-	922	227	526
Staff of the Institute	1,792	1,841	1,182	1,618	506	516
	3,480	3,138	1,309	3,115	1,165	1,755
Sub Total	12,976	10,295	7,463	10,481	8,572	7,470
LOCAL TRAVELLING						
Members of the Council	3,987	5,220	5,510	4,616	4,148	4,813
Members of the Committee	961	786	798	846	666	816
Staff of the Institute	6,594	5,278	4,641	3,028	1,922	1,465
Sub Total	11,542	11,284	10,949	8,490	6,736	7,094
Grand Total	24,518	21,579	18,412	18,971	15,308	14,564

vertical analysis

Rs. in million

Vertical Analysis	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
ASSETS AND LIABILITIES												
Property, plant and equipment	235	31	225	35	184	32	168	34	155	37	162	47
Other Long term assets	445	59	159	25	91	16	111	22	194	46	128	37
Current assets	179	24	359	56	361	62	273	55	129	30	103	30
Current liabilities	(105)	(14)	(104)	(16)	(57)	(10)	(52)	(10)	(53)	(12)	(48)	(14)
Net assets	754	100	640	100	579	100	500	100	425	100	345	100
REPRESENTED BY												
General Fund	555	74	452	71	406	70	350	70	273	64	203	59
Building Fund	-	-	-	-	-	-	-	-	16	4	16	5
Specific Fund	5	1	4	1	3	1	3	1	3	1	4	1
Endowment Funds	71	9	71	11	70	12	58	11	55	13	52	15
Regional Committees	38	5	36	6	33	6	31	6	28	7	24	7
Benevolent Fund	86	11	77	12	67	12	58	12	50	12	46	13
INCOME & EXPENDITURES												
Income	715	100	533	100	459	100	403	100	366	100	329	100
Expenditures	602	84	472	89	380	83	328	81	286	78	264	80
Operating Surplus	113	16	61	11	79	17	75	19	80	22	65	20

horizontal analysis

Rs. in million

Horizontal Analysis		2015	Change over preceding year (%)	2014	Change over preceding year (%)	2013	Change over preceding year (%)	2012	Change over preceding year (%)	2011	Change over preceding year (%)	2010
ASSETS AND LIABILITIES												
Property, plant and equipment		235	4	225	23	184	9	168	8	155	(4)	162
Other Long term assets		445	179	159	76	91	(18)	111	(43)	194	52	128
Current assets		179	(50)	359	(1)	361	32	273	111	129	26	103
Current liabilities		(105)	1	(104)	82	(57)	10	(52)	(1)	(53)	9	(48)
Net assets		754		640		579		500		425		345
REPRESENTED BY												
General Fund		555	23	452	11	406	16	350	28	273	34	203
Building Fund			-		-		-		(100)	16	0	16
Specific Fund		5	30	4	7	3	2	3	4	3	(28)	4
Endowment Funds		71	(1)	71	1	70	22	58	5	55	5	52
Regional Committees		38	6	36	9	33	7	31	9	28	19	24
Benevolent Fund		86	11	77	16	67	15	58	15	50	8	46
INCOME & EXPENDITURES		754		640		579		500		425		345
Income		715	34	533	16	459	14	403	10	366	11	329
Expenditures		602	27	472	24	380	16	328	15	286	8	264
Operating Surplus		113	86	61	(23)	79	5	75	(6)	80	24	65

“CAs can take the business to new heights”



independent auditors' report to the members

Qasim E. Causer
Chartered Accountant

2nd Floor, Block-C, Lakson Square Building No.1
Sarwar Shaheed Road,
Karachi – 74200

Abdul Hameed Chaudhri
Chartered Accountant

H.M. House, 7 Bank Square
Lahore.

Introduction

We have audited the accompanying financial statements of **The Institute of Chartered Accountants of Pakistan** (the Institute) which comprises the balance sheet as at June 30, 2015, and the related statement of comprehensive income, statement of cash flow and statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as of June 30, 2015 and of its financial performance, its cash flows and changes in funds for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Qasim E. Causer
Chartered Accountant
Karachi

Dated: August 07, 2015

Abdul Hameed Chaudhri
Chartered Accountant
Lahore





financial statements

balance sheet as at june 30, 2015

	Note	2015	2014
-----Rupees in '000-----			
NON-CURRENT ASSETS			
Property, plant and equipment	5	234,680	225,038
Intangible assets	6	10,769	17,805
Long term investments	7	425,768	134,236
Loans, advances and deposits	8	8,196	7,623
		<u>679,413</u>	<u>384,702</u>
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	9	8,488	11,829
Short term investments	10	95,578	280,040
Loans, advances, prepayments and other receivables	11	38,280	21,439
Cash and bank balances	12	36,831	45,841
		<u>179,177</u>	<u>359,149</u>
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities	13	31,419	44,770
Fee and charges received in advance	14	73,363	59,400
		<u>104,782</u>	<u>104,170</u>
NET CURRENT ASSETS		<u>74,395</u>	<u>254,979</u>
CONTINGENCIES AND COMMITMENTS	15		
NET ASSETS		<u><u>753,808</u></u>	<u><u>639,681</u></u>
REPRESENTED BY:			
General Fund		555,113	452,199
Specific Fund		4,578	3,520
Endowment Funds		70,566	71,046
Regional Committees		37,936	35,894
Benevolent Fund		85,615	77,022
		<u><u>753,808</u></u>	<u><u>639,681</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President

statement of comprehensive income

for the year ended June 30, 2015

	Note	2015	2014
-----Rupees in '000-----			
INCOME			
Members' subscription	16	115,975	100,029
Examination and other fees	17	435,791	303,065
Education and training fees	18	81,668	66,536
Publications	19	6,772	6,966
Other income	20	12,063	11,536
		652,269	488,132
EXPENDITURE			
Salaries, allowances and other benefits	21	220,390	180,415
Examination charges		103,669	59,512
Depreciation	5.2	31,645	25,053
Travelling and related expenses	22	24,518	21,579
Study packs and other publications	23	35,730	37,588
Utilities		20,282	19,837
Postage and telephone		13,800	12,035
Repairs and maintenance		28,969	20,738
Printing and stationery		11,772	9,867
Rent, rates and taxes		12,678	10,597
Advertisement and exhibition		14,248	12,268
Amortisation of intangible assets	6	7,128	4,181
Financial assistance to students	24	6,907	5,022
Financial assistance to members/families		13,079	9,437
Vehicles maintenance and running cost		7,863	8,079
Legal and professional charges		9,861	8,753
Others	25	39,481	27,379
		602,020	472,340
Excess of income over expenditure before finance income		50,249	15,792
Finance income	26	61,147	44,782
Excess of income over expenditure for the year		111,396	60,574
Other comprehensive income:			
Items that may subsequently be reclassified to income or expenditure			
Surplus / (deficit) on re-measurement of available for sale investments		1,831	(60)
Total comprehensive income for the year		113,227	60,514
ATTRIBUTABLE TO:			
General Fund		103,914	47,311
Specific Fund		158	228
Endowment Funds		(480)	763
Regional Committees		2,042	2,841
Benevolent Fund		7,593	9,371
		113,227	60,514

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President

statement of cash flows

for the year ended june 30, 2015

	Note	2015	2014
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received:			
Membership		118,813	107,767
Examinations		445,295	322,128
Training		81,668	66,536
Publications		6,461	6,945
Facilities and miscellaneous		13,626	9,927
		665,863	513,303
Cash paid:			
Employees		220,055	179,258
Professional bodies		3,184	2,713
Property tax		875	860
Suppliers and vendors		340,643	242,229
		564,757	425,060
Net cash generated from operating activities		101,106	88,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		(215,399)	(38,537)
Fixed capital expenditure		(68,634)	(69,229)
Purchase of intangible assets		(92)	(21,271)
Proceeds from sale of operating fixed assets		5,274	2,471
Income received from investments		74,266	51,862
Loans, advances and deposits recovered		1,558	1,422
Loans, advances and deposits paid		(2,301)	(6,615)
Net cash used in investing activities		(205,328)	(79,897)
Net (decrease) / increase in cash and cash equivalents		(104,222)	8,346
Cash and cash equivalents at beginning of the year		200,186	191,840
Cash and cash equivalents at end of the year	27	95,964	200,186

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President

statement of changes in funds for the year ended june 30, 2015

General Fund	Endowment Funds			Regional Committees			Benevolent Fund			Total
	Specific Fund	Students' Endowment Fund	Libraries Development Fund	Southern		Northern	Accumulated Fund	Special Reserve Fund	Sub total	
				Accumulated Fund	H. J. Irani Memorial Fund					

— Rupees in '000—

Balance as at July 1, 2013	405,888	64,033	6,250	20,740	127	12,186	33,053	65,812	839	66,651	579,167
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	1,000	-	1,000	-

Total comprehensive income for the year ended June 30, 2014

Excess of income over expenditure for the year 47,311

Other comprehensive loss (60)

47,311 228 381 382 2,431 10 400 2,841 9,431 9,431 60,574

Balance as at June 30, 2014

452,199 3,520 64,414 6,632 23,171 137 12,586 35,894 76,183 839 77,022 639,681

Balance as at July 1, 2014

Transferred to Benevolent Fund (1,000)

Contribution for gold medal 900

(1,000) - - - - - - - - 1,000 - 1,000 -

Total comprehensive income for the year ended June 30, 2015

Excess of income over expenditure for the year 103,914

Other comprehensive income 1,831

103,914 158 (945) 465 (480) 2,428 10 (396) 2,042 5,762 5,762 111,396

555,113 4,578 63,469 7,097 25,599 147 12,190 37,936 84,776 839 85,615 753,808

The Council in its 253rd meeting held on May 09, 2014, decided to appropriate Rs. 1 million from General Fund to Benevolent Fund.

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President

notes to the financial statements

for the year ended june 30, 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 organisation, 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 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

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan under the Companies Ordinance, 1984 and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-laws, 1983.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.3 New and amended standards and interpretations

2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- (a) IAS 32 (amendments), **Financial instruments: Presentation**, on asset and liability offsetting is applicable on accounting periods beginning on or after January 1, 2014. These amendments are to the application guidance in IAS 32, **Financial instruments: Presentations**, and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The application of these amendments has no material impact on the Institute's financial statements.
- (b) IAS 36 (amendment), **Impairment of assets** on recoverable amount disclosure is applicable on accounting periods beginning on or after January 1, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of this amendment has no material impact on the Institute's financial statements.

2.3.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for accounting periods beginning on July 1, 2014 are considered not to be relevant for the Institute's financial statements and hence have not been detailed here.

2.3.3 Standards, interpretations and amendments to publish approved accounting standards that are not yet effective and have not been early adopted by the Institute.

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after January 1, 2015:

- (a) IFRS 13 **Fair Value Measurement**, (effective for annual periods beginning on or after January 1, 2015) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend

the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Institute is yet to assess the full impact of the standard, however, initial indication is that it is unlikely that the Standard will have any significant impact on the Institute's financial statements.

- (b) Amendments to IAS 16, **Property, Plant and Equipment** and IAS 38, **Intangible Assets** (effective for annual periods beginning on or after January 1, 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. These amendments do not have any impact on the Institute's financial statements.
- (c) Annual improvements 2014 applicable for annual periods beginning on or after July 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5, **Non Current Assets Held for Sale and Discontinued Operations**, IFRS 7 **Financial Instruments: Disclosures**, IAS 19 **Employee Benefits**, and IAS 34, **Interim Financial Reporting**. These amendments do not have any impact on the Institute's financial statements.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Institute and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention except for available for sale investments which are carried at fair value.
- 3.2** The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It

also requires management to exercise judgements 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 expectations of future events that are believed to be reasonable under the circumstances. The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, such differences are estimated to be insignificant and hence will not affect the true and fair presentation of the financial statements. The assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas where various assumptions and estimates are significant to the Institute's financial statements or where judgements were exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant and equipment and intangible assets [notes 4.1 and 4.2]
- (ii) Provision against interest free education loans [note 4.3]
- (iii) Realisable amounts of slow moving and obsolete stock of publications [note 4.7].

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any, except for leasehold and freehold land which are stated at cost. Depreciation is charged on reducing balance method at the rates stated in note 5.2. Depreciation on additions is charged from the day on which the asset is put to use and on disposals, up to the day the asset has been in use.

Land acquired free of cost is accounted for at a nominal value as per

guidelines for Accounting and Financial Reporting by Non-government Organisations/Non-profit Organisations issued by the Institute of Chartered Accountants of Pakistan.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognised prospectively as a change of accounting estimate.

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

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income as and when incurred.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred and advances made in the course of construction and installation. These are transferred to specific assets as and when the assets are available for use.

4.2 Intangible assets

Intangible assets, which are stated at cost less accumulated amortisation and impairment losses, if any, represent the cost of computer software licenses and development cost of study pack materials.

Costs associated with maintaining these assets are charged to the statement of comprehensive income as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset.

All intangible assets are estimated to have definite useful lives and are amortised using the straight line method over a period of 3 years. Amortisation on addition is charged from the month in which asset is available for use while no amortisation is charged for the month in which the asset is disposed-off.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognised prospectively as a change in accounting estimate.

4.3 Interest free education loans

These are stated at cost less an allowance for uncollectable amounts, if any. Specific provision is made for doubtful students' loans on the basis of analysis conducted as to the likelihood of students to pay-off the loan.

4.4 Financial instruments

4.4.1 Financial assets

The Institute classifies its financial assets in the following categories:

(a) Held to maturity

Financial asset with fixed or determinable payments and fixed maturities, where the Institute's management has the intension and ability to hold till maturity are classified in this category.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than twelve month after the reporting date, which is classified as non-current assets.

(c) Available-for-sale

These financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Recognition and measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition, instruments classified as **available for sale** are measured at fair value. Changes in the fair value of instruments classified as **available for sale** are recognised in **other comprehensive income** until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the income or expenditure for the year.

Financial assets classified as **held to maturity** or **loans and receivables** are carried at amortised cost using the effective yield method, less impairment losses, if any.

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

4.4.2 Financial liabilities

Financial liabilities are measured at amortised cost using the effective yield method.

4.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the asset and to settle the liabilities simultaneously.

4.6 Impairment

4.6.1 Impairment in financial assets

A financial asset is impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that loss event has an impact on the estimated future cash flows of financial asset that can be reliably estimated.

4.6.2 Impairment in non-financial assets

The carrying amounts of non financial assets are reviewed at each reporting date for impairment when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to the recoverable amount. The resulting impairment loss is taken to the statement of comprehensive income.

4.7 Stock of study packs, publications and souvenirs

Stock of study packs, publications and souvenirs are stated at lower of cost and net realisable value. Cost is determined on first-in first-out basis.

Net realisable value represents estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

4.8 Loans, advances, prepayments and other receivables

These are stated at their nominal values net of any allowance for uncollectable amounts (if any). Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal amount. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks and short term investments realisable within three months.

4.10 Staff retirement benefit - defined contribution plan

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

4.11 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Institute.

4.12 Provisions

Provisions are recognised in the balance sheet when the Institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.13 Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the Institute and revenue can be reliably measured. Revenue from different sources is recognised on the following basis:

- Income from subscription and fee from members and students is accounted for on receipt basis. Fee/subscription receipts relating to periods beyond the current financial year are shown as advance fee.
- Profit on investments is accrued on the basis of effective yield of respective investments.
- Profit on savings accounts is recognised on accrual basis.

4.14 Foreign currency transactions and translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

4.15 Segment reporting

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

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. Segment results that are reported to the Council of the Institute include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.16 Appropriation of general funds

Appropriations of general funds are recognised in the financial statements in the period in which these are approved.

	2015		2014
Note	Rupees in '000		

5. PROPERTY, PLANT AND EQUIPMENT

Leasehold land - Preedy Street, Karachi	5.1	18		18
Operating fixed assets	5.2	234,662		203,371
Capital work-in-progress	5.4	-		21,649
		234,680		225,038

5.1 Leasehold land - Preedy Street, Karachi

The Institute's leasehold land at Preedy Street, Karachi, is occupied by squatters. The members in their 51st Annual General Meeting held on September 20, 2012 authorized the Council to proceed for the sale of this land at best price available.

5.2 Operating fixed assets

	Leasehold land	Freehold land	Building on leasehold land	Building on freehold land	Generators	Electric fittings and appliances	Furniture and fixtures	Vehicles	Office equipment	Library books - Regional Committees	Total
-----Rupees in '000-----											
As at July 1, 2013											
Cost	1,601	4,581	97,514	22,679	9,582	45,579	30,596	42,587	55,060	1,756	311,535
Accumulated depreciation	-	-	(35,903)	(7,599)	(2,830)	(24,485)	(13,756)	(15,919)	(29,738)	(1,090)	(131,320)
Net book value	1,601	4,581	61,611	15,080	6,752	21,094	16,840	26,668	25,322	666	180,215
Year ended June 30, 2014											
Opening net book value	1,601	4,581	61,611	15,080	6,752	21,094	16,840	26,668	25,322	666	180,215
Additions	-	-	1,802	1,898	3,048	13,235	8,679	9,093	13,153	-	50,908
Disposals	-	-	-	(63)	-	(515)	(663)	(4,944)	(2,184)	-	(8,369)
- cost	-	-	-	31	-	370	557	3,113	1,769	-	5,840
- accumulated depreciation	-	-	-	(32)	-	(145)	(106)	(1,831)	(415)	-	(2,529)
Written-off	-	-	-	-	-	(64)	(317)	-	(368)	-	(749)
- cost	-	-	-	-	-	62	223	-	294	-	579
- accumulated depreciation	-	-	-	-	-	(2)	(94)	-	(74)	-	(170)
Depreciation for the year	-	-	(3,137)	(828)	(1,306)	(3,859)	(2,102)	(6,311)	(7,437)	(73)	(25,053)
Closing net book value	1,601	4,581	60,276	16,118	8,494	30,323	23,217	27,619	30,549	593	203,371
As at June 30, 2014											
Cost	1,601	4,581	99,316	24,514	12,630	58,235	38,295	46,736	65,661	1,756	353,325
Accumulated depreciation	-	-	(39,040)	(8,396)	(4,136)	(27,912)	(15,078)	(19,117)	(35,112)	(1,163)	(149,954)
Net book value	1,601	4,581	60,276	16,118	8,494	30,323	23,217	27,619	30,549	593	203,371
Year ended June 30, 2015											
Opening net book value	1,601	4,581	60,276	16,118	8,494	30,323	23,217	27,619	30,549	593	203,371
Additions	-	-	4,640	4,938	2,918	7,160	14,163	19,285	15,450	80	68,634
Disposals (note 5.3)	-	-	-	-	-	(1,35)	(680)	(11,201)	(1,574)	-	(17,631)
- cost	-	-	8	-	103	2,681	404	7,575	1,162	-	11,933
- accumulated depreciation	-	-	(59)	-	(32)	(1,293)	(276)	(3,626)	(412)	-	(5,698)
Depreciation for the year	-	-	(3,222)	(1,042)	(1,547)	(5,266)	(3,746)	(6,995)	(9,758)	(69)	(31,645)
Closing net book value	1,601	4,581	61,635	20,014	9,833	30,924	33,358	36,283	35,829	604	234,662
As at June 30, 2015											
Cost	1,601	4,581	103,889	29,452	15,413	61,421	51,778	54,820	79,537	1,836	404,328
Accumulated depreciation	-	-	(42,254)	(9,438)	(5,580)	(30,497)	(18,420)	(18,537)	(43,708)	(1,232)	(169,666)
Net book value	1,601	4,581	61,635	20,014	9,833	30,924	33,358	36,283	35,829	604	234,662
Annual rate of depreciation	-	-	5%	5%	15%	10% - 20%	10% - 20%	20%	10% - 33%	10% - 33%	-

5.2.1 Leasehold land includes a plot measuring 600 square yards recorded at a nominal value of Re. 1 during the financial year ended June 30, 2010. The plot was gifted by one of the senior members to the Institute for the purposes of constructing ICAP offices, a library, examination centre, class rooms, auditorium and other similar activities. The land is located at C-1, Government Teachers Cooperative Housing Society, Sector 16-A, Scheme 33, Gulzar-e-Hijri, Karachi. The title to the plot was transferred to the Institute through an allotment letter dated March 21, 2010.

5.3 The details of operating fixed assets disposed-off during the year are as follows:

Particular of Assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain	Mode of disposal	Particulars of buyers
----- Rupees in '000 -----							
Building on leasehold land							
Steel stairs	67	8	59	5	(54)	Tender	M/s. Dilawar & Brother
Generators							
Generator	135	103	32	40	8	Tender	M/s. Dilawar & Brother
Electric fittings and appliances							
Air conditioners	323	260	63	24	(39)	Tender	M/s. Dilawar & Brother
Bracket fan	35	29	6	3	(3)	Tender	M/s. Dilawar & Brother
Electric work	3,616	2,392	1,224	156	(1,068)	Tender	M/s. Dilawar & Brother
	3,974	2,681	1,293	183	(1,110)		
Furniture and Fixtures							
Carpet	250	98	152	25	(127)	Tender	M/s. Dilawar & Brother
Cabinet	71	53	18	3	(15)	Tender	M/s. Dilawar & Brother
Counter	10	2	8	2	(6)	Tender	M/s. Dilawar & Brother
Miscellaneous furnishing work	102	83	19	7	(12)	Tender	M/s. Dilawar & Brother
Planters	4	3	1	1	-	Tender	M/s. Dilawar & Brother
Racks	8	6	2	1	(1)	Tender	M/s. Dilawar & Brother
Sofa	23	16	7	5	(2)	Tender	M/s. Dilawar & Brother
Table	164	104	60	27	(33)	Tender	M/s. Dilawar & Brother
Table steel folding	36	35	1	20	19	Tender	M/s. Dilawar & Brother
Trolley	12	4	8	2	(6)	Tender	M/s. Dilawar & Brother
	680	404	276	93	(183)		
Vehicles							
Honda Civic	1,673	1,132	541	541	-	As per Institute's policy	Mr. Shoaib Ahmad - Employee
Honda Citi	1,253	864	389	389	-	As per Institute's policy	Mr. Irfan Ghaziani - Employee
Honda Citi	1,223	836	387	387	-	As per Institute's policy	Mr. Kashif Malik - Employee
Honda Citi	1,226	833	393	393	-	As per Institute's policy	Mr. Faheemuddin Siddiqui - Employee
Suzuki Cultus	804	538	266	266	-	As per Institute's policy	Mr. Abdul Aleem - Employee
Suzuki Alto	659	441	218	218	-	As per Institute's policy	Mr. Mahmood Ahmed - Employee
Suzuki Alto	659	441	218	218	-	As per Institute's policy	Mr. Shahzad Niaz - Employee
Suzuki Alto	659	441	218	218	-	As per Institute's policy	Ms. Samina Rasul - Employee
Suzuki Alto	660	442	218	218	-	As per Institute's policy	Ms. Andaleeb S Bhojani - Employee
Suzuki Cultus	878	548	330	711	381	Tender	Adnan Usmani - Employee
Suzuki Alto	733	426	307	651	344	Tender	Nasir Mahmood Khan - Employee
Suzuki Cultus	677	548	129	625	496	Tender	Afifa Patel - Employee
Motor Cycle	57	52	5	26	21	Tender	Nasir Mahmood Khan - Employee
Motor Cycle	40	33	7	13	6	Tender	Nasir Mahmood Khan - Employee
	11,201	7,575	3,626	4,874	1,248		
Office equipment							
LCD TV	95	24	71	35	(36)	Trade in	New Glacier Electronics
Hand Punch Biometric Terminal	159	3	156	156	-	Returned	Limton Innovative System
CCTV cameras	227	190	37	7	(30)	Tender	M/s. Dilawar & Brother
CCTV recording device	271	174	97	10	(87)	Tender	M/s. Dilawar & Brother
Mobile	30	18	12	2	(10)	Tender	M/s. Dilawar & Brother
Television	17	15	2	4	2	Tender	M/s. Dilawar & Brother
Laptop	54	41	13	16	3	As per Institute's policy	Mr. Haroon Tabraze - Employee
Desktop computer	488	470	18	5	(13)	Tender	M/s. Dilawar & Brother
LCD monitor	12	11	1	-	(1)	Tender	M/s. Dilawar & Brother
Printer	221	216	5	1	(4)	Tender	M/s. Dilawar & Brother
	1,574	1,162	412	236	(176)		
June 30, 2015:	17,631	11,933	5,698	5,431	(267)		
June 30, 2014:	8,369	5,840	2,529	2,471	(58)		

Notes	2015	2014	
	-----Rupees in '000-----		
5.4 Capital work-in-progress			
Buildings	-	10,611	
Electric fittings and appliances	-	3,424	
Furniture and fixtures	-	7,614	
	<u>-</u>	<u>21,649</u>	
	<u>-</u>	<u>21,649</u>	
6. INTANGIBLE ASSETS			
	Computer software licenses	Development cost of study pack materials	Total
	-----Rupees in '000-----		
As at July 1, 2013			
Cost	3,327	-	3,327
Accumulated amortisation	(2,612)	-	(2,612)
Net book value	<u>715</u>	<u>-</u>	<u>715</u>
Year ended June 30, 2014			
Opening net book value	715	-	715
Additions	157	21,114	21,271
Amortisation charge	(691)	(3,490)	(4,181)
Closing net book value	<u>181</u>	<u>17,624</u>	<u>17,805</u>
As at June 30, 2014			
Cost	3,484	21,114	24,598
Accumulated amortisation	(3,303)	(3,490)	(6,793)
Net book value	<u>181</u>	<u>17,624</u>	<u>17,805</u>
Year ended June 30, 2015			
Opening net book value	181	17,624	17,805
Additions	92	-	92
Amortisation charge	(90)	(7,038)	(7,128)
Closing net book value	<u>183</u>	<u>10,586</u>	<u>10,769</u>
As at June 30, 2015			
Cost	3,576	21,114	24,690
Accumulated amortisation	(3,393)	(10,528)	(13,921)
Net book value	<u>183</u>	<u>10,586</u>	<u>10,769</u>
Annual rate of amortisation	<u>33.33%</u>	<u>33.33%</u>	

- 6.1** Intangible assets as at June 30, 2015 include items having an aggregate cost of Rs. 3.24 million (2014: Rs. 3.24 million) that have been fully amortised and are still in use of the Institute.

	Note	2015	2014
-----Rupees in '000-----			
7. LONG TERM INVESTMENTS			
Held to maturity			
General Fund	7.1	347,221	57,750
Specific Fund: Prize Fund	7.2	1,492	489
Endowment Funds	7.3	60,604	28,481
Southern Regional Committee	7.4	12,800	13,613
Benevolent Fund	7.5	3,651	33,903
		425,768	134,236
7.1 General Fund			
Certificate of Islamic Investments	7.1.1	65,000	-
Pakistan Investment Bonds	7.1.2	282,221	57,750
		347,221	57,750
7.1.1	This represents Certificates of Islamic Investments of a bank costing Rs. 65 million (2014: nil). These certificates carry mark-up at rates ranging between 8.03% and 8.75% (2014: nil) per annum and are maturing on February 13, 2022.		
7.1.2	This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 286.82 million (2014: Rs. 58.38 million). Profit is receivable on half yearly basis with yield at rates ranging from 11.75% to 12.47% (2014: 11.75% to 12.03%) per annum. These PIBs have term of three years and are maturing on July 17, 2017.		
7.2 Specific Fund: Prize Fund			
	Note		
Certificate of Islamic Investment	7.2.1	1,000	-
Pakistan Investment Bonds	7.2.2	492	489
		1,492	489
7.2.1	This represents a Certificate of Islamic Investments of a bank costing Rs. 1 million (2014: nil). This certificate carries mark-up at rates ranging between 8.03% and 8.75% (2014: nil) per annum and is maturing on February 13, 2022.		
7.2.2	This represents investment in a Pakistan Investment Bond (PIB) having face value of Rs. 0.49 million (2014: Rs. 0.49 million). Profit is receivable		

on half yearly basis with yield at the rate of 11.85% per annum (2014: 11.85% per annum). This PIB has a term of three years and is maturing in July 2016.

7.3	Endowment Funds	Note	2015	2014
			-----Rupees in '000-----	
	Students' Endowment Fund			
	Certificates of Islamic Investments	7.3.1	22,000	-
	Pakistan Investment Bonds	7.3.2	33,680	25,566
	Libraries Development Fund			
	Pakistan Investment Bonds	7.3.3	4,924	2,915
			<u>60,604</u>	<u>28,481</u>

7.3.1 This represents Certificates of Islamic Investments of a bank costing Rs. 22 million (2014: nil). These certificates carry mark-up at rates ranging between 8.03% and 8.75% (2014: nil) per annum and are maturing on February 13, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 34.00 million (2014: Rs.25.87 million). Profit is receivable on half yearly basis with yield at rates ranging from 11.85% to 12.42% (2014: 11.85% to 12.03%) per annum. These PIBs have term of three years and are maturing on various dates latest by July 17, 2017.

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

7.4	Southern Regional Committee	Note	2015	2014
			-----Rupees in '000-----	
	Certificates of Islamic Investments Accumulated Fund	7.4.1	12,800	13,476
	H. J. Irani Memorial Fund		-	137
			<u>12,800</u>	<u>13,613</u>

7.4.1 This represents placements in Certificates of Investments of a bank costing Rs. 12.61 million (2014: Rs. 13.47 million). These certificates carry expected mark-up at rates ranging between 6.88% and 9.07% (2014: 7.54% and 9.06%) per annum and are maturing on various dates latest by June 30,

2020. Accrued mark-up aggregating to Rs. 0.186 million (2014: Rs.0.003 million) is included in carrying value.

	Note	2015 -----Rupees in '000-----	2014
7.5 Benevolent Fund			
Defence Savings Certificates	7.5.1	3,651	3,820
Special Saving Certificates		-	30,083
		<u>3,651</u>	<u>33,903</u>

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (2014: 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% (2014: 12.10%) per annum. Accrued mark-up aggregating Rs. 1.65 million (2014: Rs. 1.82 million) is included in the carrying value.

8. LOANS, ADVANCES AND DEPOSITS

Motor cycle loans (secured - considered good)	8.1	752	711
Less: Recoverable within one year grouped under current assets		215	260
		<u>537</u>	<u>451</u>
Advances (secured - considered good)	8.2 & 8.3	1,679	1,883
Less: Recoverable within one year grouped under current assets		469	402
		1,210	1,481
Interest free education loans - unsecured			
considered good		2,312	2,748
considered doubtful		2,700	2,820
		5,012	5,568
Less: Provision for doubtful loans		2,700	2,820
		<u>2,312</u>	<u>2,748</u>
Deposits		3,499	2,654
Advance rent		447	289
Advance against purchase of property, plant and equipment		191	-
		<u>8,196</u>	<u>7,623</u>

8.1 These represent interest free loans to the employees of the Institute for purchase of motor cycles and are recoverable in monthly instalments over the period of five years. Motor cycles provided under this scheme are registered in joint names of the Institute and employees. These loans are secured against employees' vested retirement benefits.

8.2 These represent interest free special advances which are given to employees for various reasons in accordance with Institute's policy. These advances are recoverable in 60 equal monthly instalments and are secured against employees retirement benefit.

8.3 This includes Rs. 1.261 million (2014: Rs. 1.599 million) due from key management personnel.

	Notes	2015 -----Rupees in '000-----	2014
9. STOCK OF STUDY PACKS, PUBLICATIONS AND OTHER SOUVENIRS			
Stock of study packs		4,410	7,473
Stock of publications and souvenirs		4,078	4,356
		<u>8,488</u>	<u>11,829</u>
10. SHORT TERM INVESTMENTS			
Held to maturity			
General Fund		-	186,191
Specific Fund: Prize Fund	10.1	2,724	2,729
Endowment Funds		-	33,323
Southern Regional Committee	10.2	6,087	6,520
Northern Regional Committee	10.3	9,126	9,144
Benevolent Fund	10.4	72,140	38,463
Available for sale			
Benevolent Fund	10.4	5,501	3,670
		<u>95,578</u>	<u>280,040</u>
10.1 Specific Fund: Prize Fund			
Term Deposit Receipts	10.1.1	2,724	2,729

10.1.1 This represents investment in Term Deposit Receipts (TDRs) of a financial institution, having aggregate face value of Rs. 2.7 million (2014: Rs. 2.7 million). These carry mark-up at rates ranging between 7.6% and 9.0% (2014: 9.0% and 12.0%) per annum and are maturing on various dates upto April 2016. Accrued mark-up aggregating Rs. 0.024 million (2014: Rs. 0.029 million) is included in the carrying value.

	Notes	2015	2014
-----Rupees in '000-----			
10.2 Southern Regional Committee			
Certificates of Islamic Investment Accumulated Fund	10.2.1	5,940	6,520
H. J. Irani Memorial Fund	10.2.2	147	-
		6,087	6,520

10.2.1 These represent Certificates of Islamic Investment, issued by a bank costing Rs. 5.92 million (2014: Rs. 6 million). These certificates carry mark-up at rates ranging between 5.96% and 7.56% (2014: 7.36% and 7.58%) per annum and will mature on June 30, 2016.

10.2.2 This represents Certificate of Islamic Investment, issued by a bank costing Rs. 0.12 million (2014: nil). This certificate carry mark-up at rates ranging between 7.11% and 8.03% (2014: nil) per annum and will mature on October 31, 2015.

	Note	2015	2014
-----Rupees in '000-----			
10.3 Northern Regional Committee			
Islamic Certificates	10.3.1	9,126	9,144

10.3.1 This represents investment in Islamic Certificates aggregating Rs. 9.00 million (2014: Rs. 9.00 million). These certificates carry mark-up at the rate of 7.50% (2014: 8.93%) per annum and will mature on April 23, 2016.

10.4 Benevolent Fund

Held to maturity

Treasury bills	10.4.1	38,684	14,154
Special Saving Certificates	10.4.2	33,456	24,309
		72,140	38,463

Available for sale

Investments in equity shares	10.4.3	5,501	3,670
		77,641	42,133

10.4.1 This represents investment in Treasury Bills, issued by State Bank of Pakistan costing Rs. 38.31 million (2014: Rs. 13.81 million). These bills carry mark-up at rates ranging from 6.75% to 9.10% (2014: 9.80%) per annum maturing on various dates upto January 7, 2016. Accrued mark-up aggregating Rs. 0.37 million (2014: Rs. 0.34 million) is included in the carrying value.

10.4.2 This represents investment in Special Saving Certificates having aggregate face value of Rs. 23.94 million (2014: Rs. 18.90 million). These certificates have been placed for a term of three years and are maturing on various dates upto August 2015. These carry mark-up at the rate of 13.48% (2014: 13.48%) per annum. Accrued mark-up aggregating Rs. 9.51 million (2014: Rs. 5.41 million) is included in the carrying value.

	Note	2015	2014
-----Rupees in '000-----			
10.4.3 Investments in equity shares			
The Hub Power Company Limited			
As on July 1,		2,350	2,466
Surplus / (deficit) on re-measurement		1,394	(116)
Market value of 40,000 ordinary shares as on June 30,		3,744	2,350
Fauji Fertilizer Company Limited			
As on July 1,		1,320	1,264
Surplus on re-measurement		437	56
Market value of 11,767 ordinary shares as on June 30,		1,757	1,320
		5,501	3,670

	Note	2015	2014
-----Rupees in '000-----			
11. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of			
Motorcycle loans	8	215	260
- Long term advances		131	402
		<u>346</u>	<u>662</u>
Advances: (considered good)			
Secured:			
- executives (key management personnel)		589	291
- employees		508	282
		1,097	573
Unsecured:			
- income tax		3,434	2,167
- rent		3,053	3,101
- suppliers and others		1,431	390
		7,918	5,658
Less: Provision against advance income tax		3,434	-
		4,484	5,658
Prepayments		3,837	4,805
Mark-up / profit accrued on:			
Term Deposit Receipts / Certificates of Islamic Investments / PLS Saving		673	323
Pakistan Investment Bonds		16,567	4,430
		17,240	4,753
Other receivables	11.1	11,276	4,988
		<u>38,280</u>	<u>21,439</u>
11.1 Other receivables			
Considered good			
Advertisement income receivable		69	63
Due on account of utilization of facilities		58	-
Due on account of conferences		431	821
Fee in-transit	11.1.1	5,210	3,742
Receivables from National Saving Centre	11.1.2	4,096	-
Miscellaneous	11.1.3	1,412	362
		<u>11,276</u>	<u>4,988</u>
11.1.1	This represents fee in-transit against membership to be received through a bank.		
11.1.2	This represents receivable from National Saving Centre for encashment of Special Saving Certificate which matured on June 22, 2015.		
11.1.3	This includes Rs. 0.206 million (2014: Rs. 0.247 million) receivable from key management personnel.		

12. CASH AND BANK BALANCES**General Fund**

Cash in hand

Local currency

224

231

Foreign currency

230

291

454

522

Cash at banks in:

- Current accounts

Local currency

3,104

1,022

Foreign currency

102

99

3,206

1,121

- PLS Saving accounts

Local currency

12.1

22,757

31,927

Foreign currency

12.2

1,237

3,762

23,994

35,689

2015

2014

Note

-----Rupees in '000-----

Prize Fund

Cash at banks in PLS Saving accounts

12.1

304

252

Students' Endowment Fund

Cash at banks in:

- Current accounts

816

792

- PLS Saving accounts

12.1

728

615

1,544

1,407

Southern Regional Committee

Cash in hand

24

8

Cash at banks in:

- Current accounts

1,230

1,430

- PLS Saving accounts

3,275

1,288

4,505

2,718

Northern Regional Committee

Cash in hand

69

36

Cash at banks in:

- Current accounts

249

121

- PLS Saving accounts

1,004

2,775

1,253

2,896

Benevolent Fund

Cash at banks in PLS Saving accounts

1,478

1,192

36,831

45,841

12.1 These carry mark-up at rates upto 6.75% (2014: 7.00%) per annum.

12.2 These carry mark-up at rates upto 0.10% (2014: 0.10%) per annum.

13. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2015	2014
-----Rupees in '000-----			
Creditors		12,548	22,732
Accrued expense			
- examination conducting charges		7,802	6,000
- bonus to employees		3,768	3,433
- due to South Asian Federation of Accountants (SAFA)		1,008	761
- Others	13.1	2,696	3,137
		15,274	13,331
Other liabilities			
- Chartered Accountant Students' Association		544	523
- Retention money		666	3,695
- IFRS Foundation royalty		546	851
- Others	13.1	1,841	3,638
		3,597	8,707
		<u>31,419</u>	<u>44,770</u>

13.1 This includes Rs. 0.362 million (2014: Rs. 1.434 million) and Rs. 0.131 million (2014: Rs. 0.131 million) payable to Council members and key management personnel respectively.

	Note	2015	2014
-----Rupees in '000-----			
14. FEE AND CHARGES RECEIVED IN ADVANCE			
Fee received in advance from / on account of:			
- Members		28,075	25,237
- Examinations		41,615	32,110
- Others		1,569	19
Advance life insurance premium from members		1,960	1,944
Advance health insurance premium from members		144	90
		<u>73,363</u>	<u>59,400</u>

15. CONTINGENCIES AND COMMITMENTS

- 15.1** 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 judgement has been suspended by the Honourable Supreme Court of Pakistan, therefore, no accrual has been made in these financial statements relating to the above referred penalty.
- 15.2** The Competition Commission of Pakistan (the Commission) passed an order dated January 10, 2013, wherein it has held that ICAP circular dated July 4, 2012, refraining the training organisations 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 these financial statements relating to the above-referred penalty.
- 15.3** Sindh Revenue Board issued a notice to the Institute dated May 27, 2015, demanding Sindh Sales Tax amounting to Rs. 37.77 million on the grounds that the Institute has charged fee from its members for authorization to practice as chartered accountants, treating it as franchising fee which is chargeable to tax under Sindh Sales tax on Services Act, 2011. The Institute filed a petition in the Honorable High Court of Sindh against the aforementioned notice, and the said notice was suspended till the next date of hearing by the Honorable High Court vide its order dated June 11, 2015. Based on legal advice, the Institute expects a favourable outcome of the legal proceedings; therefore, no provision has been made in these financial statements relating to the above-referred amount.
- 15.4** Commitments in respect of capital expenditure as at the reporting date aggregated to Rs. 6.43 million (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. 6.12 million (2014: Rs. 8.07 million).

	Note	2015	2014
-----Rupees in '000-----			
16. MEMBERS' SUBSCRIPTION			
Annual subscription	16.1	101,038	88,083
Admission fee		1,084	1,296
Practicing certificate fee		13,638	10,414
Foreign affiliation fee		121	182
Duplicate identity card fee		94	54
		<u>115,975</u>	<u>100,029</u>
16.1 Annual subscription			
General Fund		85,014	72,790
Southern Region		2,808	2,699
Northern Region		2,080	2,025
Benevolent Fund		11,136	10,569
		<u>101,038</u>	<u>88,083</u>
17. EXAMINATION AND OTHER FEES			
Examination fee		405,840	260,817
Annual subscription from students		24,380	22,779
Examination conducting fee		2,755	6,092
Entrance test exemption fee	17.1	-	9,023
Entrance test fee	17.1	-	3,063
Fee for duplicate certificates		2,816	1,291
		<u>435,791</u>	<u>303,065</u>
17.1 Upon implementation of new Education Scheme 2013, the requirement of entry test was waived from January 2014.			
2015			
2014			
-----Rupees in '000-----			
18. EDUCATION AND TRAINING FEES			
Registration fee		79,563	65,514
Registered Accounting Education Tutors' fee		1,883	914
Training organisation fee		222	108
		<u>81,668</u>	<u>66,536</u>

	Note	2015	2014
-----Rupees in '000-----			
19. PUBLICATIONS			
Accounting standards		3,436	4,256
Auditing standards		744	1,337
Study packs	19.1	1,657	294
Gripping IFRS		297	471
Miscellaneous		638	608
		<u>6,772</u>	<u>6,966</u>

19.1 This represent income generated from sale of study packs to members, RAETs and others.

	Note	2015	2014
-----Rupees in '000-----			
20. OTHER INCOME			
Income derived from utilisation of facilities		3,893	2,750
Surplus from seminars and conferences - net	20.1	2,305	957
Surplus on Directors' Training Programs	20.2	2,627	5,967
Miscellaneous income		1,333	568
Balances written back		1,905	1,294
		<u>12,063</u>	<u>11,536</u>

20.1 Net surplus from seminars and conferences

Income from sponsorship and others	39,788	28,485
Less: Expenses incurred	<u>(37,483)</u>	<u>(27,528)</u>
	<u>2,305</u>	<u>957</u>

20.2 Surplus on Directors' Training Programs

Fee received for training	10,718	14,695
Less: Expenses incurred on training	<u>(8,091)</u>	<u>(8,728)</u>
	<u>2,627</u>	<u>5,967</u>

20.2.1 The Securities and Exchange Commission of Pakistan (SECP) under clause (xi) of the Code of Corporate Governance has made compulsory for directors of the listed companies to have certification from an approved local or foreign institution in Directors' Training Program. The Institute enjoys the privilege of being an approved institution of the SECP for Directors Training Programs. During the year ended June 30, 2015, the Institute has conducted five Directors' Training Programs and certified seventy eight directors.

	2015	2014
	-----Rupees in '000-----	
21. SALARIES, ALLOWANCES AND OTHER BENEFITS		
Salaries and allowances	206,883	170,062
Employees' health insurance	3,010	1,976
Defined contribution plan - provident fund	10,497	8,377
	<u>220,390</u>	<u>180,415</u>
22. TRAVELING AND RELATED EXPENSES		
Expenses incurred in respect of meetings and conferences attended by:		
- Members of the Council	14,003	12,271
- Members of the Committees	1,371	1,327
- Staff of the Institute:		
Secretary / Chief operating officer,	4,770	5,515
Directors and other executives	4,374	2,466
Other staff	9,144	7,981
	<u>24,518</u>	<u>21,579</u>
23. STUDY PACKS AND OTHER PUBLICATIONS		
Study packs:		
Opening stock	7,473	-
Cost of publication of study packs	25,325	36,462
Closing stock	(4,410)	(7,473)
	28,388	28,989
Other publications	7,342	8,599
	<u>35,730</u>	<u>37,588</u>
24. FINANCIAL ASSISTANCE TO STUDENTS		
This represents disbursements made out of Students' Endowment Fund.		

	Note	2015	2014
		-----Rupees in '000-----	
25. OTHERS			
Fee to professional bodies		3,184	2,713
Auditors' remuneration	25.1	721	576
Meeting and related expenses		1,628	1,404
Books and publications		536	451
Conveyance		327	276
Entertainment / meeting expenses		2,468	2,380
Bank charges		4,428	2,611
Zakat		-	875
Insurance		2,737	2,121
Study packs and Publications written-off		3,973	1,036
Provision for doubtful students' loans	8	-	20
Provision against advance income tax		3,434	-
Gold medals and award ceremony		4,210	3,116
Entrance test conducting charges		-	112
Training expenses		2,293	1,737
Online Education and Research Facility		2,225	2,276
Chartered Accountants talent program		2,640	1,067
Loss on sale of operating fixed assets	5.3	267	58
Honoraria to article writers		309	312
Sports and recreation		486	483
Bad debts		153	415
Exchange loss - net		-	440
Fixed assets written-off		-	170
Sundry expenses		3,462	2,730
		<u>39,481</u>	<u>27,379</u>
25.1 Auditors' remuneration			
Audit fee			
Abdul Hameed Chaudhri		267	220
Qasim E. Causer		242	220
Shaukat Amin Shah		-	25
Najeeb Mochala		50	50
		<u>559</u>	<u>515</u>
Out of pocket expenses		162	61
		<u>721</u>	<u>576</u>

	Note	2015 -----Rupees in '000-----	2014
26. FINANCE INCOME			
General Fund			
Mark-up/profit on:			
-Special Saving Certificates		-	460
- Term Deposit Receipts / Certificate of Islamic Investment		5,309	21,361
- Pakistan Investment Bonds		32,832	1,448
- PLS Saving accounts		5,594	4,244
		43,735	27,513
Exchange gain - net		175	-
		43,910	27,513
Specific Fund		353	387
Endowment Funds		6,557	6,034
Southern Regional Committee		1,793	1,637
Northern Regional Committee		852	945
Benevolent Fund		7,682	8,266
		61,147	44,782

27. CASH AND CASH EQUIVALENTS

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

Cash and bank balances	12	36,831	45,841
Investments realisable within three months		59,133	154,345
		95,964	200,186

28. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Institute comprise of staff retirement plan and key management personnel. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	2015 ----- Rupees in '000 -----	2014
Staff retirement plan	Contributions paid to provident fund	10,497	8,377
Key management personnel			
- Directors and other executives	Consideration received against sale of operating fixed assets	2,847	2,000
	Managerial remuneration	40,481	36,913
	Reimbursement of expenses	2,019	6,301
- Members of the Council	Membership fee received	514	432
	Reimbursement of expenses	5,677	3,622

28.1 Detail of expenses incurred in respect of traveling of members of the council, members of the committees, secretary / chief operating officer, directors and other executives of the Institute are disclosed in note 22.

28.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute directly or indirectly. The Institute considers all members of the council, secretary/ chief operating officer, directors and other executives as its key management personnel.

29. REMUNERATION AND BENEFITS OF SECRETARY / CHIEF OPERATING OFFICER, DIRECTORS AND OTHER EXECUTIVES

The aggregate amounts charged in the financial statements of the year for remuneration including certain benefits to secretary/chief operating officer, directors and other executives of the Institute are as follows:

	Secretary / Chief Operations Officer		Directors and other executives	
	2015	2014	2015	2014
	----- Rupees in '000 -----			
Managerial remuneration	9,701	9,600	89,072	72,028
Defined contribution plan - provident fund	-	-	4,794	3,927
Annual membership fee	19	17	476	408
Fuel, maintenance and utilities	186	378	5,213	5,784
	<u>9,906</u>	<u>9,995</u>	<u>99,555</u>	<u>82,147</u>
Number of persons	<u>2 (note 29.1)</u>	<u>1</u>	<u>37</u>	<u>28</u>

29.1 Secretary/chief operating officer resigned w.e.f February 2, 2015 and the Institute has appointed Feroz Rizvi as secretary/chief operating officer from March 2, 2015.

29.2 The president and members of the Council are not given any remuneration or benefits. They are only reimbursed traveling and related expenses where they represent the Institute or participate in the Institute's meetings.

29.3 The secretary/chief operating officer, directors and certain executives of the Institute are also provided with the Institute's maintained cars/monetization allowance in lieu thereof.

30. 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 into the following operating segments:

30.1 Service segments:

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

(i) Examination (ii) Education (iii) Membership and (iv) General services

30.1.1 Basis of allocation:

Service provided/rendered directly to students are allocated to examination and education departments whereas member related income and expenditures are allocated directly to membership department. Remaining income and expenditures are allocated to general services.

30.1.2 Segment revenue and results

2015	Examination	Education	Membership	General services	Total
	----- Rupees in '000 -----				
Income					
- from members	-	-	115,975	-	115,975
- from students	435,791	81,668	-	-	517,459
- others	-	-	-	18,835	18,835
	435,791	81,668	115,975	18,835	652,269
Expenditure (30.1.3)	211,871	106,764	114,993	168,392	602,020
					50,249
Finance Income - unallocated					62,978
Excess of income over expenditure					113,227

2014	Examination	Education	Membership	General services	Total
	----- Rupees in '000 -----				
Income					
- from members	-	-	100,029	-	100,029
- from students	303,065	66,536	-	-	369,601
- others	-	-	-	18,502	18,502
	303,065	66,536	100,029	18,502	488,132
Expenditure (30.1.3)	152,411	89,115	102,688	128,126	472,340
					15,792
Finance Income - unallocated					44,722
Excess of income over expenditure					60,514

30.1.3 Expenditure

2015	Examination	Education	Membership	General services	Total
	-----Rupees in '000-----				
Salaries, allowances and other benefits	63,177	28,534	53,638	75,041	220,390
Examination charges	103,669	-	-	-	103,669
Depreciation	7,914	3,482	4,432	15,817	31,645
Traveling and related expenses	4,282	1,004	17,331	1,901	24,518
Study packs and other publications	-	35,730	-	-	35,730
Utilities	5,121	2,253	2,868	10,040	20,282
Postage and telephone	3,450	1,518	1,932	6,900	13,800
Repairs and maintenance	7,242	3,187	4,056	14,484	28,969
Printing and stationery	2,773	1,952	2,397	4,650	11,772
Rent, rates and taxes	18	5	34	12,621	12,678
Advertisement and exhibitions	17	11,726	1,212	1,293	14,248
Amortisation of intangible assets	1,775	781	994	3,578	7,128
Financial assistance to students	-	6,907	-	-	6,907
Financial assistance to members/families	-	-	13,079	-	13,079
Vehicle maintenance and running cost	2,133	1,294	2,471	1,965	7,863
Legal and professional charges	13	84	4,702	5,062	9,861
Others	10,287	8,307	5,847	15,040	39,481
Total expenditure	211,871	106,764	114,993	168,392	602,020

2014	Examination	Education	Membership	General services	Total
	-----Rupees in '000-----				
Salaries, allowances and other benefits	54,585	19,594	48,710	57,526	180,415
Examination charges	59,512	-	-	-	59,512
Depreciation	6,514	2,756	3,507	12,276	25,053
Traveling and related expenses	2,721	1,189	16,045	1,624	21,579
Study packs and other publications	-	37,588	-	-	37,588
Utilities	5,158	2,182	2,777	9,720	19,837
Postage and telephone	3,129	1,324	1,685	5,897	12,035
Repairs and maintenance	5,392	2,281	2,903	10,162	20,738
Printing and stationery	2,429	1,452	2,022	3,964	9,867
Rent, rates and taxes	31	12	43	10,511	10,597
Advertisement and exhibitions	26	10,474	959	809	12,268
Amortisation of intangible assets	1,087	459	585	2,050	4,181
Financial assistance to students	-	5,022	-	-	5,022
Financial assistance to members/families	-	-	9,437	-	9,437
Vehicle maintenance and running cost	2,259	1,049	2,920	1,851	8,079
Legal and professional charges	1,963	-	5,768	1,022	8,753
Others	7,605	3,733	5,327	10,714	27,379
Total expenditure	152,411	89,115	102,688	128,126	472,340

30.1.4 Other Information

2015	Examination	Education	Membership	General services	Total
	----- Rupees in '000 -----				
Segment assets employed	33,572	24,935	20,371	210,766	289,644
Unallocated assets					568,946
Total assets					<u>858,590</u>
Segment liabilities employed	50,710	3,917	29,494	20,661	<u>104,782</u>

2014	Examination	Education	Membership	General services	Total
	----- Rupees in '000 -----				
Segment assets employed	23,788	23,455	23,774	194,911	265,928
Unallocated assets					477,923
Total assets					<u>743,851</u>
Segment liabilities employed	38,987	3,635	30,873	30,675	<u>104,170</u>
Unallocated assets					

30.1.5 Segment assets primarily consist of property, plant and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

30.2 Geographical segments:

The Institute has determined following main geographical segments representing 10% or more of the total income. Following the change in the composition of its reportable segments, the Institute has restated the corresponding items of segment information for earlier period.

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

30.2.1 Basis of allocation:

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

30.2.2 Segment revenue and results

2015	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Income					
from members	49,047	22,261	11,140	33,527	115,975
from students	162,130	180,836	91,397	83,096	517,459
	211,177	203,097	102,537	116,623	633,434
others general services - unallocated					18,835
					652,269
Allocated expenditure - Members and Students	(148,465)	(133,426)	(67,324)	(84,413)	(433,628)
Unallocated expenditure - General Services					(168,392)
Total expenditure (30.2.3)					(602,020)
Finance income and surplus on re-measurement of investments - unallocated					62,978
Excess of income over expenditure					113,227
2014	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Income					
from members	42,380	19,380	9,420	28,849	100,029
from students	118,385	127,186	66,808	57,222	369,601
	160,765	146,566	76,228	86,071	469,630
others general services - unallocated					18,502
					488,132
Allocated expenditure - Members & Students	(118,619)	(104,347)	(54,063)	(67,185)	(344,214)
Unallocated expenditure - General Services					(128,126)
Total expenditure (30.2.3)					(472,340)
Finance income and surplus on re-measurement of investments - unallocated					44,722
Excess of income over expenditure					60,514

30.2.3 Expenditure

2015	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Salaries, allowances and other benefits	181,480	25,822	9,234	3,854	220,390
Examination charges	57,918	25,715	11,127	8,909	103,669
Depreciation	21,926	5,969	2,034	1,716	31,645
Traveling and related expenses	14,273	7,491	2,207	547	24,518
Study packs and other publications	34,532	664	389	145	35,730
Utilities	10,566	5,270	2,533	1,913	20,282
Postage and telephone	8,700	2,361	1,320	1,419	13,800
Repair and maintenance	12,195	8,295	5,418	3,061	28,969
Printing and stationery	10,420	972	220	160	11,772
Rent, rates and taxes	3,911	3,123	457	5,187	12,678
Advertisement and exhibition	5,154	6,949	1,366	779	14,248
Amortisation of intangible assets	7,128	-	-	-	7,128
Financial assistance to students	1,147	3,441	1,261	1,058	6,907
Financial assistance to members/families	6,227	5,009	1,843	-	13,079
Vehicle maintenance and running cost	6,458	1,118	273	14	7,863
Legal and professional charges	9,846	-	-	15	9,861
Others	29,899	6,131	2,505	946	39,481
Expenditure - as and where incurred	421,780	108,330	42,187	29,723	602,020
Inter-segment allocation/transfer to unallocated	(273,315)	25,096	25,137	54,690	(168,392)
Allocated expenditure - Members & Students	148,465	133,426	67,324	84,413	433,628
Unallocated expenditure - General Services					(168,392)
Total expenditure					602,020

2014

	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Salaries, allowances and other benefits	148,878	20,420	7,839	3,278	180,415
Examination charges	32,737	8,402	3,883	14,490	59,512
Depreciation	17,126	4,489	1,751	1,687	25,053
Traveling and related expenses	10,173	8,017	2,966	423	21,579
Study packs and other publications	36,066	812	492	218	37,588
Utilities	12,192	3,609	2,246	1,790	19,837
Postage and telephone	7,415	2,225	1,251	1,144	12,035
Repair and maintenance	9,322	5,895	3,088	2,433	20,738
Printing and stationery	8,604	984	177	102	9,867
Rent, rates and taxes	3,474	2,479	243	4,401	10,597
Advertisement and exhibition	3,691	7,029	1,142	406	12,268
Amortisation of intangible assets	4,181	-	-	-	4,181
Financial assistance to students	807	2,812	809	594	5,022
Financial assistance to members/families	4,491	3,512	1,434	-	9,437
Vehicle maintenance and running cost	6,691	1,055	329	4	8,079
Legal and professional charges	8,753	-	-	-	8,753
Others	19,029	4,881	2,458	1,011	27,379
Expenditure - as and where incurred	333,630	76,621	30,108	31,981	472,340
Inter-segment allocation/transfer to unallocated	(215,011)	27,726	23,955	35,204	(128,126)
Allocated expenditure - Members & Students	118,619	104,347	54,063	67,185	344,214
Unallocated expenditure - General Services					128,126
Total expenditure					472,340

30.2.4 Other information

2015

	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Segments assets employed	194,787	60,248	21,722	16,321	293,078
Unallocated assets					568,946
Total assets					862,024
Segments liabilities employed	29,647	433	20	1,319	31,419
Unallocated liabilities					73,363
Total liabilities					104,782

2014

	Karachi	Lahore	Islamabad	Other	Total
	-----Rupees in '000-----				
Segments assets employed	173,106	59,426	19,379	14,018	265,929
Unallocated assets					477,922
Total assets					743,851
Segments liabilities employed	34,392	9,826	455	97	44,770
Unallocated liabilities					59,400
Total liabilities					104,170

30.2.5 Segment assets primarily consist of property, plant and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

31. FINANCIAL RISK MANAGEMENT

31.1 Financial risk factors

The Institute has exposure to the following risks from its use of financial instruments:

credit risk;
liquidity risk; and
market risk (including currency risk, interest rate risk and other price risk).

The Institute's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Institute's financial performance.

Risk management is carried out by the Institute's finance department under policies approved by the Council members. The Institute's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity, credit risk, interest rate risk and foreign exchange risk, provided by the Council members.

(a) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Credit risk mainly arises from long term and short term investments, loans, advances, deposits, other receivables and bank balances. Out of the total financial assets aggregating Rs. 579.127 million (2014: Rs. 473.998 million) as detailed in note 31.2 below, those that are subject to credit risk aggregate to Rs. 181.663 million (2014: Rs. 314.345 million).

The credit risk on liquid funds maintained with banks/financial institutions and investments is limited as approximately 28% (2014: 63%) of the financial assets of the Institute. The funds of the Institute are held with banks having highest capacity for timely repayment (i.e. having credit rating of at least 'A+'). Accordingly, management does not expect any counter party to fail in meeting their obligations.

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Institute's

total credit exposure. The financial assets of the Institute are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. The Institute believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2015	2014
	-----Rupees in '000-----	
Long term investments	100,800	13,613
Loans, advances and deposits	7,749	7,334
Short term investments	23,438	241,577
Loans, advances and other receivables	13,392	6,546
Bank balances	36,284	45,275
	<u>181,663</u>	<u>314,345</u>

(b) Liquidity risk

Liquidity risk reflects the entity's inability in raising funds to meet commitments. The Institute manages liquidity risk by maintaining sufficient cash and balances with banks. As at June 30, 2015 there is no maturity mismatch between financial assets and liabilities that exposes the Institute to liquidity risk.

(c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Institute's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Institute is exposed to currency risk due to foreign currency in hand and in bank accounts and payables in foreign currencies. The Institute's exposure to foreign currency risk at the reporting date is as follows:

	Rupees in '000	U.S. Dollar	British Pound	UAE Dirham	Saudi Riyal	Euro	Nepali Rupees
2015							
Cash and bank balances	1,569	13,347	215	4,072	2,023	60	2,150
Creditors, accrued expenses and other liabilities	(1,554)	(9,900)	(3,413)	-	-	-	-
Net exposure	15	3,447	(3,198)	4,072	2,023	60	2,150
2014							
Cash and bank balances	4,152	39,177	215	1,004	8,275	-	-
Creditors, accrued expenses and other liabilities	(1,612)	(7,700)	(5,062)	-	-	-	-
Net exposure	2,540	31,477	(4,847)	1,004	8,275	-	-

The following significant exchange rates have been applied:

	Reporting date rate	
	2015	2014
U.S. Dollar to Rupee	101.78	98.80
British Pound to Rupee	159.99	168.15
UAE Dirham to Rupee	27.71	26.90
Saudi Riyal	27.14	26.34
Euro	113.36	-
Nepali Rupee	0.98	-

The currency risk associated with these balances is considered minimal and, therefore, the Institute does not hedge its foreign currency exposure.

Sensitivity analysis

As at June 30, 2015, if Rupee had strengthened/weakened by 10% against U.S. Dollar, British Pound, UAE Dirham, Saudi Riyal and Euro with all other variables held constant, income for the year would have been decreased/increased by the amount shown below mainly as a result of net foreign exchange loss/gain on translation of foreign denominated financial assets and liabilities.

	2015	2014
	-----Rupees in '000-----	
Effect on income for the year:		
U.S. Dollar to Rupee	35	311
British Pound to Rupee	(51)	(82)
UAE Dirham to Rupee	11	3
Saudi Rayal to Rupees	5	22
Euro to Rupees	1	-

The sensitivity analysis prepared is not necessarily indicative of the effects on income and assets/liabilities of the Institute.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value or future cash flow of financial instruments.

At the reporting date, the interest rate profile of the Institute's significant financial assets is as follows:

	2015	2014
	-----Rupees in '000-----	
Fixed rate instruments		
Government Securities	397,109	159,086
Term deposit receipts	2,724	188,919
Variable rate instruments		
Certificates of Islamic investments	116,012	27,276
Balances maintained with banks	30,783	42,332

The rates of interest have been disclosed in the respective notes to the financial statements.

Sensitivity analysis for fixed rate instruments

The Institute does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect materially income for the year.

Sensitivity analysis for variable rate instruments

As at June 30, 2015, if the interest rate on the Institute investments had been higher/lower by 100 basis point with all other variables held

constant, finance income for the year would have been higher/lower by Rs. 1.469 million (2014: Rs. 0.709 million) mainly as a result of higher/ (lower) interest income.

31.2 Financial instruments by category

	Held to maturity	Available for sale	Loans and receivables	Total
-----Rupees in '000-----				
As at June 30, 2015				
Financial assets as per balance sheet				
Long term investments	425,768	-	-	425,768
Loans, advances and deposits	-	-	7,749	7,749
Short term investments	90,077	5,501	-	95,578
Loans, advances and other receivables	-	-	13,392	13,392
Cash and bank balance	-	-	36,831	36,831
	<u>515,845</u>	<u>5,501</u>	<u>57,972</u>	<u>579,318</u>

	Held to maturity	Available for sale	Loans and receivables	Total
-----Rupees in '000-----				
As at June 30, 2014				
Financial assets as per balance sheet				
Long term investments	134,236	-	-	134,236
Loans, advances and deposits	-	-	7,334	7,334
Short term investments	276,370	3,670	-	280,040
Loans, advances and other receivables	-	-	6,547	6,547
Cash and bank balances	-	-	45,841	45,841
	<u>410,606</u>	<u>3,670</u>	<u>59,722</u>	<u>473,998</u>

	Liabilities carried at amortised cost	
	2015	2014
	-----Rupees in '000-----	
Financial liabilities as per balances sheet		
Creditors, accrued expenses and other liabilities	31,419	44,770

31.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently, the Institute's investment in equity shares amounting to Rs. 5.501 million (2014: Rs. 3.670 million) are the only financial asset measured at fair value in the financial statements and these financial instruments are classified under level 1.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values, except investments in:

- Special Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 33.46 million (2014: Rs. 54.39 million) as against their aggregate fair value of Rs. 31.01 million (2014: Rs. 51.54 million);
- Defence Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 3.65 million (2014: Rs. 3.82 million) as against their aggregate fair value of Rs. 3.16 million (2014: Rs. 2.84 million); and
- Pakistan Investment Bonds that are carried at amortised cost, using the effective yield method, aggregating Rs. 321.32 million (2014: Rs. 86.72 million) as against their aggregate fair value of Rs. 344.01 million (2014: 86.55 million).

32. NUMBER OF EMPLOYEES

The Institute had 200 (2014: 189) full time employees and 9 (2014: 5) part time employees as at June 30, 2015.

33. CORRESPONDING FIGURES

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

“Reclassification from component”	“Reclassification to component”	2014 Rupees in ‘000
Balance sheet		
Loans, advances, prepayments and other receivables	Loans, advances and deposits	289
Statement of comprehensive income		
Others - Consultancy charges	Legal and professional charges	707
Others - Meeting and related expenses	Printing and stationery	106

34. SUBSEQUENT EVENTS

The Council of the Institute in its meeting held on August 07, 2015 decided to appropriate Rs. 20 million from General Fund to Endowment Funds. These financial statements do not reflect this event as it will be accounted for in the period in which it is approved.

35. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorised these financial statements for issue on August 07, 2015.

Secretary

President

A silhouette of a person sitting on a boat, fishing with a rod and reel. The sun is low on the horizon, creating a bright orange glow and a shimmering reflection on the water. The background shows a dark silhouette of a forest or hills.

“on a good day, we relax too.”



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

Karachi Head Office:

Chartered Accountants Avenue,
Clifton, Karachi-75600.
Phone: 021 - 99251636 - 39
UAN: 111-000-422
Fax: 021 - 99251626
email: info@icap.org.pk

Islamabad Office:

G-10/4, Mauve Area,
Islamabad.
Fax: 051 - 9106095
email: islamabad@icap.org.pk

Peshawar Office:

House No. 30, Old Jamrud Road,
University Town, Peshawar.
Phone: 091 - 5851648,
Fax: 091 - 5851649
email: peshawar@icap.org.pk

ICAP City Office:

Al-Samad Towers, 2nd Floor,
Plot No. SB 33, Block 13-B,
Gulshan-e-Iqbal, Opposite Baitul
Mukkarram Masjid, Karachi.
Phone: 99244691, 99244692

Faisalabad Office:

P- 3/33 East Canal road, Muhammadi
Colony, Near Govt. College of
Commerce Abdullahpur, Faisalabad.
Phone: 041 - 8531028
Fax: 041 - 8712626
email: faisalabad@icap.org.pk

Quetta Office:

Hali Road,
Quetta Cantt.
Phone: 081 - 2865533
email: Quetta@icap.org.pk

Lahore Office:

Staples Plaza, 2nd Floor,
8-A, Babar Block,
Garden Town,
Lahore.
Phone: 042 - 35869952 - 3

Multan Office:

3rd Floor, Parklane Tower,
Officers' Colony, Near Eid Gaah Chowk,
Khanewal Road, Multan.
Phone: 061 - 6510511, 6510611
Fax: 061 - 6510411
email: multan@icap.org.pk

Sukkur Office:

Admin Block, Sukkur IBA,
Airport Road, Sukkur.
Phone: 071 - 5806109 Ext: 138
email: sukkur@icap.org.pk

Lahore City Office:

Northern Regional Office
155-156, West Wood Colony,
Thokar Niaz Baig, Raiwind Road, Lahore.
Phone: 042 - 37515910 -12
email: lahore@icap.org.pk

Gujranwala Office:

ICAP House, 2nd Floor,
Gujranwala Business Center,
Opposite Chamber of Commerce,
Main G.T. Road, Gujranwala.
Phone: 055 - 3252710
email: gujranwala@icap.org.pk

Mirpur AJK Office:

Basic Health Unit (BHU) Building,
Sector D, New City, Mirpur,
Azad Jammu and Kashmir.
email: mirpur@icap.org.pk



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