



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

TRANSFORMING INTO THE FUTURE

Annual Report 2018





The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN



TRANSFORMING INTO THE FUTURE

As the future unfolds with its numerous challenges, we embark into the digital age on the wings of hope armed with vision, knowledge and resilience – transforming illusion into reality. ICAP is responding to the emerging needs with vigour and determination to lead the way...



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The background is a dark, textured surface with a network diagram overlay. The diagram consists of a central yellow circle with a grey border, connected by solid and dashed lines to several smaller grey circles. A white silhouette of a person is visible in the center, appearing to be in motion. The right side of the image is partially covered by a green triangular overlay.

VISION

MISSION

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

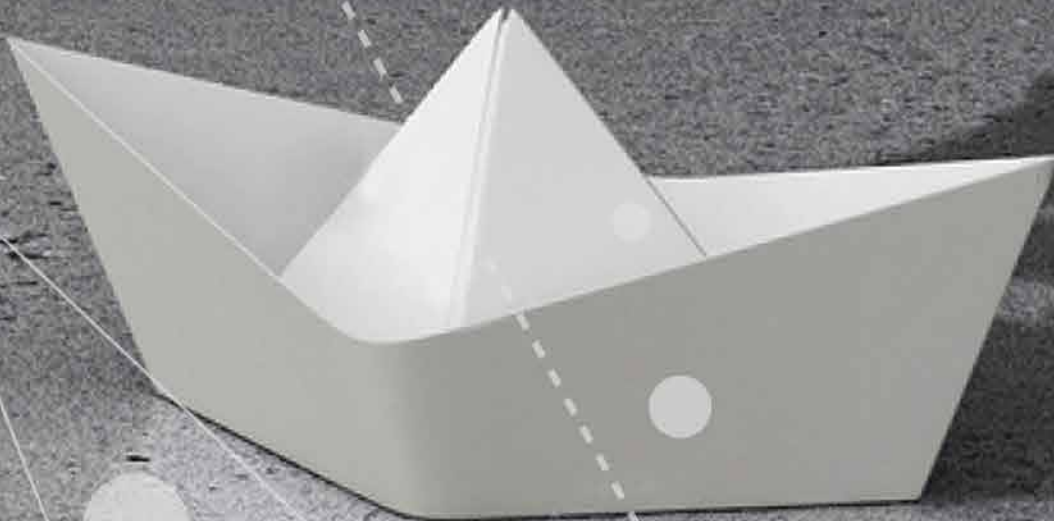
To achieve excellence in professional competence, value to business and economy, safeguard public interest, ensure ethical practices and contribute to good corporate governance while recognising the needs of globalisation.



CORE VALUES

Professional Excellence

ICAP sets forth and enforces highest standards of qualification, education, training, professional development, service quality and ethical practices. It is committed to promoting the profession in the best public interest.



Relevance

ICAP attaches highest priority to its community including members, students, firms and other stakeholders. It enables community members to form networks of knowledge to keep them informed and help them access efficiently the development opportunities and services offered by ICAP and also to contribute to the interests of economy and society. ICAP is committed to developing products and services that are relevant for its members, students and society as a whole.

Impact

ICAP responds to its stakeholders' needs and especially encourages and facilitates the development of 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 community.

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 leader 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 remain the hallmark of trust, reliability and integrity.

The Institute of Chartered Accountants of Pakistan (ICAP) was established as a statutory body on July 1, 1961 under the Chartered Accountants Ordinance, 1961 (CAO) to regulate the profession of accountancy in Pakistan. 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. The Council has overall responsibility for monitoring the development and implementation of ICAP's strategy and 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 and management team headed by the chief operating officer & secretary to accomplish its objectives.



Front Row (L to R): Hina Usmani, Khalilullah Shaikh, Dr. Waqar Masood Khan, Farrukh Rehman, Riaz A. Rehman Chamdia, Jafar Husain, Mohammad Abdullah Yusuf and Khalid Rahman. **Back Row (L to R):** Syed Najmul Hussain, M. Sharif Tabani, Iftikhar Taj, Muhammad Awais, Muhammad Ali Latif, Ashfaq Yousuf Tola, Saifullah and Rana Muhammad Usman Khan.

President

Riaz A. Rehman Chamdia, FCA

Vice Presidents

Farrukh Rehman, FCA: South
Jafar Husain, FCA: North

Members

Elected Members

Ashfaq Yousuf Tola, FCA
Hina Usmani, FCA
Iftikhar Taj, FCA
Khalid Rahman, FCA
Khalilullah Shaikh, FCA
M. Sharif Tabani, FCA
Muhammad Ali Latif, FCA
Muhammad Awais, FCA
Rana Muhammad Usman Khan, FCA
Saifullah, FCA
Syed Najmul Hussain, FCA

Government Nominees

Chairman Federal Board of Revenue (FBR)
Chairman Securities & Exchange Commission of Pakistan (SECP)
Mohammad Abdullah Yusuf, FCA
Dr. Waqar Masood Khan

Standing Committees

- Executive Committee
- Examination Committee
- Investigation Committee

Technical Committees

- Auditing Standards and Ethics Committee
- Committee on Fiscal Laws
- Economic Advisory & Government Relationship Committee
- Public Sector Committee

Independent Boards

- Accounting Standards Board
- Quality Assurance Board

Other Committees

- Audit Committee
- Chartered Accountants Women's Committee
- Continuing Professional Development Committee
- Education & Training Committee
- Human Resource Committee
- Benevolent Fund Management Committee
- Information Technology Committee
- Members Affairs Committee
- Overseas Coordination Committee
- Professional Accountants in Business Committee
- Publications Committee
- Small and Medium sized Practices Committee

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

Regional Committees**Northern Regional Committee****Chairman**

Asad Feroze, FCA

Honorary Secretary

JehanZeb Amin, FCA

Chairman CASA North/Practice Support Committee

Ali Saif Cheema, FCA

Chairman Industry Members Placement Committee

Farooq Hameed, FCA

Convener CPD & Library Zone B North

Shahid Iqbal, FCA

Member

Rafqat Hussain, FCA

Southern Regional Committee**Chairman**

Syed Muhammad Adnan Rizvi, FCA

Honorary Secretary

Mohammad Zulfikar Akhtar, FCA

CPD Convener

Abdul Rab, FCA

Coordinator for CASA Activities/Library

Arslan Khalid, FCA

Husnain Raza Badami, ACA

CPD/CASA Coordinator

Noureen Al Amin, FCA

Audit Committee**Chairman**

Zafar Iqbal Sobani, FCA

Members

Abdul Aziz, FCA

Hina Usmani, FCA

S. Anis Ahmed, FCA

Saifullah, FCA

Quality Assurance Board**Chairman**

Zahid Iqbal Bhatti

Members**ICAP Nominees**

Ayaz Ahmed, FCA

Mohammad Almas, FCA

Syed Ahmed Abid, FCA

Zulfikar Ali Causer, FCA

SECP Nominees

Ali Azeem Ikram, FCA

Abdul Samad, FCA

Amina Aziz, FCA

Teizoon Kisat, FCA

SBP Nominee

Riaz Nazar Ali, FCA

KSE Nominee

Ahmed Ali Mitha, FCA

Accounting Standards Board**Chairman**

Farrukh Rehman, FCA

Members

Aftab Mahmood Butt, FCA

Akhthar Javed

Ali Azeem Ikram, FCA

Farhan Ansari, FCA

Dr. Farrukh Iqbal

Ayesha Riaz, FCA

Mohammad Adnan Afaq, FCA

Mohammad Maqbool, FCA

Raymond Kotwal

Riaz A. Rehman Chamdia, FCA

Syed Asad Ali Shah, FCA,

Syed Mohammad Shabbar Zaidi, FCA

Syed Najmul Hussain, FCA

Tafakhar Ali Asdi*

Mahfooz Ahmed Bhatti*

(*Mahfooz Ahmed Bhatti joined in place of Tafakhar Ali Asdi w.e.f April 2018)

AUDITORS, BANKS & ADVISORS**External Auditors**

Qasim Ebrahim Causer, FCA

Syed Aftab Hameed, FCA

Banks

Al Baraka Bank

Bank Al Habib Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Silk Bank Limited

Telenor Microfinance Bank Limited

United Bank Limited

Legal Advisors

Bawaney & Partners

Mansoor Ahmad Khan & Co.

Tax Advisors

KPMG Taseer Hadi & Co.

Shekha & Mufti



From L to R (Front Row): Tahera Arshad, Samina Iqbal, Tariq Kaleem, Abdul Malik, Farzana Munaf and Shahma Zahid. **From L to R (Back Row):** Sohail Akram, Irfan Ghaziani, Omair Jamal, Syed Masood Akhtar and Usamah Waheed.

Secretary & Chief Operating Officer
Abdul Malik, FCA

Executive Director Examinations
Syed Masood Akhtar, FCA

Executive Director Legal & Membership Affairs
Farzana Munaf, FCA

Executive Director Education & Training
Tariq Kaleem

Senior Director Education & Training
Omair Jamal, FCA

Senior Director Quality Assurance
Shahid Hussain, FCA

Director Examinations
Irfan Ghaziani, FCA

Director Technical Services
Sohail Akram, FCA

Chief Financial Officer
Tahera Arshad, FCA

Deputy Director Corporate, Legal & Membership Affairs
Saira Shamsie, FCA

Head of Publication
Samina Iqbal

Head of HR
Shahma Zahid

Head of Administration
Usamah Waheed

ICAP's Approach to Governance

The Institute of Chartered Accountants of Pakistan (ICAP), 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 secretary and matters relating to members of the Institute, accounts, meetings of the Council, boards and other committees.

Commitment 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 (CCG) issued by the Securities & Exchange Commission of Pakistan (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 mandatorily comply with the provisions of CCG 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 voluntarily decided to adopt 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 body. Accordingly, it complies with such provisions of the Code that specifically relate to its business and operations.

Council

The governance of the Institute vests with the Council under the provisions of CAO and Bye-laws. The Council having a four year term comprises 19 members. Four members are nominated by the Federal government and 15 members are elected from two regions, North and South. The former comprises the capital and provinces of Khyber Pakhtunkhwa and Punjab while the latter, the provinces of Sindh and Baluchistan.

The Council provides strategic direction to the Institute, formulates policies on education, training and examination of students, membership of the Institute and other governance and regulatory matters. It reviews and approves operational plans and budgets. The Council also approves the examination results and decides the disciplinary cases referred to it by the Investigation Committee. The Council has developed significant policies along with vision and mission statements to enable the Institute to carry out its function effectively and efficiently. It has also established appropriate arrangements to ensure that 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 the Institute's business in accordance with defined policy.

Code of Conduct 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 placed 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, with due care and diligence, free of conflict of interest, proper use of authority and confidentiality of information.

The Code contains an elaborated conflict of interest policy that 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 organisations 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 deals the matters of participation in the discussions, deliberations and decision in accordance with the guidelines given under the policy. The policy has also been extended to be followed by the members of Standing Committee and all other committees.

Orientation of Council Members

The secretary of the Institute provides an orientation to the Council members at the start of their four-year term to apprise them of the material developments and information.

Council Meetings

The Council meets at least once every quarter and written notices of the meetings are circulated to the Council members not less than fourteen days before the meeting. The draft minutes of the meetings are recorded and normally circulated within fourteen working days after the Council meeting. All meetings of the Council are presided by the president and in his absence by one of the vice presidents.

(Please see Council Attendance on page 70.)

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 include standing committees and comprise members of the Council, other members of the Institute outside the Council from practice and from industry, non-member specialists and senior management personnel. Terms of Reference (ToR) of each committee is approved by the Council and committees are required to operate within their respective ToRs. The existence of these committees does not absolve the Council from its responsibilities

in all matters relating to the Institute. The Council has established the following committees:

Standing Committees

1. Executive 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 overall supervision of the administrative and financial management of the Institute. Its responsibilities also include identification of the key risks relating to the Institute in meeting its objectives and undertake measures necessary to mitigate those risks. It is also responsible for the development of annual and long-term plans and review of the annual and quarterly performance and financial statements of the Institute.

Following are the sub-committees of the Executive Committee:

1.1 Human Resources Committee

This Committee is a sub-committee of the Executive Committee and assists in the establishment of appropriate human resource policies and strategies that provide the Institute with the capability to achieve its short and long term objectives. The HR Committee deals with recruitment and training of senior management, remuneration, performance evaluation, succession planning and measures for effective utilisation of the human capital of the Institute.

1.2 IT Committee

The main task of the IT Committee is to ensure that the strategic objectives of the IT department are aligned with the overall strategic vision of the Institute and that all the developments in IT are relevant from a business perspective. The committee reviews progress on major IT projects and suggests means to overcome any impediments in the progress. It provides guidance to the IT department in matters related to the IT strategy implementation and governance.

2. Examination Committee

The Committee deals with all policies related to the conduct of examinations and declaration of results. These include fixing the dates of submission of examination fee and examination forms, dates and mode of declaration of result, appointment of subject specialists, examiners and invigilation staff, defining

the code of conduct for the students, staff of examination department, moderators, subject specialists, paper setters, markers and invigilators and formulating policy regarding use of study material during examinations (if any), etc. The Committee is also responsible to take all necessary steps to improve the policies and procedures in accordance with international best practices and to make the system transparent and efficient. It also advises the Council and Education & Training Committee on policy matters related to examination curriculum and study material.

3. Investigation Committee

The Investigation Committee comprises six Council members including the president, three independent members, and a retired High Court judge. 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. 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 and three independent members including the chairman who should be a past president of the Institute. The sitting president and vice presidents of the Institute are not part of Audit Committee.

The Committee is responsible for reviewing and evaluating the integrity of financial statements, risk management and internal controls systems and compliance with legal and regulatory requirements including Council Directives. It also evaluates the performance of the External Auditors, and the performance and effectiveness of the Internal Audit function.

It recommends to the Council the appointment of External Auditors, audit fees and provision by External Auditors of any service to the Institute in addition to the audit of financial statements.

The Committee also monitors the effectiveness of the Whistle Blowing Policy of the Institute on a regular basis.

Besides the head of Internal Audit, who also acts as the secretary to the Audit Committee, the meetings of the Committee are also attended by the secretary, chief financial officer and the External Auditors also attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed. The External Auditors meet with the Audit Committee once each year without the presence of the Institute's 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 Institute's executives.

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 & Training Committee, CPD Committee, etc.

Technical Committees

These committees provide updates to the members and other stakeholders on matters relating to ethics, auditing, financial reporting, taxation, corporate laws, finance and economics. These include Auditing Standards and Ethics Committee, Committee on Fiscal Laws, Economic Advisory & Government Relationship Committee, Public Sector Committee, etc.

Members' Affairs Committee

This committee has been formed with the objective of overseeing the development and implementation of policies, actions and operational plan in the area of Institute's member services.

Boards

The Council has constituted two Boards: Quality Assurance Board and Accounting Standards Board.

1. Quality Assurance Board

The Quality Assurance Board (QAB) has been formed to independently undertake the implementation of the framework of the Quality Control Review (QCR) Program 2015. The Board has 11 members including the chairman who is a member having at least 10 years of past experience as a practicing chartered accountant. Five members of the Board including the chairman are nominated by the Council. The chairman is nominated after consultation with SECP. Four members are nominees of Securities & Exchange Commission of Pakistan whereas State

Bank of Pakistan and Pakistan Stock Exchange nominate one member each.

2. Accounting Standards Board

This board was established with a view to further strengthen the quality of financial accounting and reporting in Pakistan. It has representation of the Securities & Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), Pakistan Stock Exchange (PSX), Auditor General of Pakistan (AGP), Higher Education Commission (HEC), Council members, industry and practitioners.

(Please see Boards' & Committees Attendance on page 71.)

Regional Committees

The members of the Institute in addition to electing 15 members of the Council also elect six members for each of its two Regional Committees (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. The names of the RC members and their attendance at RC meetings are also appearing in this report.

The Office Bearers

The president and the two vice presidents are the office bearers of the Institute. They exercise powers and perform duties as provided in CAO and Bye-laws and as delegated by the Council or entrusted by the standing committees from time to time. The office bearers oversee the management and ensure that the views of the Council and the wider membership within the Institute are taken into account in implementing the Institute's strategy, policies and procedures.

President and Vice Presidents

The president is elected by the Council. The president is the chief executive authority of the Council and presides over the Council meetings and assists the Council in setting the strategic direction of the Institute. The Council also elects two vice presidents, one from each region. Generally, the president and the vice presidents serve one-year term.

Secretary

The secretary is the administrative head of the Institute and functions under the supervision of the president and the Council. The secretary is responsible for overall management of the Institute. His responsibilities include management of the office of the Institute, matters relating to the membership, maintenance of records as per the Ordinance and Bye-laws, management of properties of the Institute, maintenance of books of accounts of the Institute, and other duties and functions as are incidental and ancillary to the performance of his duties under the powers delegated by the president, Council or the committees.



Riaz A. Rehman Chamdia, FCA

It is indeed a matter of great privilege and honour to welcome you all to the 57th Annual General Meeting (AGM) of The Institute of Chartered Accountants of Pakistan (ICAP) and to present the Annual Report of the Institute for the year ended June 30, 2018.

The way the future is understood and used is changing in almost all domains, from social sciences to daily life. Now more than ever, there is a strong need to talk of the future, be it determining the future needs and demands or strategising the way forward. You can only prepare for what you know, for what you don't know often prepares you. Success in the future is largely dependent on the level of preparedness of both organisations and individuals. Organisations that take time out to strategise the future roadmap, align their goals with the future needs and develop their resources are **Transforming into the Future**, the rest will just tumble into the future.

At ICAP, your Council is well aware of the importance of preparing for the future. On assuming charge in October 2017, it outlined a comprehensive **Strategic Plan for 2017-21**, taking into account the dynamic business environment, changing expectations and combining the best interests of the public, profession, members, students and other stakeholders.

The theme **Transforming into the Future** resonates well with our efforts during the year, as we embarked upon various forward looking initiatives such as revamping of the Education Scheme, building connections with foreign and local bodies, adding on to the infrastructures and upgrading technology, etc.

I am pleased to share with you the significant achievements made during the year and new initiatives taken in line with the strategic objectives 2017-21, under each focus area.

Qualification and Professional Development International and Global Outreach

The Institute signed a Memorandum of Understanding (MoU) with Chartered Accountants Australia and New Zealand (CA ANZ) that facilitated the members to gain CA ANZ membership through pathway scheme. The MoU signed with Chartered Professional Accountants of Canada (CPA Canada) in early 2017 was extended to members of all legacy bodies of CPA Canada.

Formation of Digital Assurance and Accounting Board

The Institute recognises that in the emerging future, the evolving digital technologies would revolutionise

the industries and businesses across the globe and the accounting profession would be no exception. To keep abreast with the latest technologies and use them for the development of the profession and our members, the Council had decided to form a Digital Assurance and Accounting Board. The Board will consist of specialists from diverse background and would guide the Institute in the matters of technological development and in ensuring that the Institute is able to provide adequate knowledge of these technologies to its members and students.

Developing Our Own Talent

We, at ICAP, believe that CA Pakistan truly changes destinies and our philosophy is that no student should be forced to relinquish his/her dream due to financial constraints. **Edhi-CA Talent Program 2017-18** awarded scholarships to 37 talented students. Other deserving talented students were supported through **Endowment Fund**. I would urge the members to support the noble cause of enabling students to realise their dream qualification. They may contact the Directorate of Education & Training for further information.

I would like to appreciate the positive role Chartered Accountants Students' Association (CASA) North & South are playing by planning activities for students, including the vibrant CASA Conference in South and Sports Tournament in North.

Education & Training

I am pleased to share that our recent initiative of introducing **Training Organisations outside Practice (TOoP)** completed its first phase and now we have 20 TOoPs onboard. ICAP also concluded its negotiation with a UK based publisher for the development of study support material for its Multi Subject Assessments (MSAs) and the project is in its final stage.

Members Support and Regulation of the Profession

Strengthening the Regulation of the Profession

A priority area which remained under active consideration of both previous and current Council was to bring **amendments to the Chartered Accountants (CA) Ordinance 1961**. I am pleased to share that consultative sessions with the members were arranged in Karachi, Lahore and Islamabad. The views of the members on the draft prepared by

the Institute were considered and appropriate changes were made accordingly.

Initiatives to Support Membership

To remain connected with over 1700 overseas members, overseas chapters are operating in KSA, Canada, UAE, UK and Bahrain, with Qatar Chapter currently in the process of being setup. In addition, we have nominated coordination committees of ICAP members in Australia and United States of America.

Using technology to improve business processes, an online **service desk** was launched to verify credentials of members who require these for varying purposes.

Connecting Members through Mentorship: The Mentorship program launched in April 2017 for members is currently serving over 80 members. I would like to acknowledge the services of mentors who are providing guidance to the mentees and giving their valuable time.

Small and Medium Practices (SMP): SMP Committee is working towards capacity building of SMPs with initiatives such as availability of audit software and related trainings. The committee has shortlisted two softwares and the arrangement will be finalised shortly.

Branding, Marketing and Advocacy of the Profession

One of our focus areas has been to strengthen and promote the CA Pakistan brand locally and globally. I would like to share some events conducted by ICAP during the period that helped to strengthen CA Pakistan brand.

Budget Proposals

Budget making is a crucial exercise undertaken each year by the ministry of Finance, Government of Pakistan. For the first time, ICAP presented its recommendations on tax reforms as 'Budget Proposals 2018-19' directly to the then prime minister of Pakistan, Shahid Khaqan Abbasi. Ex-chairman Federal Board of Revenue (FBR), Tariq Mahmood Pasha invited Ashfaq Yousuf Tola, chairman of the Committee on Fiscal Laws, with his team members for a marathon meeting at FBR House to deliberate on ICAP proposals for consideration in the budget. Keeping up with the tradition, this year also many budget related activities have been conducted. The pre and post-budget

seminars held in Karachi and Lahore were graced by Haroon Akhtar Khan, the then special advisor to the prime minister, finance minister Dr. Miftah Ismail and chairman FBR, Tariq Mehmood Pasha.

An evening with Dr. Miftah Ismail, the then advisor to the prime minister was held in Karachi that turned out to be an excellent opportunity for the members to discuss with Dr. Miftah Ismail matters relating to Pakistan's economy and finance.

Expanding Outreach

ICAP FRED III Conference on Maximising Private Sector Finance and Solutions - Role of the Accountancy Profession was held in September 2018 in Karachi. A Leadership Summit on Fourth Industrial Revolution was organised by CA Women's Committee to discuss the advancements in technology.

ICAP Conference on China Pakistan Economic Corridor (CPEC) - Myth & Realities was held by NRC at Lahore in February 2018.

The PAIB Committee held the CFO Conference 2018 on the theme; Evolving Mental Models – Sustaining Competitive Edge: Reflect – Transform – Lead.

Another initiative of the PAIB Committee, the National Finance Olympiad (NFO) 2017 was held for the third consecutive year in December 2017. NFO provides opportunity to finance professionals working in industry as well as professional firms to compete together and celebrate their competence.

Best Corporate & Sustainability Report Awards for Excellence in Financial Reporting

The Best Corporate & Sustainability Report (BCSR) Awards held by ICAP in collaboration with the Institute of Cost and Management Accountants of Pakistan (ICMAP) is one of the most prestigious awards in the country's financial arena. Pakistani companies' annual reports have also been recognised at SAFA level and earned top to second runner-up positions in different categories.

Companies Act, 2017

Since the publication of the draft Companies Act in 2017 and after its enactment, the Institute has actively participated in the consultative process with the SECP and other stakeholders and arranged seminars and meetings with various stakeholders to create awareness.

CA Women's Committee

ICAP has a strong commitment to diversity and women's empowerment and we believe that achieving greater gender parity will strengthen the Institute as well as the profession significantly over time.

Under the able leadership of my fellow colleague Hina Usmani, CA Women's Committee took the initiative to launch CA Women Directory 2018 of Prospective Independent Directors and recognised female members who have served 25 years or more as members of ICAP.

Building Global and Local Partnership

Building global professional partnership and expanding CA Pakistan's role at the global front are on the top of our agenda. To achieve that, there has been active representation of ICAP at various international forums. As the president, I have had the honour to represent the Institute at meetings of International Federation of Accountants (IFAC) in Brussels and New York. I was invited by the Institute of Chartered Accountants of India (ICAI) to attend and speak at the International Conference for CA students and SAFA meetings and ICAI Conference in Pune and Mumbai. Abdul Malik, the chief operating officer and secretary ICAP also represented the Institute with me at the IFAC Council and Chartered Accountants Worldwide (CAW) meetings in Brussels and New York. Yacoob Suttar, past president and his technical advisor Syed Najmul Hussain also attended IFAC Board meetings in Brussels and New York. Khalilullah Shaikh and his technical advisor Iftikhar Taj attended IFAC's PAIB Committee meeting in New York.

ICAP is participating in the development of framework of internal control system and auditor's reporting, and has been collaborating with the representatives of SECP, Central Depository Company (CDC), National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX).

Our marketing team continued with its marketing drive including counselling sessions, participation in several education expos and career fairs.

Governance and Management of the Institute Investment in Infrastructure

I am happy to inform you that in line with its constant endeavour to spread its wings across the country and

carry out infrastructural improvements at all ICAP locations nationwide, ICAP has established an examination center at Quetta in March 2018.

As you all are aware, the Institute had acquired land in Lahore from the government of Punjab. The Council has constituted a building sub-committee, under the chairmanship of Jafar Husain, VP-North, comprising past presidents, current and past Council members to provide their valuable input on their vision for the ICAP building in Lahore.

The Council is also considering a project of infrastructural improvement of ICAP House Karachi, which will include improvements in building, reception, libraries, reading rooms and state-of-the-art members' lounge.

All these initiatives could not have been possible without the support of our members and stakeholders. I am confident that we will be able to move forward successfully in this challenging journey. I would like to thank the two vice presidents, Farrukh Rehman and Jafar Husain, and the entire Council for being with me with their vision and ideas in all our initiatives. I must thank the chairmen and members of various committees/boards, regional committees and overseas chapters across the globe for their efforts and support in the best interests of the profession, supporting the vision and mission of the Institute.

I would also like to thank the chief operating officer and secretary and senior management team of ICAP, who were always available with their support and advice on any matter of interest.

My dear members, with the rich legacy the profession has the scalability to touch newer zeniths and achieve newer milestones. Your opinion and cooperation have always been crucial for the affairs of profession and I look forward to your continuous support to the profession.

May Allah give us vigour and wisdom to steer the profession further ahead and fulfill the expectations of all!

Riaz A. Rehman Chamdia, FCA

President, The Institute of Chartered Accountants of Pakistan

TECHNOLOGICAL ADVANCEMENT

- Credentials Verification Portal
- Online-Automated Application System for CA Talent Program
- Formation of Digital Assurance & Accounting Board

MEMBERS

- CFO Conference 2018 (Karachi, Lahore)
- Public Financial Management (PFM) Conference 2018
- National Finance Olympiad (NFO) 2017
- CA Women's Committee Leadership Summit 2017
- ICAP Conference on China Pakistan Economic Corridor (CPEC) – Myths & Realities 2018
- Pre & Post Budget Seminars
- CA Womens' Day and Achievement Awards
- CA Women website
- Employers Engagement Survey
- Industry Specific Guidelines on Pharmaceutical sector
- ICAP One Young World Initiative
- FRED III 2018

STUDENTS

- Examination Center opened in Quetta
- Appointment of Subject Specialist for Accounting
- 20 T0oP (Training Organisation outside Practice) registered
- CA live Webcast series for social media
- CA Olympiad competitions

COLLABORATIONS

- MoU with Chartered Accountants Australia and New Zealand (CA ANZ)
- MoU with Chartered Professional Accountants of Canada (CPA Canada)
- MoU with First Women Bank

OVERSEAS COORDINATION COMMITTEE

- Elections of the KSA and Canada Chapters of ICAP Members
- Formation of Qatar Chapter of ICAP Members
- Approval of registration of Australia Chapter of ICAP Members
- Formation of Guidelines for Overseas Coordination Committee of ICAP Members

TECHNICAL GUIDANCE

- Statement of Compliance for Financial Statements prepared under the Companies Act 2017
- Illustrative Financial Statements and Disclosure Checklist for Medium Sized Companies
- Financial Reporting under the Companies Act 2017 – Your Questions Answered
- Compilation of Key Audit Matters from the auditor's report of international entities
- Insight into Listed Companies (Code of Corporate Governance Regulations) 2017
- Comparison of the Revised Third, Fourth and Fifth Schedules of the Companies Act 2017
- Auditors (Reporting Obligations) Regulations 2018 – Your Questions Answered

GOVERNANCE

- Constitution of new Council
- ICAP Strategic Plan 2017-21

PUBLICATIONS

- The Pakistan Accountant
- Newsletter
- CA Women Directory 2018
- ICAP Calendar & Notebook 2018
- Audit Bulletin

COMMUNITY

- Best Corporate and Sustainability Reports (BCSR) Awards
- Edhi-CA Talent Hunt Program awarding scholarship to more than 100 talented students since 2015
- Independence Day Celebrations

The 57th Annual General Meeting of The Institute of Chartered Accountants of Pakistan will be held on October 26, 2018 at 6:30 p.m. at ICAP House, Karachi.

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 56th 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, 2018.
3. Appointment of auditors for the year ending June 30, 2019 and fixation of their remuneration.

One of the retiring external auditors, Qasim Ebrahim Causer, has been the auditor of the Institute for the last five years and therefore is subject to mandatory rotation as per the Institute's policy.

The other retiring external auditor, Syed Aftab Hameed, has been the auditor of the Institute for the last two years and being eligible has offered himself for reappointment.

In line with the Institute's policy on rotation of external auditors, the Audit Committee has recommended to the Council the appointment of Mohammed Shabbir Kasbati in place of Qasim Ebrahim Causer and the reappointment of Syed Aftab Hameed as the external auditors of the Institute for the year ending June 30, 2019.

4. Any other business with the permission of the Chair.

Abdul Malik, FCA
Secretary

Karachi, October 10, 2018

The Council of The Institute of Chartered Accountants of Pakistan (ICAP) is pleased to present its Annual Report for the year 2018.

Soon after taking charge in October 2017, the Council held focused sessions to set goals and strategic direction of the Institute for the next four years. The Council identified key focus areas and accordingly devised strategies in the form of a Strategic Plan 2017-21 envisaging Institute's future footprint.

The Institute is strongly committed to the continuous improvement of its qualification, enhancing professional learning of its members and strengthening associations with the regulators and other stakeholders for the development of the profession.

The Council appreciates the continued cooperation and support from the Institute's members, students, executives, staff and other key stakeholders in achieving its mission for the continued prosperity of the Institute and the profession.

The Report of the Council presents to you the major plans implemented and initiated during the year.

The strategic goals and priorities were set focusing on the following performance areas:

- Qualification and Professional Development
- Member Support and Regulation
- Governance and Management
- Promotion and Advocacy

For each performance area, key stakeholders were also identified and considered for service delivery. Key priorities within each performance area are as follows:

Qualification and Professional Development

- Keep the CA qualification scheme aligned with the changing requirements of the profession and businesses.
- Improve and modernise approach and processes for setting, conducting and marking of examination papers.
- Augment continuing professional development mechanism through introduction of quality training products with enhanced institutional resources.
- Provide thought leadership through establishment of research department.
- Achieve greater international and local recognition to create opportunities and avenues for the Institute and its members, affiliates and students.

Member Support and Regulation

- Take steps to persuade and encourage practicing members for voluntary practice review and introduce practice review program for quality review of firms and audit engagements in compliance with the requirements of International Federation of Accountants (IFAC).
- Make Quality Control Review (QCR) program more transparent, effective and efficient; ensuring and demonstrating higher quality of audits performed by practicing members to enhance public trust.
- Play active role in creating opportunities and capacity building for members in practice by assisting them in acquiring technology to modernise their core business processes.
- Support expeditious completion of the Investigation proceedings by Investigation Committee.
- Continue effective compliance with IFAC Statement of Membership Obligations (SMO) by adopting and implementing International Standards on Auditing (ISAs), Accounting (IFRSs), Education

(IESs), Ethics (IESBA Code of Ethics for Professional Accountants) and fulfilling the requirements of quality assurance, investigation and discipline.

- Expedite setting up of Independent Board of Discipline as envisaged in the proposed new CA Ordinance.

Governance and Management

- Review and improve where needed, ICAP's governance and management structure with a focus on service orientation, future challenges and efficacy and efficiency of the operations.
- Make technology a frontline function in bringing operational excellence, raising the quality of relationship management while ensuring adequate measures for cyber security.
- Become one of the preferred employers in the market to attract, recruit and retain high quality resources.
- Develop sustainable business model capitalising opportunities of developing existing infrastructure and resources to support achievement of key objectives of the Institute.

Promotion and Advocacy

- Position the Institute as true accounting regulator and give special attention to enhancing the CA Pakistan brand.
- Apply effective marketing strategy and approach to expand student base while giving special attention to the quality and diversity of intake.
- Improve engagement with key stakeholders in order to build, enhance and capitalise the confidence on ICAP as a premier Institute in a leadership role.
- Continue to retain and leverage from representation at international forums, such as, International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), South Asian Federation of Accountants (SAFA), Confederation of Asian and Pacific Accountants (CAPA), CA Worldwide (CAW) and Asian-Oceanian Standard-Setters Group (AOSSG).



Education & Training

Review of the Education Scheme: To keep the CA qualification aligned with the requirements of International Education Standards (IES), good practices and evolving expectations, the Institute is working on the review of the CA education scheme.

Study Support Material: Last year, as part of Education Scheme 2013, the Institute introduced Multi Subject Assessments (MSAs) that integrate different technical competencies and professional skills in order to assess examinees on practical business situations. The Institute has now assigned development of study support material for MSA to BPP Learning Media UK. The Institute has also embarked upon a significant revision of existing study material of AFC, CAF and CFAP with the underlying objective of responding to the feedback received from examiners, teachers and students on existing study packs.

Engagement with Training Organisations and Learning partners: Training Organisations (TOs) and learning partners play an important role in the education and training of students. DET started an engagement drive in November 2017 to reach out to TOs and RAETs all over Pakistan to seek feedback from their representatives. Meeting with principals of RAETs was held at Karachi where principals of RAETs outside Karachi were also invited through video conferencing to discuss various issues and difficulties being faced by RAETs.

Training Organisations outside Practice: In view of the global changes and need of specialised expertise in industry, the Institute launched Training Organisations outside Practice (TOoP) scheme in May 2016.

In January 2018, ICAP successfully achieved its Phase-I target and on-boarded 20 corporate bodies

as TOoPs. The scheme is gradually getting the momentum and so far, 58 students have been registered in TOoPs.

International Recognition

Chartered Accountants Australia & New Zealand: The Institute signed an MoU with Chartered Accountants Australia and New Zealand (CA ANZ) whereby ICAP members residing in Australia and New Zealand can obtain membership of CA ANZ after completing its newly launched International Pathway Program. As part of the program, a two-day workshop was held in Sydney in which 26 ICAP members registered and passed the assessment.

MoU with CPA Canada: The MoU signed with Chartered Professional Accountants of Canada (CPA Canada) in early 2017 was extended to members of all legacy bodies of CPA Canada, including Canadian Institute of Chartered Accountants (CICA), Certified General Accountants Association of Canada (CGA Canada) and Certified Management Accountants of Canada (CMA Canada).

CIMA: A letter of intent was signed with Chartered Institute of Management Accountants (CIMA), UK to expand the collaboration between the institutes in many areas such as business development, developing text material and partnering in the field of research and publication.

One Young World – Young CA Initiative: One Young World (OYW) is a UK based non-profit organisation which stages annual summits in different cities of the world. These global summits unite young delegates from various sectors in different countries who are actively working to bring about change in their respective fields. CA Worldwide promotes the events among its members and associates. This



year, The Institute of Chartered Accountants of Pakistan (ICAP) took the initiative to identify young chartered accountants and tap this opportunity to showcase the talent of its young professionals. After a rigorous selection process, out of 60 interested nominees, one nominee was selected as ICAP's representative in the summit.

ICAP also requested the employers of top nine candidates to sponsor their young talent. Three organisations responded positively and now four young members will represent Pakistan and ICAP in the summit to be held in October 2018.

Zain-ul-Abideen from Fauji Fertilizer Limited is ICAP's sponsored participant, whereas, Maria Ejaz from Institute of Training & Consultancy (ITC), Hassan Mahmood from ICI Pakistan Limited, and Tariq Zafar from Engro Fertilizers Ltd. will be attending the summit as representatives of ICAP sponsored by their respective organisations.

Students Engagement

Edhi-CA Talent Program: Edhi-CA Talent Program allows top 20 position holders of respective Intermediate Boards across Pakistan to apply for this scholarship. The Institute received a record 334 applications for its Edhi-CA Talent Scholarship Program in the reporting year. Compared to last year when 140 applications were received, the number witnessed a remarkable 139% increase. This year's feature was the Online-automated Application System.

Trainees' Induction Fairs: The Trainees' Induction Fairs were held at ICAP offices in Karachi, Lahore and Islamabad. Around 325 Certificate in Accounting and Finance (CAF) qualified students and 45 Training Organisations attended this event including eight Training Organisations outside Practice (TOoPs).

32nd International CA Students' Conference, Sri Lanka: The 32nd International CA Students' Conference was organised by Students' Society of the Institute of Chartered Accountants of Sri Lanka (ICASL) on April 3, 2018 in Colombo, Sri Lanka. A delegation of eight ICAP students represented Pakistan in the conference.

SAFA Quiz & Elocution Contest 2018, Nepal: The members and students of the member bodies of South Asian Federation of Accountants (SAFA) gathered on January 30, 2018 in Kathmandu, Nepal for the SAFA Quiz & Elocution Contest 2018, hosted by the Institute of Chartered Accountants of Nepal (ICAN).

A delegation of four students represented ICAP in the Contest that comprised quiz competition based on IFRS 9, 15 & 16. Two students of ICAP, namely Khawaja Mohammad Asad and Mohammad Hasnain were placed at the first runner-up position.

Examinations

CA Examinations were conducted during the year. 51400 students appeared in various examinations as compared to 46705 students in the previous year. In the same period, 6363 new students were registered as compared to 5390 students in the previous year.

In order to oversee the process of paper setting and marking, the Council of the Institute had approved the appointment of subject matter specialists. Initially, it was decided to appoint subject matter specialist of Accounting and Business Management. Last year, the subject matter specialist was appointed for Accounting and he has been working with the Examination department. This year, the Institute has shortlisted the subject matter specialists for Business Management and is presently negotiating the terms of appointment.

During the year, a task force was formed to holistically review the examination processes in order to further



strengthen the examination system. On the recommendation of the task force, the Council of the Institute has approved the following initiatives:

- Open book examinations for the papers of Corporate Laws and Advanced Taxation are to be introduced to help and encourage the students to focus more on conceptual understanding of the laws and regulations.
- Encouraged by the success of the initiative of subject matter specialists, subject matter specialists for the subjects of Business Finance Decision/Cost & Management Accounting and Corporate Laws/Business Laws are to be appointed in order to bring further improvement in the process of paper setting and marking.










The Institute has also decided to introduce e-marking which would make the marking process more efficient. The vendor for e-marking project has been finalised who has been a pioneer in the field of e-marking. The vendor has been finalised after detailed scrutiny and conduct of pilot project with the vendor. After financial negotiations, the Institute is presently in process of finalising the legal agreement. It is planned that e-marking will be implemented in a phased manner with effect from Spring 2019 examinations.

During the year, the Institute started conducting Assessment of Fundamental Competencies (AFC) Examinations in Quetta. This is the 11th examination center where AFC examinations are being conducted.

Gold Medals and Merit Certificates

Gold medals and merit certificates were awarded by the Institute to following students:

Gold Medals

CFAP, MSA AND FINAL (TRANSITIONAL) EXAMINATIONS		CAF EXAMINATION	
Summer 2017		Autumn 2017	
	Zehra Ilyas ICAP Osman Ali Gold Medal Business Finance Decisions		Tayyab Ali ICAP Gold Medal (Ameena Khatib Foundation) Financial Accounting & Reporting II
	Ali Haider ICAP Ebrahim S. H. Dahodwala Gold Medal Outstanding performance in all papers of CA Program		Muhammad Bilal ICAP Kasbati Memorial Gold Medal outstanding performance in CAF
Winter 2017		Spring 2018	
	Usama ICAP Gold Medal (Dewan Mushtaq Group) Advanced Accounting and Financial Reporting		Duaa Ahmed ICAP Gold Medal (Ameena Khatib Foundation) Financial Accounting & Reporting II
	Rida Waseem ICAP J P Patel Memorial Gold Medal Financial Reporting and Assurance – Professional Competence of MSA		Fizza Javed ICAP Kasbati Memorial Gold Medal outstanding performance in CAF
	Rida Waseem ICAP Ebrahim S. H. Dahodwala Gold Medal Outstanding performance in all papers of CA Program.		

Merit Certificates

CFAP, MSA AND FINAL (TRANSITIONAL) EXAMINATIONS		CAF EXAMINATION	
Summer 2017		Autumn 2017	
	Izz Ghanaa Ansari Outstanding performance in CFAP		Rahil Introduction to Accounting
	Muhammad Tahir Advanced Accounting & Financial Reporting		Hassan Raza Introduction to Economics and Finance
	Sayyam Shaukat Corporate Laws		Muhammad Haseeb Imran Business Law
	Muhammad Aurengzeb Shumail Business Management and Strategy		Mannar Ahmed Business Management & Behavioural Studies
	Muhammad Ozair Javed Advanced Taxation		Ali Sher Financial Accounting & Reporting I
	Rida Waseem Audit, Assurance & Related Services		Fizza Javed Principles of Taxation
	Mohammad Arsalan Asif Information Technology Management, Audit & Control		Tayyab Ali Financial Accounting & Reporting II
	Fatima Nisar Management Accounting		Kiran Shahid Khan Cost & Management Accounting
			Duaa Ahmed Audit & Assurance

Winter 2017	Spring 2018
Muhammad Ozair Javed Outstanding performance in CFAP	Muhammad Shayan Siddiqui Introduction to Accounting
Rida Waseem Outstanding performance in CFAP & MSA	Muhammad Talha Introduction to Economics and Finance
Usama Corporate Laws	Kiran Shahid Khan Business Law
Sajid Mehmood Business Management and Strategy	Eiman Ismail Soomro Business Management & Behavioural Studies
Muhammad Iqbal Qureshi Business Finance Decisions	Muhammad Haseeb Imran Financial Accounting & Reporting I
Haider Farooq Nizami Advanced Taxation	Shahzaib Aftab Principles of Taxation
Muhammad Ozair Javed Audit, Assurance and Related Services	Duaa Ahmed Financial Accounting & Reporting II
Fahad Javaid Information Technology Management, Audit & Control	Seemal Humayun Cost & Management Accounting
Muhammad Abdullah Management Accounting	Rooman Tariq Audit & Assurance
Rida Waseem Strategic Management – Professional Competence	

AFC Examination

Summer 2017	Autumn 2017	Winter 2017	Spring 2018
Saad Mustafa Functional English	Hassan Ali Malik Functional English	Mohammad Ali Syed Functional English	Farhat Abbas Functional English
Rida Zehra Functional English	Abdullah Business Communication	Muhammad Omer Imran Functional English	Hassan Sani Khan Business Communication
Osama Ahmed Functional English	Bhawna Devi Business Communication	Syed Muhammad Saad Bin Arshad Functional English	Syed Muhammad Umer Tirmizi Quantitative Methods
Fatima Adil Mir Functional English	Yaseen Quantitative Methods	Aqsa Business Communication	Syed Muhammad Reza Zaidi Quantitative Methods
Saad Salman Qureshi Functional English	Laveeza Advani Introduction to Information Technology	Saad Bin Sohail Quantitative Methods	Mahnoor Introduction to Information Technology
Awias Ali Shah Functional English	Asher Ahmed Sakrani Introduction to Information Technology	Noor Ul Ain Introduction to Information Technology	Farina Tahir Introduction to Information Technology
Muhammad Bilal Business Communication			Abdullah Abro Introduction to Information Technology
Mian Asad Ullah Business Communication			Hamida Mateen Introduction to Information Technology
Muddassir Abbas Business Communication			
Muhammad Muzzammil Shiwani Quantitative Methods			
Hyfa Mubashar Quantitative Methods			
Muhammad Zain Nadeem Introduction to Information Technology			
Muneeb Riaz Introduction to Information Technology			



Investigations

The Investigation Committee (the Committee) of the Institute plays a very important role in the regulation of the profession. The Committee continued in its efforts to expedite disposal of cases referred to it.

The Committee after deliberations and review of the merits of complaints finalised its conclusions on thirty-four cases during the year. Out of these thirty-four, seventeen cases were dropped by the Committee as in its opinion those cases did not require investigation and seventeen cases were referred to the Council for decision. The Council disposed of eight cases during the year, out of which three were closed whereas action was taken on five cases.

In order to bring improvements in terms of efficiency and effectiveness of the investigation process, amendments in the CA Ordinance have been finalised and submitted to the concerned authorities for further processing.

In addition to the above, the third annual report of the Investigation Committee covering the period January 1, 2017 to December 31, 2017 has been circulated to members.

Marketing and Communication

In order to accomplish the strategic goals of ICAP and strengthen the brand image of the Institute and CA Pakistan qualification, the Marketing and Communication (MARCOM) department took several initiatives such as participation in career fairs, counselling sessions in leading A-Level and Higher Secondary School Certificate (HSSC) colleges, networking sessions with corporate sector, events, electronic, print and social media presence.

Career Counselling Sessions and Career Fairs:

Counselling sessions at leading A-level, intermediate and undergraduate colleges were arranged nationwide for potential CA students through which students were

briefed about ICAP and CA Pakistan qualification. Team MARCOM also participated in career fairs which included Generations School, City School, Beaconhouse and Cordoba School.

CA Webcast 2018: This year, a series of web casts were arranged to facilitate aspiring CAs, seeking a platform to gain information about the program. The objective of these sessions was to educate young generation about the benefits of CA qualification and how they can pursue it as a career. Two CA Live Webcast sessions were organised on June 26, 2018 and July 18, 2018 and uploaded on ICAP Facebook page.

Events for Registered and Potential Students:

Numerous events were arranged during the year which included Edhi-CA Talent Program awareness sessions for high achievers, parents and faculty; CA Pakistan Olympiad for intermediate students; CA Pakistan Olympiad for undergraduate level and Open House sessions for potential students. Inter RAET Debate Competition, Presentation Skills Competition and Orientation sessions for existing students were organised. Alumni Success Stories seminars were held for trainee students and members. Teacher Training Seminar for A-Level and HSSC faculty members was also organised.

Electronic and Print Media: To strengthen the strategic corporate communication, ICAP events were covered through print and electronic media. Interview of president ICAP Riaz A. Rehman Chamdia was published in The Financial Daily on February 2, 2018. The chief operating officer and secretary ICAP, Abdul Malik's interview was aired on Live Wire program on Business Plus, Karachi on November 30, 2017.

CA Pakistan Job Fair: ICAP organised Career Success seminar & Job Fair at Islamabad, Lahore and Karachi with the objective to provide an opportunity for the recently qualified CAs, Affiliates and trainee students to connect with employers and



look for different collaboration opportunities with leading organisations. A total of around 60 organisations participated in CA Pakistan Job Fair.

Media Roundtable on ICAP Budget Proposals: A media talk was organised on ICAP Budget Proposal for the year 2018-19. Ashfaq Tola, chairman ICAP Committee on Fiscal Laws and Council member briefed the press and media about the proposals.

Meet Your Representatives Session: The session was organised for the members on April 24, 2018 at ICAP, Lahore. The session was chaired by Jafar Husain VP ICAP and was also attended by Council members Iftikhar Taj, Muhammad Awais, Muhammad Ali Latif, Rana Muhammad Usman Khan and chairman NRC, Asad Feroze. The aim of the session was to share progress of ICAP Council with membership and seek feedback and suggestions. Jafar Husain briefed the members on Council's initiatives and gave a detailed presentation on it.

Membership

Members of The Institute of Chartered Accountants of Pakistan enjoy a prominent and highly respected place among professionals. This is due to excellence in academia, rigorous on job training and their diversified presence in almost all sectors of the economy both locally and internationally. Based on these unique factors, they play a key role in creating a high quality image of the Institute and the profession. ICAP members are the key decision makers and strategists; contributing directly to achieve sustainable, adaptive and resilient organisations, businesses and economies.

Our membership is growing at a gradual pace. Membership of the Institute as on June 30, 2018 was 7903 out of which 1785 members were overseas, which accounts for 23 percent of the total membership. During the year 2017-18, 457 new members were admitted, 124 were restored and 306 were removed from the register of members

under Section 19 of the Chartered Accountants Ordinance 1961 resulting in net increase of 275 members. Out of the total membership, 69 percent are employed in the sectors pertaining to commerce and industry, financial institutions, government departments, education, and 31 percent are either in public practice or employed in public practice.

Formation of Digital Assurance and Accounting Board

The Institute recognises the importance of the evolving digital technologies in the development of industries and businesses across the globe. Major technological and other drivers of change impacting the businesses and the profession include Artificial Intelligence (AI), Blockchain, Data Mining, Data Analytics, Machine Learning, etc.

To provide knowhow and holistic guidance to the Institute about the development and use of these technologies, the Council has decided to form a Digital Assurance and Accounting Board. The Board will consist of specialists from diverse background.

The terms of reference of the Board are as under:

- Monitor the digital technologies and the trends impacting the profession and practice of Accounting.
- Identify the issues relating to Accounting, Reporting, Audit & Assurance, Data Security etc.
- Engage with relevant Committees internally and with standard setters, government, regulators, industry and other accounting bodies externally, whenever necessary.
- Support by suggesting/identifying key changes or issues for focus in Accounting Standards, Assurance Standards, Valuation Standards, etc. to the relevant Committee(s)/Board(s).
- Create and disseminate necessary technical knowledge through research, papers, journals, conferences for awareness of the concerned stakeholders.



- To monitor the digital technologies and trends impacting the education, training and examinations of chartered accountants.
- To monitor the cyber and related laws impacting the profession and practice of accounting.
- Perform any other related activity.

Continuing Professional Development

A critical part of the chartered accountant's professional journey is the Continuing Professional Development (CPD). After completing the Initial Professional Development (IPD), CPD enables professional accountants to maintain professional competence and continue to perform their roles competently. CPD is a lifelong learning as professional competence requirements keep on changing during the career shifts.

The following CPD programs/activities were carried out during the year:

Promoting Commitments to Lifelong Learning: To facilitate members in reporting their activities, reminders were sent to members with their accumulated CPD hours and Quick CPD updates were launched through which members could get their CPD hours updated based on a click. The CPD Portal was revamped to ensure that members can get all the data at one click.

Directors' Training Program: During the year, six Directors' Training Programs (DTP) were held with 87 professionals joining the ICAP certified directors' pool. DTP completed five years in January 2018. Since the launch, 36 programs have been held and 644 business leaders and professionals certified under the program.

In addition to the normal DTP Calendar, ICAP also holds Client Specific DTP and Directors' Orientation & Training Program for listed and public sector companies on demand.

New Initiatives: The key new projects underway are revamping of DTP, engagement with certified directors and introduction of other training programs.

Top CPD Earners: Every month, the top 5 CPD (hours) earners are recognised in the ICAP Newsletter to encourage reporting of CPD activities, which are not limited to attending seminars or conferences, but rather encompass a range of activities such as education, training, publications and on-job learning. The Top 5 CPD (hours) Earners for the year 2017-18 are as follows: 1. Muhammad Aftab, FCA (R-2158), Karachi: 1148; 2. Abdul Rahim Suriya, FCA (R-1531), Karachi: 1035; 3. Beerbal Mal, ACA (R-9378), Karachi: 968; 4. Khalid Mehmood, FCA (R-4910), Lahore: 702; and 5. Jackson Wilson, ACA (R-6224), Karachi: 604.

CPD Activities 2017-18: During the year, 80 programs were conducted by the regional committees and the Overseas Chapters. The details are as follows: Southern Regional Committee: 18 programs; Northern Regional Committee: 46 programs; Kingdom of Saudi Arabia Chapter: 7 programs; PAF-Jeddah: 2 programs; UAE Chapter: 1 program; Canada Chapter: 4 programs; and Bahrain Chapter: 2 programs.

CA Women's Committee

The Chartered Accountants Women's Committee proved its determination during the committee's second tenure under the leadership of Hina Usmani. The committee took many initiatives to establish CA women brand across Pakistan, recognise outstanding female talent in the profession and provide opportunities for financial independence to CA women members currently on career breaks.

Quarterly e-Bulletin: The committee launched its quarterly e-Bulletin last year to communicate with the CA women members and trainee students. The e-Bulletin features success stories of the professional journeys of exceptional female chartered accountants,



important articles, technical updates and activities of the CA Women's Committee. So far, two e-Bulletins of the committee have been issued.

CA Women's Committee Leadership Summit: The CA Women's Committee Leadership Summit was organised in collaboration with the World Bank Group, on December 14, 2017 in Karachi. The theme of the event was Scaling the Fourth Industrial Revolution. The event was attended by renowned speakers and panellists.

CA Women Webpage: A webpage of the committee was launched at the time of Leadership Summit. The web page was later transformed to allow for inclusion of other initiatives and projects of the committee. The link of the webpage is <http://www.icapcawc.com>.

Annual CA Women's Day: The CA Women's Day was organised by the committee on March 28, April 7 and 14, 2018 in Karachi, Lahore and Islamabad respectively. The events were graced by Council and regional committee members, past presidents, senior professionals and female members in all three cities. A special feature of the program was CA Women Awards. CA Women Lifetime Achievement Award 2018 was presented to Roshan Mehri, senior member ICAP and CEO Family Office, House of Habib. The CA Woman of the Year 2018 Award was shared by Moneeza Usman Butt, partner KPMG Taseer Hadi & Co. and Sohail Mushtaq, head of Accounts Mari Petroleum Company Limited. Aspiring CA Student of the Year 2018 was awarded to Rida Waseem, a gold medalist in CA Final Examination. A special award was presented to Farida Hamid, officer administration ICAP for her 25 years' service with ICAP.

CA Women's Committee Recognised Senior Female Members: Seventeen female members who have served 25 years or more as members of ICAP were recognised by the committee with certificates and mementos on International Women's Day on March 8, 2018.

MoU with the First Women Bank Limited: A Memorandum of Understanding (MoU) was signed between ICAP and First Women's Bank Limited (FWBL) on May 16, 2018 at ICAP House, Karachi. Through this understanding, FWBL will provide work from home opportunities to CA women members and will benefit from the professional resource pool of CA women. ICAP will also increase its outreach through FWBL's branch network and will provide avenues to FWBL to have professional and educated clientele. Developing loan schemes for women members and students, recognising and promoting managerial and leadership skills for capacity building, advocating the creation of enabling work environment are some other areas where joint efforts will be made by both the organisations. The MoU was signed by Riaz A. Rehman Chamdia, president ICAP and Tahira Raza, president and CEO FWBL.

CA Women's Directory 2018: The CA Women's Committee compiled a database, CA Women Directory 2018 of Prospective Independent Directors of women members in leadership roles by virtue of their eligibility as independent directors on the boards of public interest entities. The initiative was taken to benefit the entire corporate sector in Pakistan to select professional women for leadership positions and save quality time and resources.

Annual Meet Up: In order to reach out to the newly qualified women chartered accountants, meet ups were arranged in Karachi, Islamabad and Lahore on February 2, 9 and 10, 2018 respectively. The meet ups were well-attended and helped in fulfilling one of the key objectives of the committee of providing networking opportunities where women can discuss challenges, problems and obtain guidance.

Open House Sessions with Female Trainees: Open House sessions with female trainees were held in Karachi and Lahore on October 12, 2017 and October 31, 2017 respectively. The purpose of these



sessions was to gather feedback from female trainees regarding introduction of mentorship program for them.

Professional Accountants in Business Committee

The Institute of Chartered Accountants of Pakistan (ICAP) Professional Accountants in Business Committee (PAIBC), chaired by Khalilullah Shaikh, was formed in 2009 and has reached new heights since then. The committee has a dedicated team that strives to provide meaningful professional support and guidance to members in industry. Recognised at International Federation of Accountants (IFAC) level, ICAP PAIBC is committed to make continuous enhancements in its role to cater to the professional accountants serving in commerce, industry, education, finance, private and public sector in Pakistan.

Targets Achieved

ICAP CFO Conference 2018: One of the foremost targets of PAIBC is to organise the annual ICAP CFO Conference in two major cities of Pakistan with an aim to raise its standard every year. ICAP CFO Conference, initiated in the year 2010, is aimed at providing practical knowledge, tactical information and networking opportunities for business leaders and finance professionals across Pakistan. To date, 18 CFO conferences have been held across the country.

ICAP CFO Conference 2018, held in April, with the theme Evolving Mental Models – Sustaining Competitive Edge: Reflect–Transform–Lead focused on the macro economic trends leading to answer the ‘why’ of paradigm shifts required to optimise and grow.

This year, the attendance at Conference was the highest since 2010 with participation of around 1700 finance and business leaders from around 500 organisations in Karachi and Lahore. Moreover, 1452 viewers watched the Karachi and 913 joined the Lahore conference from 22 countries via Live Streaming.

National Finance Olympiad 2017: Pakistan's first ever finance competition, ICAP National Finance Olympiad (NFO), launched in 2015, has now become a coveted annual event. Every year, PAIBC aims to make significant improvements in the content and structure to provide the best knowledge providing and gratifying experience to all participants.

The NFO updates the knowledge and application of accounting, finance and governance standards and gives recognition to worthy talented individuals. In December 2017, 30 teams from industry and professional firms across Pakistan participated in the competition. EY Ford Rhodes clinched victory while Midas Safety and Engro Fertilizers became the first and second runner-ups respectively. In NFO 2017, in addition to the Qualifying Round and Grand Finale, an additional Harvard Case Study Simulation was introduced to make the competition more practical and interesting.

Launch of ICAP Mentorship Program for Affiliates and Inclusion of Overseas Mentors: ICAP Mentorship program, launched in February 2017 for members, was extended to ICAP Affiliates. The program opened doors for Affiliates in February 2018 and included nine Overseas Mentors from Bahrain, Canada, KSA, UAE and UK, to facilitate Overseas Members.

The Mentorship program is a beneficial initiative where in senior and experienced professionals with diverse backgrounds in practice, industry and academia serve as mentors to provide guidance to protégés. The program facilitates them in defining their professional goals and formulating effective strategies to achieve them.

To date, ICAP has 34 mentors; 25 from Pakistan and nine from Overseas with 90 registered mentees. Karachi: 44; Lahore: 24; Islamabad: 1; Multan: 1; KSA: 11; Bahrain: 1; UAE: 5; Sri Lanka: 1; Canada: 1; and Oman: 1.



Employer Engagement Survey: PAIBC launched a survey in February 2018 to establish concrete understanding regarding needs, demands and expectations of employers seeking to hire chartered accountants. Moreover, it was intended to identify skills and talents that CEOs, board members and senior managers are looking for in a finance leader and their satisfaction level with chartered accountants currently working with them. A comprehensive report of the survey is available on ICAP PAIBC webpage at www.icap.org.pk/paib

Launch of Industry-Specific Guidelines for Pharmaceutical Sector: The Committee published the first industry-specific guideline for pharmaceutical sector in May 2018 to support members working in or aspiring to join pharmaceutical industry in Pakistan. The guideline, which covers various important functions of a pharmaceutical company along with their relation to finance, was developed with the support of experienced ICAP members working in pharma sector. The guideline is available on <https://www.icap.org.pk/paib/pdf/guidelines/PharmaIndustry.pdf>

Launch of Industry-Specific Guidelines for Exploration and Production Sector: The guideline, published in August 2018, gives detailed understanding of the exploration and production phases and processes, regulatory framework and finance, accounting and taxation functions within the industry. It aims to help finance professionals in the sector develop broad understanding of business dynamics and industry challenges, thereby enabling them to perform more effectively and efficiently. The guideline is available on <https://www.icap.org.pk/paib/pdf/guidelines/GuidelineSEP2018.pdf>

Launch of Soft Skills Series: Recognising the need to improve soft skills of ICAP members, the PAIBC initiated Soft Skills Series. The first workshop of the Series, Road to Success – Your Journey Began Yesterday, was held in June and August, 2018 in Karachi and Lahore respectively.

In continuation to the Soft Skills Series, another workshop was held in Karachi and Lahore after the CFO Conference, A Mindset Paradigm Shift – It's All About Us, by Muhammed Al Qahtani, World Public Speaking Champion 2015, Toastmasters International.

Footprints on Digital Media: Understanding the need for a strong social media presence, the committee developed a CFO Conference mobile application wherein users regularly receive updates about the mega event. Today, the official page of ICAP CFO Conference has over 10000 likes that the committee aims to increase with time. The NFO and CFO Conference also have accounts on Facebook, Twitter and LinkedIn to connect with the corporate sector.

ICAP PAIBC realised the need to highlight its projects and happenings through re-launching its webpage. The Committee also has offshoots of webpages for its two major projects; ICAP CFO Conference and ICAP National Finance Olympiad, which are reviewed on an annual basis.

CA Toastmasters Clubs

Karachi: CA Toastmasters Club Karachi raised its performance bar from previous year. Throughout the year, the Club imparted public speaking skills, effective listening skills and leadership skills to CA fraternity as well as to people from all walks of life. It has 35 members who are the foundation of all activities. 21 meetings were held which were attended by over 1000 people. Members delivered 60 speeches on various topics and exhibited their hidden talents. In November, the club organised a spectacular Showcase event which was attended by 200 people.

Lahore: CA Toastmasters Club Lahore conducted 27 regular meeting and for the fifth consecutive year won the highest award of Toastmasters International – President's Distinguished Club award. During the year, the club hosted a speech contest and sponsored a toastmasters club at LUMS. The club membership was



increased from 26 to 42 members. The club plans to complete its 150 regular meetings by September 2018.

Islamabad: TM JehanZeb Amin the founding president of the club was awarded recognition by Toastmasters International USA for making the club a Distinguished Club in its first year of operation.

Multan: CA Toastmaster Club, Multan was chartered on August 11, 2015. The club has 38 meetings so far including training sessions.

Faisalabad: The CA Toastmaster Club, Faisalabad held election for its executive body. TM Ahmad Jabbar was elected as president. TM Ahmad Jabbar and TM Usman Ghani also completed their respective CC 10 projects while other TMs also completed different projects.

Upcoming Projects

Besides annual conferences and events, following are some of the projects that the committee has initiated:

- **Career Driver:** Career Driver is an online tool wherein young members can assess their current career level and relevant skills needed towards a path to career progression. The online tool is in the early stages of development.
- **Ethics App:** Since ethics is at the core of CA profession, the committee took the initiative to spread awareness and instill knowledge on ethical issues and dilemmas faced by accountants. The App will assist members to ensure that thought process is aligned and inclined towards ethics when making important business and accounting decisions. The App is in the early stages of development and will be launched soon.

Technical Services

Continuing its tradition of serving its members, the Institute has taken proactive measures to keep all

stakeholders abreast with the changes, especially those that follow from the enactment of Companies Act 2017, adoption of new Auditor's Report model and International Financial Reporting Standards (IFRSs).

Some of the technical tools and initiatives by the Directorate of Technical Services (DTS) to facilitate members are issuance of timely guidance, illustrative financial statements, disclosure checklists, Insights, IFRS 16 & IFRS 17 International guidance web pages, quarterly audit bulletin, monthly technical and taxation update.

Key Highlights

The Accounting Standards Board (ASB) approved the following:

- Statement of Compliance for Financial Statements prepared under the Companies Act 2017.
- Illustrative Financial Statements and Disclosure Checklist for Medium Sized Companies.
- Illustrative Financial Statements and Disclosure Checklist for Public Interest Companies.
- Financial Reporting under the Companies Act 2017 – Your Questions Answered.
- Amendments to the Accounting and Financial Reporting Standards for Small Sized Entities.

Other guidance material issued during the period:

- Insight into Listed Companies (Code of Corporate Governance) Regulations, 2017.
- Comparison of the Revised Third, Fourth and Fifth Schedules of the Companies Act 2017.
- Auditors (Reporting Obligations) Regulations, 2018 – Your Questions Answered.
- Compilation of Key Audit Matters from the audit reports of international entities.
- Better Communication in Financial Reporting.
- Professional accountants' obligations in combating money laundering and terrorist financing.
- Anti-Money Laundering guidance for accountants.



Comments by the Institute

International standard setters: Soliciting and sharing views on future and proposed developments in auditing and accounting is an integral part of the work effort at the Institute. Comments on the following various proposed pronouncements were shared with the international standard setters.

Comments on International Accounting Standards Board (IASB) Exposure Drafts:

1. Definition of Material.
2. Accounting Policies and Accounting Estimates (Proposed Amendment to IAS 8).
3. Accounting Policy Changes (Proposed Amendment to IAS 8).

Comments sent to the International Ethics Standards Board for Accountants (IESBA) and the Monitoring Group:

1. Exposure Draft, Proposed revisions to the Code pertaining to the offering and accepting of inducements.
2. Monitoring Group Consultation Paper on Strengthening the Governance and Oversight of the International Audit-Related Standard-Setting Boards in the Public Interest.

Regulators: The Institute understands the importance of working in close coordination with regulators to ensure sustainable and efficient financial accounting and reporting systems. The Institute used its voice for safeguarding public interest and shared unique perspectives to influence current and proposed legislations and regulations.

Comments on the following drafts were sent to the Securities and Exchange Commission of Pakistan (SECP):

- Listed Companies (Code of Corporate Governance) Regulations 2017.
- Valuers Registration and Governance Regulations 2017.

- Intermediaries (Registration) Regulations 2017.
- Futures Brokers (Licensing & Operations) Regulations 2017.
- Recommendations for revision in Companies Act 2017.
- Shariah Governance Regulations 2018.
- Companies (Related Party Transactions and Maintenance of Related Records) Regulations 2018.

Compilation of different Audit Report Formats:

Various auditor's report formats prescribed under various local laws, regulations and under International Standards on Auditing (ISAs) have been compiled by the Institute for member's facilitation. The compilation is available on the Institute's website on the following link: <http://bit.ly/2DLxFuO>

Compilation of IFRS 15, IFRS 16 & IFRS 17 International Guidance web page:

A list of useful international guidance material has been compiled to help stakeholders understand and apply IFRS 15 Revenue Contract with Customers IFRS 16 Leases and IFRS 17 Insurance Contracts.

Compilation of topic-wise Selected Opinions: Another endeavour for ease of searching has been the compilation of topic-wise Selected Opinions of the last ten years.

ICAP, SBP & IBA-CEIF hosted AAOIFI Public Hearing on Exposure Drafts:

ICAP with State Bank of Pakistan (SBP) and the Institute for Business Administration-Centre for Excellence in Islamic Finance (IBA-CEIF), on behalf of Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI), hosted Consultative Session on the Exposure Draft of Auditing Standard for Islamic Finance Institution (ASIFI) 6: External Shariah Audit, Financial Accounting Standards (FAS) 29: Sukuk in the Books of the Issuer and FAS 34: Financial Reporting for Sukuk-Holders and FAS 31: Investment Agency (Al-Wakala Bi Al-Istithmar), on November 14-16, 2017 at ICAP Karachi.



Seminars on IFRS 16 Leases: In collaboration with the regional committees, seminars on new standard on Leases IFRS 16 were held on October 31 and November 2, 2017 in Karachi and Lahore respectively.

Seminar on IFRS 17 Insurance Contracts: Seminar on IFRS 17 Insurance Contracts was organised by the Working Group of the Accounting Standards Board in collaboration with Pakistan Society of Actuaries (PSOA) as part of its development and implementation strategy for the adoption and implementation of IFRS 17.

Seminar on NOCLAR: Awareness seminars on IESBA new ethics requirement on Responding to Non-Compliance with Laws and Regulations (NOCLAR pronouncement) were organised by the Auditing Standards and Ethics Committee of ICAP in coordination with regional committees of ICAP in Islamabad, Karachi and Lahore on March 19, April 3 and April 26, 2018 respectively.

Standard Setting: The Institute fulfills its mandate by supporting the standard setting in a globally innovative and dynamic environment, and recognises that timely adoption and effective implementation of international standards is critical for Pakistan's economic growth and prosperity.

The Accounting Standards Board (ASB) which was established in March 2017 has taken effective initiatives to strengthen the accounting profession and to promote best practices in Pakistan. ASB deliberated on latest accounting standards i.e. IFRS 16 Leases and IFRS 17 Insurance Contracts issued by IASB. ASB also carried out and completed the consultation process on IFRS 16.

Best Corporate Report Awards for Excellence in Corporate Reporting: To inspire and recognise excellence in preparation and presentation of financial information, ICAP with the Institute of Cost and Management Accountants of Pakistan (ICMAP)

organises the event, Best Corporate and Sustainability Report (BCSR) Awards every year. The 2016 awards ceremony was held on August 25, 2017 in Karachi. The reports of the winning companies were nominated for SAFA Best Presented Annual Reports Awards where these reports were declared winners or given merit certificates under respective categories.

ICAP contribution towards Pakistan's Economy: The Economic Advisory & Government Relations Committee, under the chairmanship of Dr. Waqar Masood Khan, is developing recommendations to overcome emerging challenges to the economy of Pakistan. The Committee has on its agenda some priority items, such as energy crisis, reciprocal response to rapid global developments in IT and IT enabling services, National Financial Inclusion Strategy (NFIS), crisis management for capital markets and privatisation process in Pakistan.

Public Sector Initiatives

- Public Finance Management (PFM) Conference was held in May 2018 on Good Governance - Helping Deliver Better Public Services.
- To advocate the convergence of accrual based accounting, meetings were held with the representatives of Controller General of Accounts and the Ministry of Finance.
- Javaid Jahangir, Auditor General of Pakistan (AGP) and his delegation attended the ASB meeting on June 27, 2018. In the deliberations, there was consensus that there is scope of further improving public sector financial reporting in the public interest and to carry out a gap analysis of current accounting practices and study on the viability of implementing accrual based accounting in Pakistan.

Technical Helpline: In September 2017, Technical helpline service was launched. Through this initiative, members can post their technical queries pertaining to financial reporting, audit and ethics related matters through the website.



To date, more than 70 queries have been addressed. For the benefit of members, DTS is compiling a list of responses which will be posted on the website as Frequently Asked Questions (FAQs).

ICAP Committee on Fiscal Laws

Pre-Budget Activities: Dr. Miftah Ismail visited ICAP House Karachi on January 27, 2018 on special invitation. In his address, he assured the government's commitment to implementing ICAP proposals for budget 2018-19.

Budget Proposals 2018-19: The Budget proposal developed by the Committee on Fiscal Laws were presented to the then Prime Minister on March 25, 2018 by ICAP president in the presence of eminent businessmen at Karachi. Vice president Farrukh Rehman and the chairman Committee on Fiscal Laws Ashfaq Yousuf Tola accompanied him on the occasion. Later, a one-on-one meeting was held between the Prime Minister and the chairman on the budget proposals wherein the role of ICAP was deeply appreciated and it was further endorsed by the cabinet.

Pre-Budget Seminars: Pre-budget seminars were held in major towns including Karachi and Lahore where Haroon Akhtar Khan, special advisor to the Prime Minister on Revenue and Tariq Mahmood Pasha, chairman FBR respectively were the chief guests. On invitation, a three day marathon session was held at FBR one week before the budget and most of the recommendations were incorporated in the budget.

Pre-Budget Press Meet Up: A press conference to unveil budget proposals was held in Islamabad, attended by a large number of media persons, where the chairman briefed on ICAP's recommendations to the government on the budget. ICAP's key recommendations were also published in the leading newspapers.

Post-Budget Seminar: Post budget seminar in Karachi was held on April 30, 2018. It was attended by more than 1200 members. Dr. Miftah Ismail was the chief guest on the occasion. At Lahore and Faisalabad, minister of State, Rana Afzal Khan was the chief guest. FBR chairman was the chief guest at Post budget seminar held at Islamabad.

Tax Amnesty Scheme: After the announcement of Amnesty Scheme, the chairman's expert views surfaced on the media. He represented ICAP at different national and international forums as key speaker on the subject. Seminars organised in major cities were attended by large number of members where the chairman highlighted the key features of the Assets Declaration Scheme.

Awareness Sessions for Fiscal Laws: With regard to the Committee's initiative for organising awareness programs related to fiscal laws in major cities, the World Bank has agreed to support and sponsor the series of workshops on international taxation which will provide ICAP a unique opportunity for co-branding with the World Bank.

The initiatives taken by the Committee have highlighted ICAP's role as an apex accounting regulatory body in strengthening the regulatory framework in Pakistan through working in cooperation with important policy making institutions and regulators.

Publications

Publication mirrors The Institute of Chartered Accountants of Pakistan, and plays a key role in branding and imaging the Institute among its stakeholders.

Publications include the ICAP quarterly journal The Pakistan Accountant, monthly Newsletter, Annual Report and other in-house publications to promote the Institute to the external community. It connects members, students, staff and other stakeholders through its publications, and shares knowledge, insight and expertise.



Some of the major tasks carried out by Publications through July 2017 - June 2018 are:

Annual Report 2018: ICAP's Annual Report 2018: Transforming into the Future has been a major task of the Publication department. This year too, efforts have been made to keep the report brief without compromising on the contents and essence. To move forward with changing time and technology, Just-One-Question Survey: Annual Report 2018: Hard Copy or Soft? conducted last year was repeated with members registered between May 2017 to June 30, 2018. Preference for soft copy has reduced the print order of ICAP's annual report to one third.

The Pakistan Accountant: The Pakistan Accountant (TPA), the flagship quarterly magazine of ICAP, has been informing its stakeholders, since 1961, about leading developments in the accountancy profession and business world besides TPA's traditional articles on auditing, accounting, taxation, economy, etc., Publication is continuing with its effort to widen its scope of coverage and improve the contents and design to make it more readable and appealing. Professional business journalists are on board contributing articles for TPA. New columns like From Around the Globe and other articles on topics of interest were made part of TPA. Honorarium and advertisement rates for TPA were also revised by the Publication Committee.

Publication department is continuing with its initiative to collaborate with International Federation of Accountants (IFAC) to acquire quality articles from its Global Knowledge Gateway (GKG) for TPA.

Newsletter: The Newsletter, which keeps members, students and staff informed about various ICAP conferences, seminars, workshops and other events and activities are uploaded on the website every month, before being sent for printing. Tax update, international and local updates are new additions in the Technical section. Bits of human interests info boxes, Bubbles

and Briefs, etc. have been included in the Newsletter to make it more interesting and readable.

ICAP Branding through Publication: Publication department makes special efforts to brand ICAP through its publications and activities like placement of standees, Newsletter and TPA at ICAP offices and at major ICAP events.

Publication presence on Facebook was initiated and the links of TPA and Newsletter are shared on the official ICAP Facebook page.

Mobile App: To give members easy access to information, development of a Publication Mobile App is in its final stages.

Website: Besides uploading the Newsletter, The Pakistan Accountant and the Annual Report, Publication department covers and reports important ICAP conferences and events on the ICAP Website.

Other Publications and Communications: These include ICAP Calendar 2018 and Notebook, CA Women's Directory 2018, Audit Bulletins (3 issues); Council Meeting Highlights (6 issues); High Achievers' Interviews for ICAP website (8 interviews); CFO Conference Business Recorder supplement, contents for CFO Conference website; FRED III Conference newspaper supplement, press releases for various ICAP events.

The Publication Committee, committed to improving ICAP publications, provided active guidance, input and support on all matters.

Small and Medium Practices

The Small and Medium Practices (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.



Audit software for SMPs: Based on the technical evaluation, SMP Committee is considering softwares and the selection of final software is under discussion of SMP Committee.

Guidelines for implementation of ISQC 1: In addition to sessions on ISQC-1, the Committee is planning to hold sessions on QCR findings in order to facilitate SMPs to get satisfactory QCR ratings. It was also decided that other capacity building courses (on relevant topics and matters) would regularly be held for members practicing in SMP firms in order to bring efficiency and effectiveness in terms of Quality Control Systems in SMPs.

Overseas Chapters

The key role of the Overseas Coordination Committee (OCC), acting under the supervision of The Institute of Chartered Accountants of Pakistan, is to improve interaction between ICAP and its members residing outside Pakistan. The OCC supervises and monitors Overseas Chapters of ICAP members in accordance with the guidelines and constitution of the Overseas Chapters. The OCC also makes recommendations to the Council on matters relating to mutual recognition arrangements with reputable international accountancy institutes in consultation with Education & Training Committee.

At present, Overseas Chapters of ICAP members are functioning in United Kingdom, Bahrain, Saudi Arabia, UAE, Canada and a newly formed chapter in Qatar. Following are some of the highlights of the activities undertaken during the year:

Formation of New Overseas Chapter: The OCC had formed an interim management committee in Qatar in November 2016, which assisted in chapter formation. The elections for the first managing committee of Qatar Chapter of ICAP members were held in April 2018.

Formation of Coordination Committee of ICAP Members (CCIM): The OCC formed Australia Coordination Committee of ICAP members (CCIM) to undertake the registration of the chapter in Australia.

The OCC also formed United States of America CCIM in September 2017 to assist members in establishing a chapter in USA.

The Australia management committee played an integral part in the conclusion of an MoU between The Institute of Chartered Accountants of Pakistan (ICAP) and Chartered Accountants of Australia and New Zealand (CA ANZ). Twenty-six ICAP members participated and succeeded in the Inaugural Pathway Program (IPP) announced by CA ANZ and are now in the process of getting membership of CA ANZ.

The USA management committee of ICAP members has also approached the Global Alliance team of American Institute of Certified Public Accountants (AICPA) team for exploring avenues like CPD arrangements, etc.

Conduct of Elections for the Managing Committees of Overseas Chapters of ICAP Members: The managing committees of KSA, Canada and UAE Chapters concluded their tenures during the year 2017-2018. The OCC conducted elections for KSA Chapter in November 2017 and Canada Chapter in December 2017. Elections for the managing committee of ICAP members in UAE were held on July 24-26, 2018.

Registration of Chapters with the Resident Embassies of Pakistan: The OCC discussed the issues being faced by overseas chapters and their managing committees overseas in registering with the local embassies for their patronage and decided to discuss the matter with the ministry of Foreign Affairs for a resolution. A letter from the president's secretariat on request of the OCC was written to the minister for Foreign Affairs requesting assistance on the matter.



Events/Activities Organised by Chapters

Bahrain Chapter of ICAP Members: The managing committee of Bahrain Chapter organised professional events such as a seminar on Value Added Tax (VAT) and on pathways offered by the Institute of Chartered Accountants in England and Wales (ICAEW), along with social events such as cricket tournament and a family camping event during the year.

Canada Chapter of ICAP Members: The managing committee of Canada Chapter members organised professional events for its members during the year including: a session on Writing Common Final Exam of Chartered Professional Accountants of Canada (CPA Canada), session on Pave Your Way into Advancing Your Career in Canada, seminar on Canadian Personal Income Tax and Concepts of Integration, Meet the President ICAP, seminar on Understand and Conquer CFE and annual Iftar dinner for members and their families.

KSA Chapter of ICAP Members: The managing committee of KSA Chapter organised professional events for its members during the year including seminars on: Value Added Tax - The Way Forward; Are You an 8 Cylinder CFO?; First time IFRS Adoption & IFRS for SME; Value Added Tax (VAT) - Key Challenges; VAT - Post Implementation Challenges & Learnings; Return Filing and Opportunities; and social events such as Screening of first Pakistani movie 'Parchi' in KSA, members Annual Picnic and participation of two CA Pakistan teams in Saudi Premier League Cricket Tournament.

UAE Chapter of ICAP Members: The managing committee of UAE Chapter organised a seminar on Value Added Tax.

UK Chapter of ICAP Members: The managing committee of UK Chapter organised its first networking event in January 2018 in Mayfair, London. The guest of honour was Sir Edward Leigh MP, one of the longest

serving British parliamentarians who apprised the audience about his career in politics, and views about Brexit, populism and accountability in the public sector.

Qatar Chapter of ICAP Members: The managing committee of Qatar Chapter organised its first Iftar get together in June 2018, which provided the members an opportunity to meet the new committee and also to meet other members.

Deceased Members

During the year, some of our members left us. The Institute shares the loss and deeply empathises with the pain of families of the departed members: Iqbal Omar (R-No. 0078); Abdul Hameed Chaudhri (R-No. 0079); Qaisar Mian (R-No. 0200); Ali Husain (R-No. 0226); Aziz H. Ebrahim Latif (R-No. 0386); Zia Ahmad Sheikh (R-No. 0437); Abdul Rauf (R-No. 0444); Zaheer Khalid (R-No. 0460); Mohammad Asif Ali Mufti (R-No. 0535); Aftab Ahmad (R-No. 0583); Zeeshan Ahmad Qureshi (R-No. 0942); Hasan Saqib (R-No. 1146); Irfan Rehman Malik (R-No. 1500); Rehman Bux (R-No. 1859); Adil R. Tarapore (R-No. 2302); Usman Aziz Shah (R-No. 5497).

Human Resource Management

ICAP enables growth by investing in its people, attracting the best talent and by enhancing the high performing leaders.

ICAP is committed to the idea of gender balance and women empowerment to improve and add value to the business with quarter of ICAP's work force being women. ICAP has large representation of women in the leadership positions. Four out of thirteen heads of department are women. Moreover, ICAP is one of the few organisations that encourages people with special needs in its workforce and 2% of the total workforce represents employees with special needs.

In 2018 HR enhanced its internal capability to engage and recruit resources which would help to achieve ICAP's overall strategies. Recently, three new members joined the senior executive team of ICAP i.e. director and deputy director Marketing and Communications and head of Information Technology.

Multiple employee engagement initiatives were taken during the year to create a workforce that is motivated and engaged. ICAP celebrated Independence Day, Women's Day and organised picnic for employees and their families. Ted Talk sessions were held at ICAP in order to improve employees communication and providing an enabling environment to learn from each other. As a part of annual appraisals 22 employees were promoted for high performance and 111 employees were provided with leadership, functional and soft skills trainings.

The Human Resource department conducted a comprehensive exercise and facilitated the head of departments in developing the Key Performance Indicators (KPIs) of all employees working in different departments in order to keep targets and objectives aligned with the strategic vision of the Institute.

Online Performance Evaluation System was also revised to improve the objectivity of the evaluation. The component of training need analysis within the evaluation system was improved specifically to cater to the training and development needs of each employee.

Information Technology

The role of IT department is to design, maintain, and support the Institute's information technology infrastructure, thus allowing the organisation to

leverage both information and technology in an efficient, productive and secure manner.

IT ensures effective communication and collaboration between teams and departments within the Institute by deploying and operating Internet Protocol networks and advanced communication tools to meet its needs.

Some of the IT related achievements are as follows:

- Provision of additional video conference facility at Karachi and Lahore to meet the increasing demand.
- User friendly e-Ballot and e-Voting applications were developed and deployed for Council and regional committees' elections.
- A comprehensive and user friendly web page has been developed while online registration has also been deployed which was integrated with payment portal for Public Financial Management (PFM), National Finance Olympiad (NFO), Chartered Accountants Women's Committee, and CFO Conferences.
- The Institute managed all technology and IT related matters of CFO and NFO Conferences through in-house resources. In CFO Conference, man-less registration integrated with vending machine was installed.
- To keep members and students connected with the Institute, IT has developed and deployed different online-secured portals including those related to Technical Credentials Verification, Mentorship, Edhi-CA Talent Program, etc.
- A Disaster Recovery (DR) site has been developed at Lahore. One server has been installed at the site with a dedicated Data Link for smooth operations. To ensure security, point to point Data Link has been deployed including encryption and secured link on both ends.

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 and technical matters.
- thank the Federal Government, Federal Finance Ministry, the Securities & Exchange Commission of Pakistan, the Federal Board of Revenue, the State Bank of Pakistan, Auditor General of Pakistan Office, Pakistan Stock Exchange and other government organisations for their continued support in promoting professional cause and public interest.
- express its appreciation for the work done by Syed Aftab Hameed, and Qasim Ebrahim Causer, in their capacity as the auditors of the Institute.
- gratefully acknowledge the active role played by Audit Committee, Quality Assurance Board and Benevolent Fund Management Committee in their respective areas.
- acknowledge the contributions made by the respective Regional Committees and Managing Committees of Overseas Chapters of ICAP Members in strengthening the image of the Institute and for their whole-hearted support.

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

By the order of the Council.

Abdul Malik, FCA

Secretary & Chief Operating Officer

Karachi: October 10, 2018

Accounting Standards Board Report

This report of the Accounting Standards Board (ASB/Board) of The Institute of Chartered Accountants of Pakistan (ICAP) provides an overview of the ASB activities undertaken and a summary of the key milestones achieved during the year from July 01, 2017 to June 30, 2018.

It was a dynamic and yielding year with the nascent Board making its mark in strengthening financial reporting in Pakistan. Since its establishment in March 2017, ASB has proactively carried out outreach activities with all related stakeholders, ensuring transparency in the process of adoption of the accounting standards and timely issuance of guidance on the emerging financial reporting matters.

New standards: The key projects of the year included consideration for adoption of newly issued IFRS 16 Leases and IFRS 17 Insurance Contracts. ASB carried out and completed the consultation and recommendation process on IFRS 16. On IFRS 17, the detailed and comprehensive consultations with all the significant stakeholders have been carried out during the year.

Implementation support: In Pakistan, this was a transitional period for financial reporting purposes, as the financial reporting requirements of the Companies Act 2017 became applicable from January 1, 2018. ASB taking cognisance of the significance of the matter engaged with all the key stakeholders, especially SECP, ensuring that a consistent and common understanding of the requirements of the Companies Act is developed and disseminated.

During the year, ASB with a consultative approach with SECP, initiated development of the accounting guidance material. Following significant documents were developed for stakeholders facilitation purposes:

- Statements of compliance for financial statements prepared under the Companies Act 2017;
- Accounting guidance 'Financial Reporting under the Companies Act 2017 – Your Questions Answered';
- Illustrative Financial Statements for Medium-sized companies based on IFRS for SMEs and the Fifth schedule;
- Amendment to the Revised Accounting and Financial Reporting Standards for SSEs;
- Disclosure checklist for IFRS for SMEs; and

- Disclosure checklists for the Fourth and Fifth Schedules.

Engagement with the Auditor General of Pakistan:

The Board also made progress in the advocacy of International Public Sector Accounting Standards (IPSAS) for public sector accounting and financial reporting. The Board through its engagement with the Auditor General of Pakistan, Controller General of Accounts and the Ministry of Finance initiated deliberations on the strategy for strengthening accountancy practice in the public sector and the advocacy of IPSAS for the public sector entities.

Other Projects: ASB, as part of its vision, has also initiated many long-term projects which will tremendously improve the accountancy and financial reporting process, increasing investor confidence.

The Board recognises that the way investors and others consume financial information will evolve as technology becomes increasingly pervasive in financial reporting. In this context, the XBRL project showed significant progress during the year.

Expansion in the Board: During the year, ASB welcoming the interest of the Audit Oversight Board and the Ministry of Finance, Government of Pakistan extended invitations for their representation in the Board.

Acknowledgement

I would like to thank my fellow Board members, the advisory group and working group members, our dedicated staff and all our stakeholders for helping us establish our footprint in the past year. Our continued progress would not have been possible without their help, and on behalf of the Board, I wish to place on record appreciation for their hard work and effective contribution.

Farrukh Rehman, FCA

Chairman Accounting Standards Board

Quality Assurance Board Report

The function of 'quality control' in the enhancement of audit quality is so sacrosanct that its importance can never be over emphasised. Effective 'quality control' plays a crucial role in the monitoring and enhancement of audit quality and boosting stakeholders' confidence in the standard of performance rendered by an audit firm of chartered accountants. Such an objective can only be achieved by assessing whether a firm of chartered accountants carries out its statutory audit engagements in accordance with the applicable International Standards on Auditing (ISAs) and regulatory requirements and that its audit working papers do actually support the opinion which it has rendered. Further, an essential part of the 'quality control' activity is to assess whether policies and procedures in relation to a firm's system of quality control are appropriately designed and effectively implemented in accordance with the requirements of the International Standard on Quality Control-1 (ISQC-1). The professionals employed at the Institute's Quality Assurance Department (QAD) continue to provide services in a challenging environment with the sole purpose of enhancing the quality of statutory audit services in Pakistan.

An Audit Oversight Board (AOB) was established under Part IX C of the Securities & Exchange Commission of Pakistan Act 1997 in August 2016. Further, the Audit Oversight Board (Operations) Regulations 2018 were issued vide SRO 62(1)/2018 dated January 18, 2018. During the course of the year personnel of the Audit Oversight Board (AOB) visited the QAD to review its working papers and to understand how the Quality Control Review (QCR) program as required to be established under the Framework of QCR Program 2015 functions. The Board looks forward to working effectively with the AOB with the purpose of further enhancing the quality of audits of Public Interest Companies (PICs) in Pakistan and promote the confidence of not only the investors but also that of the other users in the quality and reliability of audited financial statements of those PICs.

A robust system of quality control within an audit firm depends upon the effective implementation of its policies and procedures addressing elements including the leadership's acceptance of responsibilities for quality within its firm, compliance with the relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, adequate human resources, engagement performance and monitoring. Although it may be claimed with some degree of justification that the quality of audits has improved ever since the Institute's QCR program was

rolled out, however, there still are quite a few areas of audit which should now be addressed more seriously by the audit firms and which usually are a subject of a separate detailed report of the QAB. However, it may not be out of place to remind the statutory auditors that an activity not properly documented with supporting evidence in a working paper is akin to 'work not done' and no extent of explanation, howsoever persuasive, can be a substitute for a 'properly documented evidence' already available in the working papers file at the time of its submission for a quality control review.

Continuous training and development of its personnel is not only essential for an organisation but also necessary for their technical and professional growth. For this purpose, a two day training session was organised for the QAD's personnel which was conducted by a trainer possessing international experience in the areas of training, quality control and regulatory compliance.

QCR of Audit Engagements: During the year ended June 30, 2018 QCRs of 46 audit firms were concluded. This required a review of 183 statutory audit engagements at 69 locations spread over Karachi, Lahore, Islamabad, Rawalpindi, Peshawar, Faisalabad, Multan, Sialkot and Gujranwala. Last year, QCRs of 46 firms were concluded involving 144 audit engagements at 58 office locations. Of the 46 audit firms whose QCRs were completed during the year, 39 firms were considered as 'satisfactory' while the remaining 7 were concluded as being 'unsatisfactory.' Included in the aforesaid 39 firms were 8 new firms whose QCRs were concluded as 'satisfactory.' The QCRs of 6 new firms were concluded as being 'unsatisfactory.'

As of June 30, 2018, the number of audit firms included in the list of firms having 'satisfactory QCR rating' was 122 as compared to 114 last year.

Reviews under ISQC-1: The documentation relating to the 'system of quality control' of 45 firms as required under ISQC-1 was also reviewed.

The Board wishes to place on record its appreciation of all those audit firms and their personnel who have coordinated and cooperated with our reviewers throughout the respective QCRs' processes. The Board recognises that it would have not been able to discharge its function without the effective and timely input by the QAD's personnel and which it greatly appreciates.

By order of the Board

Shahid Hussain, FCA

Secretary Quality Assurance Board

Audit Committee Report

Audit Committee is pleased to present this report for the financial year ended June 30, 2018.

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, risk management process and effectiveness of internal and external audit processes.

The Audit Committee comprised five members. Three of these members are non-Council members including the chairman who is a past president of the Institute.

The Committee met six times during the year ended June 30, 2018. Summary reports of its proceedings and activities were provided to the Council.

Besides head of Internal Audit who also acts as the secretary of the Audit Committee, other executives of the Institute and external auditors attend the Committee meetings by invitation only.

The internal and external auditors have unrestricted access to the Audit Committee throughout the year.

The Audit Committee has regulated its affairs and discharged its responsibilities as per its Terms of Reference (ToR) which are available on the Institute's website.

During the year, Audit Committee has:

Review of the Financial Statements of the Institute:

Reviewed the interim and annual financial statements of the Institute. The Audit Committee, during the review of financial statements, obtained feedback from chief operating officer & secretary, CFO, external and internal auditors.

Based on the understanding of the financial reporting process, presentations and reports of the management and assurance obtained from the auditors, the Audit Committee believes that the financial statements have been presented fairly in compliance with the applicable regulations and Accounting and Financial Reporting Standards.

The Committee, on the basis of conclusions drawn, has recommended the financial statements for approval to the Council.

Internal Controls and Risk Management: Evaluated the effectiveness of internal controls and risk management process. Significant areas reviewed by the Audit Committee included IT governance and general controls including alignment of IT strategy with the overall business strategy. Audit Committee also reviewed controls over procurement process, disposal of fixed assets, study packs and other publication stock and management of conferences and events.

Internal Audit: Approved annual work plan of Internal Audit and reviewed the resulting output from the plan including adequacy and timeliness of the reports and findings and management response thereto. The Committee escalated the significant findings to the Council to improve controls and compliance in areas where weaknesses were identified.

External Audit: Assessed the quality, effectiveness and independence of the external auditors. From the financial year ended June 30, 2017, a formal process for performance evaluation of the external auditors has been initiated whereby the external auditors are evaluated based on the attributes such as fulfillment of the agreed audit plan, technical excellence, team structure, quality control, independence, audit approach and communication of the results.

Recommended Appointment/re-appointment of External Auditors to the Council: One of the retiring external auditors, Qasim E. Causar, had been the auditor of the Institute for the last five years and therefore, he was subject to mandatory rotation as per the Council's decision.

The other retiring external auditor, Syed Aftab Hameed, is the auditor of the Institute for the last two years and can be reappointed as the external auditor for the year ending June 30, 2019. He also offered his services for the year ending June 30, 2019.

In the light of criteria defined in CA Bye Law 127, the Committee recommended to the Council the appointment of Mohammed Shabbir Kasbati as external auditor of the Institute for the year 2018-19 in place of Qasim E. Causar and the re-appointment of Syed Aftab Hameed, as external auditor of the Institute for the year 2018-19, based on his satisfactory performance.

Whistleblowing Policy: Monitored the effectiveness and compliance of Whistleblowing Policy which was introduced in March 2014 (updated in June 2015). All

the complaints and actions taken by the management are reviewed/considered by the Audit Committee on a quarterly basis and reported to the Council.

In order to make the Whistleblowing mechanism more transparent and effective and for building confidence of the whistleblower, the Audit Committee has also suggested enhancing the scope of Whistleblowing Policy.

Meeting of the Chairman Audit Committee with the President ICAP: Chairman Audit Committee also meets with the president at least once in a year. This year two such meetings were held; one with the president, and other with the vice president (South) which focused on the matters, such as, governance (specifically IT governance and general controls), compliance, risk assessment and internal control systems.

Through this process, the Committee expects improvement in the overall governance, compliance and internal controls structure of the Institute.

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

Zafar Iqbal Sobani, FCA
Chairman Audit Committee

Northern Regional Committee Report

Northern Regional Committee (NRC) took a big leap this year by arranging its first full day conference for members on China Pakistan Economic Corridor (CPEC). Enhancements in Continuing Professional Development (CPD) program were accomplished through strengthening of E-Learning, webinars by foreign accredited speakers, online CPD portal with much more than just CPD hours was offered to North membership. Furthermore, family get together at all North stations was also a major attraction of the year.

The following activities were carried out during the year under review:

ICAP Conference on CPEC - Myths & Realities: NRC organised a conference on CPEC – Myths & Realities on February 17, 2018 at a local hotel in Lahore. Former federal minister for Interior/Planning, Development & Reforms, government of Pakistan, Ahsan Iqbal was the chief guest. High profile speakers and panelists participated in the conference attended by more than 450 members. The event got exclusive coverage on electronic, print and social media.

Memorial of Abdul Hameed Chaudhri: NRC paid a tribute of members' love and respect to past president ICAP, late Abdul Hameed Chaudhri, who passed away on October 5, 2017. He was a mentor of mentors for over five decades and one of the biggest icons of the accountancy profession in Pakistan. Family members, friends, colleagues, students of Abdul Hameed Chaudhri and members in large numbers attended the special session to pay tribute to him.

CPD Activities: The core responsibility of NRC is to conduct trainings for ICAP members to enhance their knowledge and skill set. Various CPD activities organised during the year are as follows.

Webinars & E-Learning: The E-Learning facilitates hassle free learning and has a potential of becoming a popular source of CPD. It helps cater learning needs of members within Pakistan and around the world. NRC facilitates members by providing an interactive website (<http://icap.knowledgenow.info>) to keep them abreast with the global best practices by uploading recorded versions of ICAP webinars from available archives. Live webinars can easily be accessed online via this portal at any time to earn CPD hours. It includes sessions by world class speakers from IMD, IE, Darden Business School, Rotman University, Carnegie Mellon, Virginia Tech, etc.

E-Learning is a big achievement of NRC. This year, live webinar topics included: Entrepreneurship and lean startup methodology - How to move from ideas into business, Performance Base Budgeting: Predictive Accounting, How finance team become more productive, Blockchain Recent Development, Beyond Cryptocurrencies. NRC intends to hold one live webinar every month.

Seminar on Companies Act: NRC in support of Auditing Standards and Ethics Committee ICAP and SECP arranged awareness seminars on newly promulgated Companies Act 2016. These seminars were held in Lahore, Islamabad, Faisalabad and Multan attracting members in large numbers.

One to One Session with Chairman FBR: NRC in support of Committee on Fiscal Laws held a pre-budget discussion with Tariq Mahmood Pasha, chairman Federal Board of Revenue (FBR). Members raised pertinent questions and gave recommendations to chairman FBR on Federal Budget 2018-19.

Tax Amnesty Scheme: NRC arranged a special session on Tax Amnesty Scheme. The session was video casted live at all regional offices in North. A follow-up session was arranged by NRC with chief commissioner FBR to get certain clarifications on Tax Amnesty Scheme as raised by members. More than 40 members attended the session.

SAP Extended End User Training: NRC also conducted a comprehensive SAP Extended End User Training of 48 hours spanning six days with eight hours in each session. Six modules of SAP were successfully conducted by professional trainers. NRC has planned series of training sessions especially for young members at least twice a year.

Other CPD Activities: Various CPD activities were held during the year at Lahore, Islamabad, Peshawar, Faisalabad and Multan. Themes during the year were: Road to Success, Workshop on IFRS 16 & IFRS 15, Fraud Investigation, Alternate Dispute Resolution (ADR); Seminar on Anti-Money Laundering Act 2010, Budget Dialogue 2018, Withholding Taxation, Changes in Corporate Governance, Non-Compliance with Laws & Regulations (NOCLAR), Introduction to Combined Incorporation process and Post Incorporation Filing and Compliance, etc. Post Budget sessions were also held at all stations. Rana Muhammad Afzal, former minister of State for Finance

and Economics Affairs, Tariq Mahmood Pasha, chairman FBR, Industry leaders, chief commissioners and commissioner of FBR attended these sessions as guests of honour.

Libraries: The Committee manages and operates libraries in various cities of the country to cater to the needs of the members and students. NRC played a leading role in providing books to all libraries in the North. During the year, efforts were made to ensure that delivered books at libraries were updated. Rules for usage of libraries (Lahore, Islamabad, Faisalabad, Peshawar, Gujranwala and Mirpur) were updated and enforced at respective locations.

Achieving Excellence - CA Gold Medal & Certificate Distribution Ceremony 2018: NRC successfully organised the Gold Medal and Certificate Distribution Ceremony at Lahore and Islamabad. More than 1500 people attended the ceremonies graced by Muhammad Yawar Ali, chief justice Lahore High Court, Javaid Jehangir, auditor general of Pakistan, admiral retired Muhammad Asif Sandila, former chief of Naval Staff Pakistan Navy, Riaz A. Rehman Chamdia, president ICAP, Jafar Husain, VP-North ICAP, Council members, past presidents, NRC members and senior ICAP members from industry and practice. Both these events received good media coverage.

Industry Members Placement Committee & Practicing Members Support Committee: NRC took further steps for the betterment of members and report members' issues and concerns to the ICAP office bearers and standing committees of the Council as per Bye-laws. Keeping this in mind, NRC formed Industry Members Placement Committee for members' placement in industry. Two meetings were held during the year and matters related to industry members were discussed.

NRC also formed Practicing Members Support Committee to help practicing members in get-together and discuss their issues, update their knowledge and share information. Two meetings were held during the year and various issues of practicing members were deliberated. The results of these meetings were sent to VP-North with recommendations to solve members' issues.

Engagement with Governor of Punjab: NRC chairman and members along with executive director ICAP called upon the governor Punjab, Malik

Muhammad Rafique Rajwana who appreciated the role of ICAP in development of the economy and empowerment of youth.

Engagement with Tax Bar Association: Practice support committee of NRC invited newly elected office bearers of Lahore Tax Bar Association in a meeting to discuss matters of mutual interest. It was agreed that both NRC and Tax Bar events will be shared with members of both. Office bearers of Tax Bar also agreed to impart latest knowledge of case laws to ICAP members.

New Members Orientation Workshops: NRC, in collaboration with Council, plans to conduct three day workshops for new chartered accountants in Lahore and Islamabad to help them focus on development of soft skills and application of knowledge through case studies. Moreover, veterans in industry will explain stakeholder expectations and leading chartered accountants in practice will discuss pros and cons of practice. These workshops are to be held in September/October 2018.

Sales Tax on Services Rate Reduction by Punjab Revenue Authority: NRC made representation before Punjab Revenue Authority (PRA) to reduce sales tax on services rendered by chartered accountants. PRA, therefore, reduced the rate of sales tax on services to 5% for a third consecutive year due to efforts of NRC.

Members' Recreational Activities: NRC is also making efforts to provide opportunities to members and their families to socialise and network. NRC organised a members' family get together at Islamabad, Multan, Faisalabad, Gujranwala, Peshawar and Lahore.

Chartered Accountants Students' Association - North: Chartered Accountants Students Association - North (CASA-N) initiated many new activities for students this year. CASA-N organised Champions League Cricket tournament involving teams from Lahore, Islamabad, Peshawar and Faisalabad, a Sports Gala where students were given a chance to play six different sports in same vicinity at a local sports complex, and CASA Cricket Tournament in all cities of North. Out of 38, 36 teams were from chartered accountant firms. CASA-N also held special revision classes at Lahore and Islamabad which were telecasted live through ICAP video conferencing facility for students in Faisalabad, Multan and Peshawar.

Thinking Global - 2nd Student Conference: The NRC and CASA-N organised ICAP Student Conference 2017 titled, Thinking Global. The conference was attended by more than 500 students and professionals from the fraternity of finance and business.

Finance and Accounts: The financial statements depict a surplus of Rs. 2.016 million for the current year.

During the year, Rs. 13.532 million was collected from members for the purpose of conducting conference, workshops, discussion forums, seminars, etc. While Rs. 10.888 million was directly spent in holding above activities.

Condolences: The members of NRC would like to offer condolences to families of chartered accountants who left us and also to those who lost their loved ones during the year.

Acknowledgement

I would like to express my sincere gratitude and thanks to all members, especially those who served on various committees, for their support in carrying out informative and diverse activities through the year. I am thankful to all NRC members - JehanZeb Amin, Farooq Hameed, Ali Saif Cheema, Shahid Iqbal Khattak and Rafqat Hussain for making efforts during the year and also to previous chairman NRC ICAP Sajjad Hussain Gill for his contributions to NRC affairs. Lastly, in this respect, CASA Management Committee as well as members and chairs of CPD Committees at all stations North and chairs of Library Committees of various cities my special thanks as well. I also would like to show appreciation on the contributions made by all the guest speakers in CPD seminars/workshops and look forward to their participation in future events.

I take this opportunity to show my gratitude to the sincere support of respected president, vice presidents, Council members, past presidents of ICAP, secretary, heads of departments and the Institute's staff for their valuable support for the smooth running of NRC affairs.

Asad Feroze, FCA

Chairman Northern Regional Committee

Southern Regional Committee Report

The Southern Regional Committee (SRC) of The Institute of Chartered Accountants of Pakistan (ICAP) is responsible to provide its members with a platform for Continuing Professional Development (CPD) and in this context organises seminars, webinars and workshops. Management of the students' libraries and coordination with Chartered Accountants Students' Association (CASA) also comes under the domain of SRC.

SRC is pleased to inform you that during the current year, SRC organised numerous CPD events for the benefit of members. Two social events were also arranged for members and their families. For CA students, a grand CASA Conference was organised under the guidance of SRC.

CPD Activities: This year, SRC organised 21 CPD events constituting 100.5 CPD Hours and covering topics such as Audit, Adaptive Leadership, Company Law, Corporate Governance, Ethics, Fraud Investigation, Governance in Pakistan, Internal Audit, International Financial Reporting Standards (IFRS), Microsoft Excel, Stress Management and Taxation. This included webinars organised in collaboration with the Northern Regional Committee (NRC) and certain headline events namely, A Session with the Finance Minister as well as the annual Pre and Post Budget seminars. These programs were attended primarily by members but a considerable number of non-members also participated.

Social Events: The most anticipated social event, the Annual Family Get Together, was organised in February 2018. This year, a new venue Aladdin Amusement Park was booked exclusively for members and their families. The event was attended by almost 1000 people including members and their families who thoroughly enjoyed the outing. Further, a Sham-e-Mizah with one of the leading humorous poets of the country, was arranged for members and their spouses/guests on a complimentary basis.

Certificates' Distribution Ceremony: The bi-annual Certificates' Distribution Ceremony for the newly qualified chartered accountants is also organised by the SRC. The themes for the ceremonies held this year in December 2017 and April 2018 were: Think-Strive-Achieve and The Future: You! respectively.

Chartered Accountants Students' Association –

South: The SRC also oversees the affairs of the Chartered Accountants Students' Association - South (CASA-S) and the students' libraries. A role of mentoring and guidance is provided to the elected members of CASA-S and they are facilitated to provide opportunities of learning and development for CA students.

The SRC facilitated organisation of exam based seminars and workshops by CASA-S for the CA finalists in order to provide them with an opportunity for better revision and brushing up the examination techniques.

The headline event, CA Students' Conference 2018 was also organised by CASA-S this year under the guidance of SRC with the theme 'Beyond Prudence.' The Conference was attended by 500 plus students and was extremely well-received.

Finance and Accounts: The financial statements reflect a surplus of Rs.1.72 million for the current year. During the year Rs. 3.25 million was received from ICAP on account of members' subscription fee. 18.70 million was collected from members as fee for participating in CPD activities out of which Rs. 16.07 million was spent on CPD activities and 2.13 million were spent on social events.

Acknowledgement

On behalf of SRC, I would like to thank ICAP president, VP-South, Council members and fellow members for their guidance, support and patronage. The SRC is also thankful to ICAP chief operating officer & secretary and his entire team as well as all staff members working at SRC office for the support provided by them throughout the year.

Adnan Rizvi, FCA

Chairman Southern Regional Committee

Benevolent Fund Management Committee Report

The Institute of Chartered Accountants of Pakistan (ICAP) Benevolent Fund (The Fund) is an important and independent function of 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 each year. The Fund was established in 1972 with a purpose to provide 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 these functions with commitment and sincerity of purpose since inception.

In addition to meeting its obligation of identifying the deserving families and providing financial grants, the Fund also undertakes special projects for the benefit of members. A brief account of the performance of the Fund during financial year 2017-18 appears below:

Financial Assistance: During the year under report, the Fund extended financial assistance of Rs. 19.89 million to twenty-eight families including six living members. Financial assistance of the preceding year amounted to Rs. 21.46 million provided to twenty-nine families including six living members. The amount also includes Rs.3 million paid to two critically ill members as one-time assistance. Average monthly assistance per family amounted to Rs.59,000 during the year under report in comparison with Rs.57,000 per family per month in the preceding year.

Fund Raising: A letter was circulated to all members of the Institute highlighting the objectives of the Fund and activities of the Benevolent Fund Committee requesting contributions for the Fund. Later on, chairman along with members of the Committee visited the managing partners of the leading CA firms and other members personally with aforementioned objective and convinced them to contribute Rs. 1 lac per partner from the firm. Donations received during the year from the firms and members in their individual capacity amounted of Rs.13.53 million. The Committee thankfully acknowledged the contributions received from partners of firms and the members.

Group Term Life Insurance Scheme: The scheme provides term life insurance cover upto the age of 64 years against a premium of Rs. 3.37 per thousand rupees of sum insured for age below 60 years and Rs. 4

per thousand rupees of sum insured for age 60-64 years. Coverage to 65-69 years is subject to underwriting after submission of health questionnaire and medical examination. 368 members (including eight employees) of the Institute joined the scheme during the term. 445 participants (including nine employees) got enrolled in the policy during the preceding term. Two claims of Rs. 12 million were reported during the year. One claim of Rs. 2 million was settled during the year whereas claim of Rs. 10 million was settled subsequently.

During the year, surplus group insurance share of Rs. 5.35 million was returned by the insurers as profit for the term 2016-17. Out of 444 participants, 226 members donated their share amounting to Rs. 2.59 million to the Benevolent Fund.

During the preceding year, surplus of Rs. 2.60 million was returned by the insurers as profit share of the term 2015-16. Out of 399 participants, 238 members donated their share amounting to Rs. 1.4 million to the Benevolent Fund. The Committee is grateful to the members for their generosity.

The Committee has negotiated term life insurance cover for 2018-19 with IGI Insurance for members. Their spouses will also be eligible to apply if their member spouses are opting for the same. Coverage is available under conventional as well as takaful mode. There is no requirement of medical examination up to the age of 64 years. Coverage for age group 65-69 will be available under conventional mode only subject to medical underwriting. Participation in the scheme is not compulsory, however, members are encouraged to obtain the cover along with their spouses for protection of their family in case of unexpected events.

Details of renewed policy were circulated to members and are also available at the website of the Institute www.icap.org.pk/members/bf/gbs

Group Health Care Scheme: Health insurance scheme provides hospitalisation benefit, coverage of day-care treatments and specialised investigations. The policy also provides maternity cover as a supplementary benefit available on an optional basis.

Net enrollment in the scheme at the close of financial year was recorded at 2119 participants as compared to 1875 persons enrolled during the previous term. Claims in excess of Rs. 24 million were settled by the insurers against overall premium of Rs. 19.50 million as

compared to premium and claims of Rs. 17.90 million and Rs. 19.50 million respectively in the preceding year.

The policy for 2018-19 was renewed with UBL Insurers for offering the lowest premium and comparatively better terms. Details of renewed policy were circulated to members and are also available at the website of the Institute www.icap.org.pk/members/bf/gbs

Acknowledgement

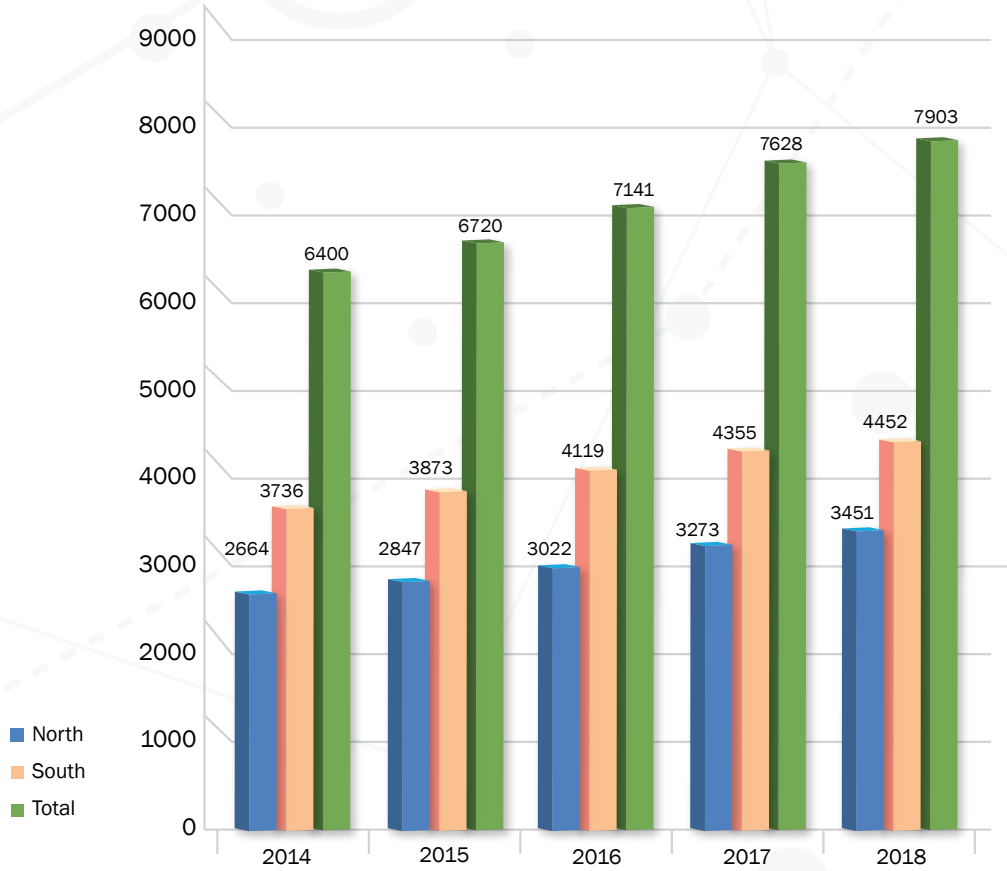
The Committee appreciates the continuous support of the president and the Council of the Institute. The Committee gratefully acknowledges the support by way increase in amount of members' annual subscription to Rs. 2,500 per member and the annual grant to the Fund from Rs. 1 million to Rs. 2 million from the ensuing year. The Committee would also like to thank the members, management and staff of the Institute for their continued co-operation and support.

I, would also like to place on record the continued dedicated support of my Committee colleagues.

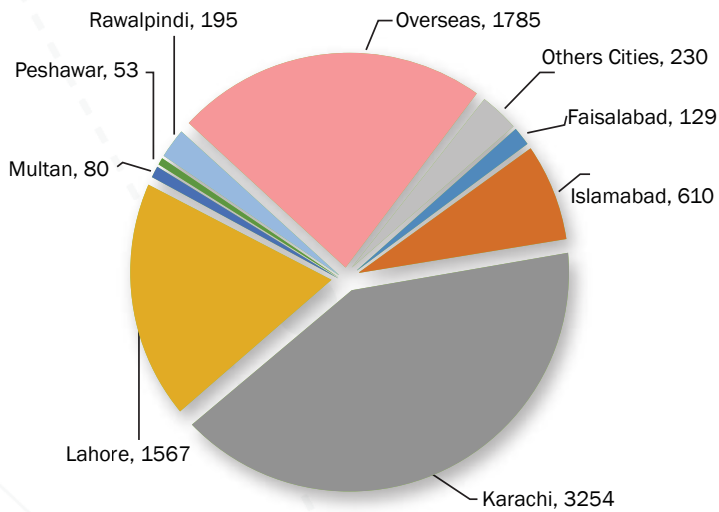
Imran Afzal, FCA

Chairman Benevolent Fund Management Committee

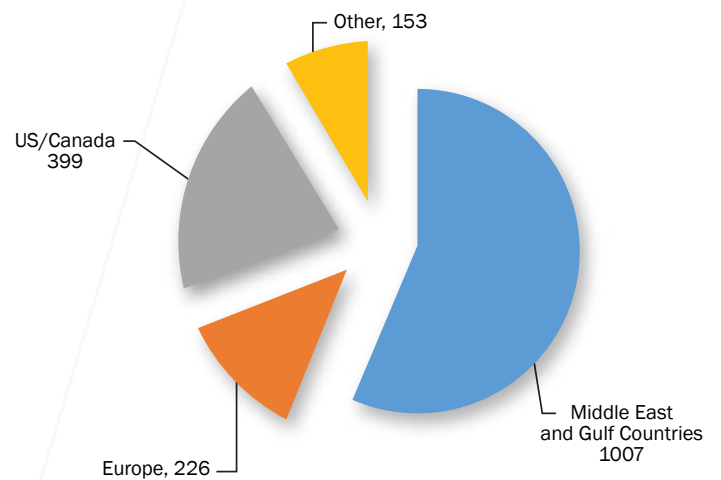
Members' Data Region-wise



Geographical Spread



Overseas Members



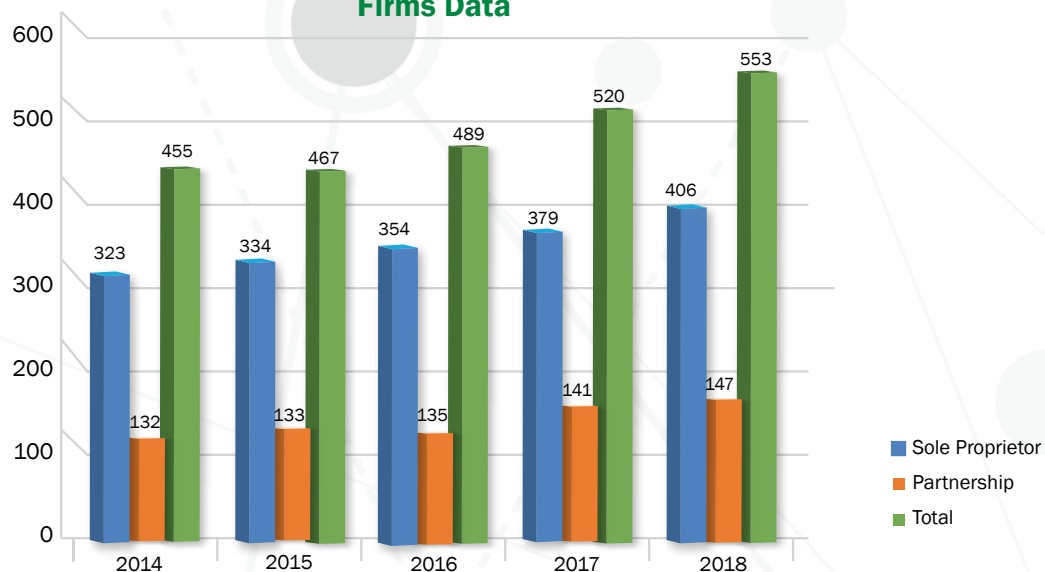
Job Sector Information of Members

June 30, 2018			
	Associates	Fellows	Total
Pakistan			
Public Practice	174	693	867
Employed in Practice	1095	218	1313
Automotive	42	21	63
Cement/Ceramics/Glass	37	19	56
Chemicals/Paints	25	19	44
Commerce and Industry	222	118	340
Construction and Real Estate	42	21	63
Consumer Goods	70	21	91
Education	74	52	126
Electronics and Electrical Goods	38	11	49
Engineering	39	34	73
Fertilizer/Agriculture	36	24	60
Financial Institutions/Banks	658	170	828
Financial/Management Consulting	54	38	92
Food/Beverages/Tourism	68	39	107
Government	30	24	54
Healthcare and Pharmaceutical	83	56	139
Information & Communication Technology	119	66	185
NGOs/Social Services	31	15	46

June 30, 2018			
	Associates	Fellows	Total
Pakistan			
Oil and Gas	101	87	188
Power Generation and Distribution	63	42	105
Shipping and Marine	13	5	18
Sugar and Allied	10	15	25
Textile/Fashion and Apparels	111	63	174
Transport/Logistics/Courier Services	28	12	40
Print and Digital Media/Event Management	31	27	58
Miscellaneous	425	218	643
Senior Members	11	260	271
Sub Total	3730	2388	6118

June 30, 2018			
	Associates	Fellows	Total
Outside Pakistan			
Public Practice	4	20	24
Employed in Practice	202	17	219
Other than Public Practice	800	687	1487
Senior Members	2	53	55
Sub Total	1008	777	1785
Total	4738	3165	7903

Firms Data



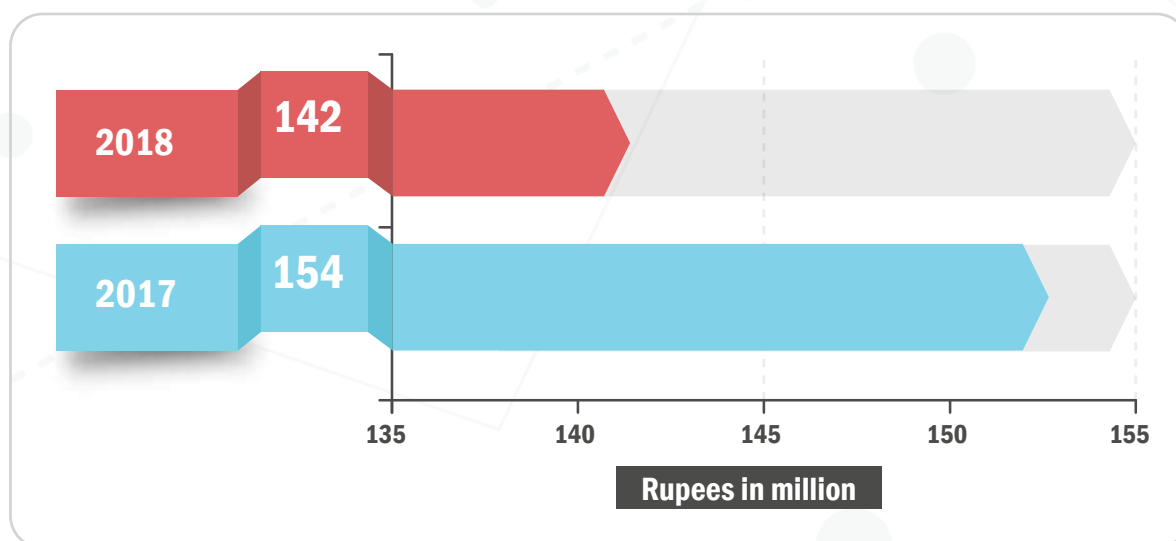
Sound Financial Base

The Institute remains debt free, continues to grow its strong revenue base and is well placed to continue its operations.

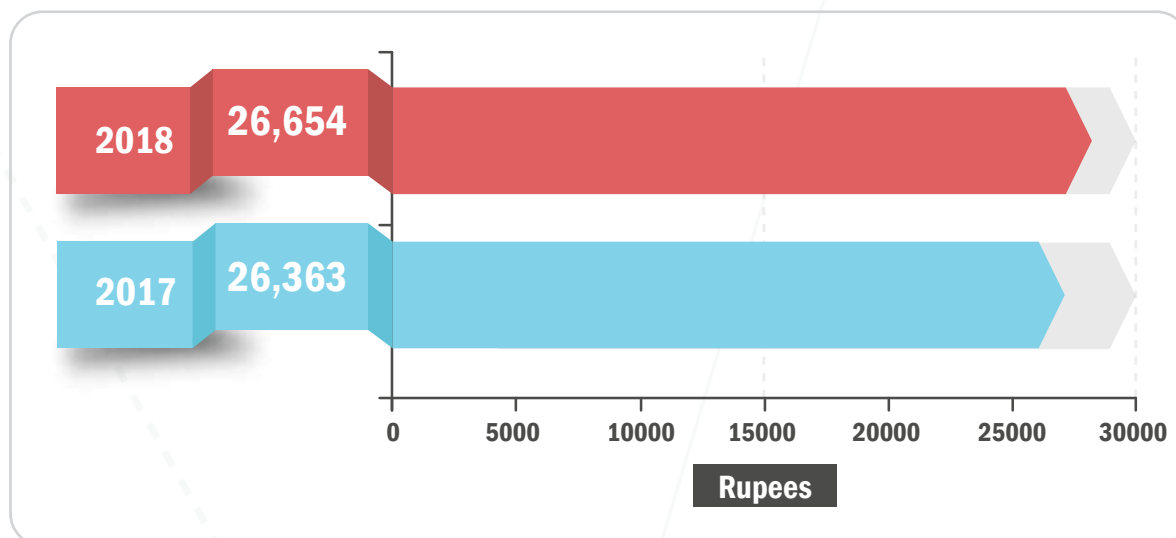
The Institute generated a surplus of Rs. 142 million for the year. Total revenue increased by 6% while expenses were higher by 9% over the previous year.

The overall increase in Total Members' Funds of 13% (to Rs. 1,240m) 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.

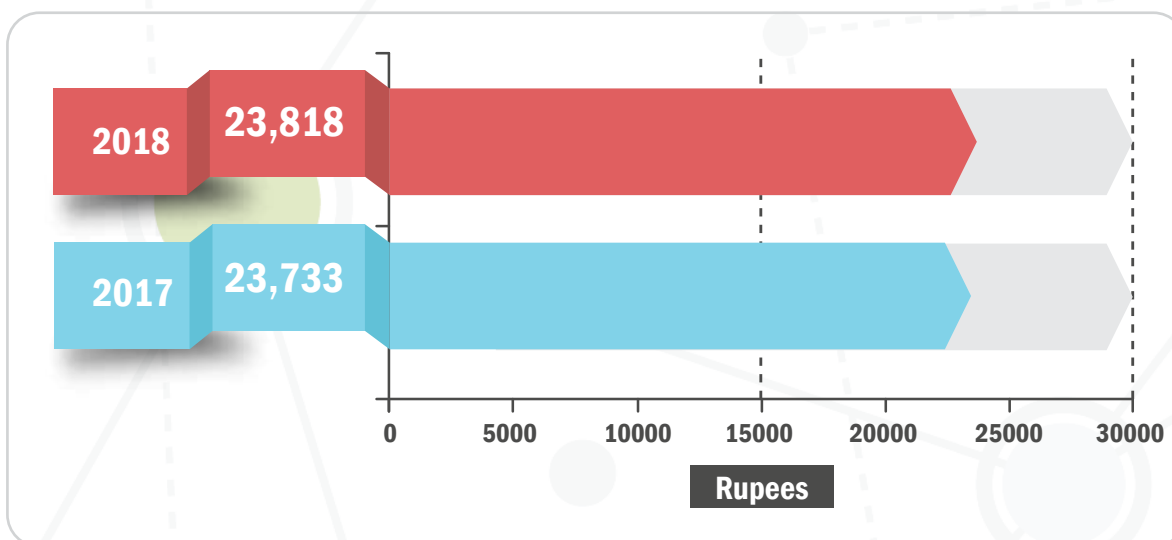
Surplus



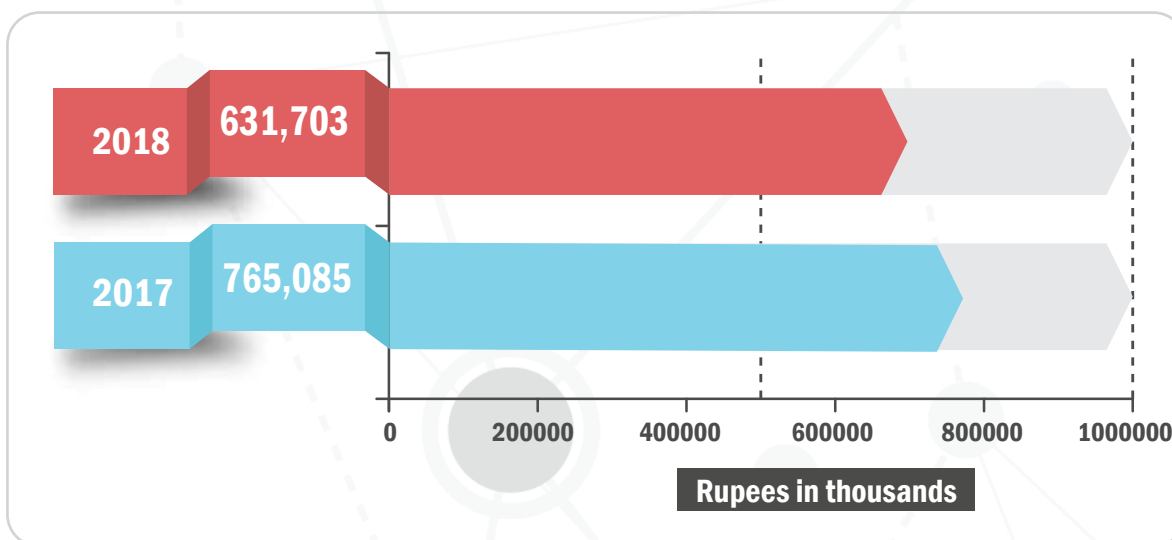
Revenue per member and student



Cost per member and student



Investments and cash equivalents

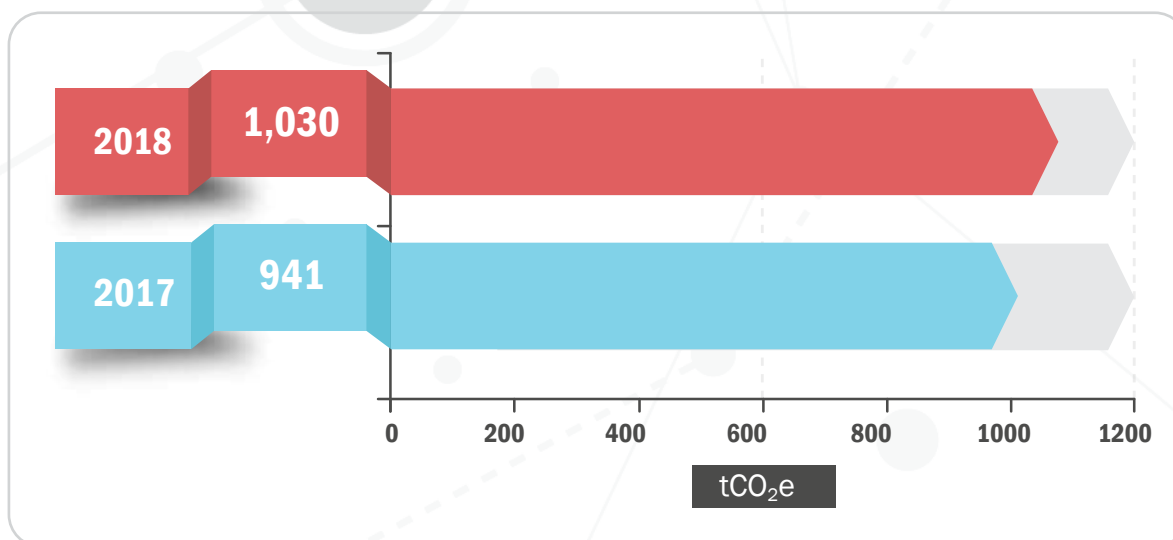


Environmental Impact

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 1030 tonnes of carbon (tCO₂e), a 9% increase compared to 2017. This increase was driven by increase in emissions from flights and electricity consumption

Greenhouse gas emissions (tCO₂e = tonnes of carbon)



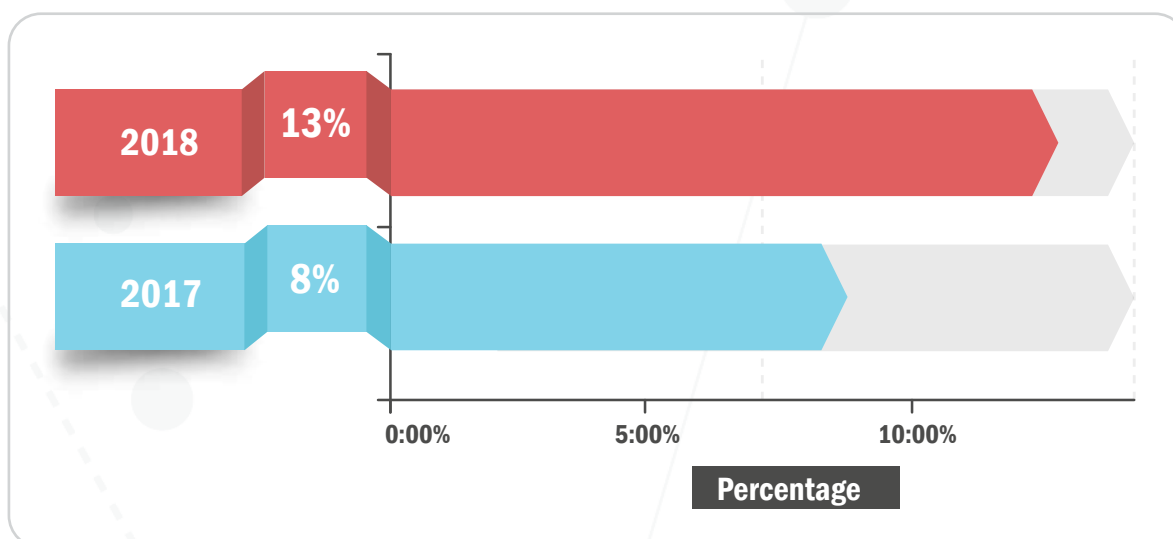
Itemised emissions

(tCO₂e)

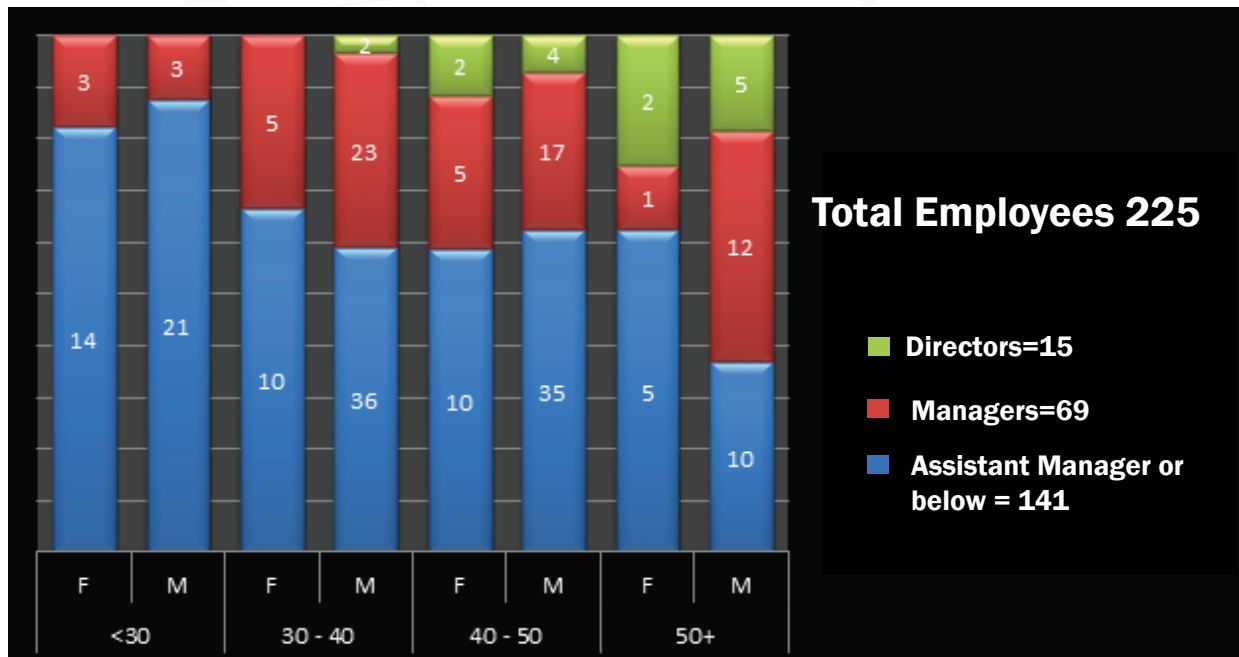
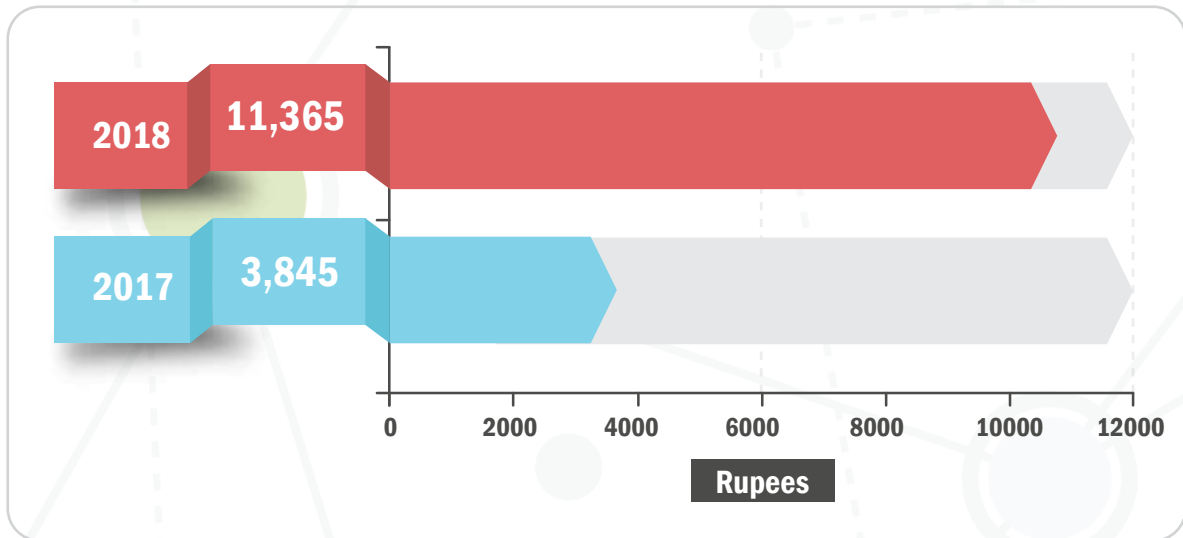
Electricity consumption
Air travel
Paper consumption

2018	2017
495	467
524	459
11	15

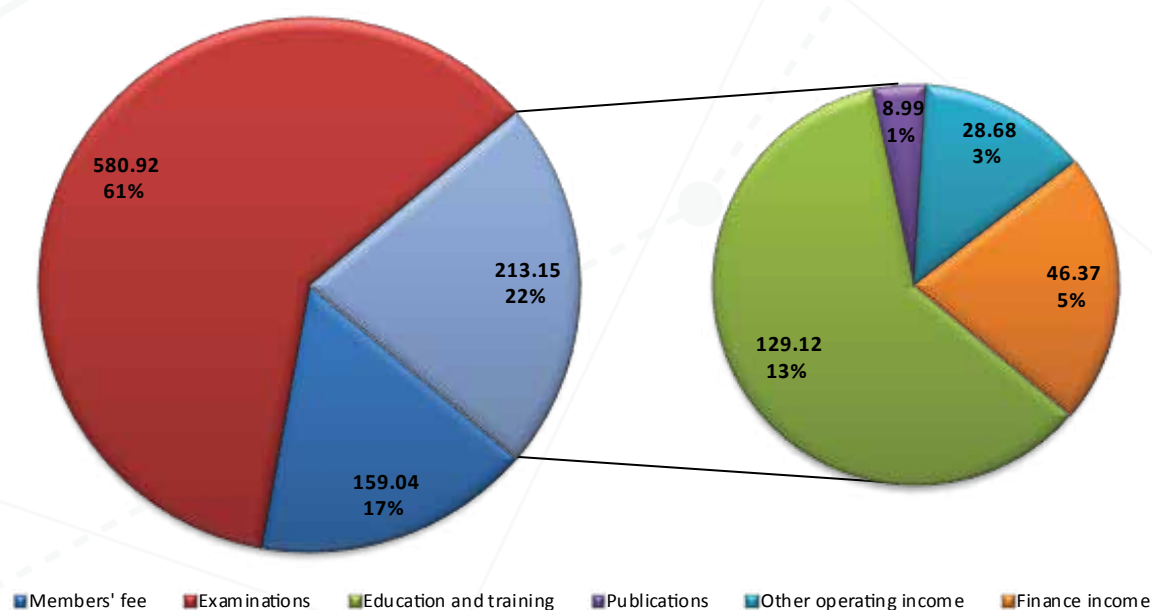
Voluntary employee turnover



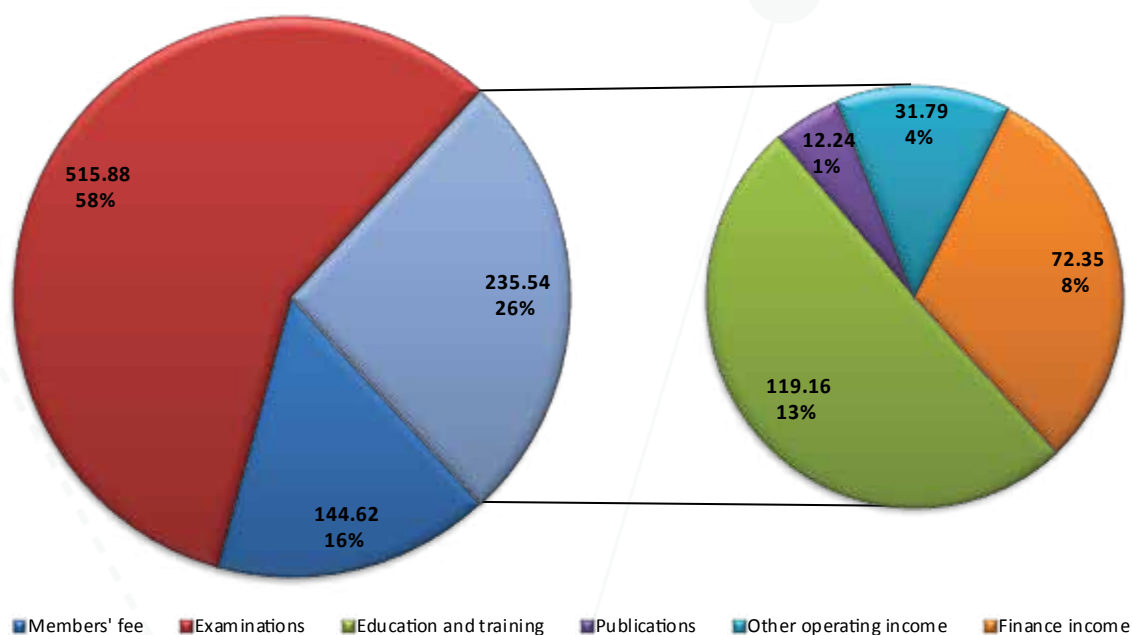
Average spending on training per employee



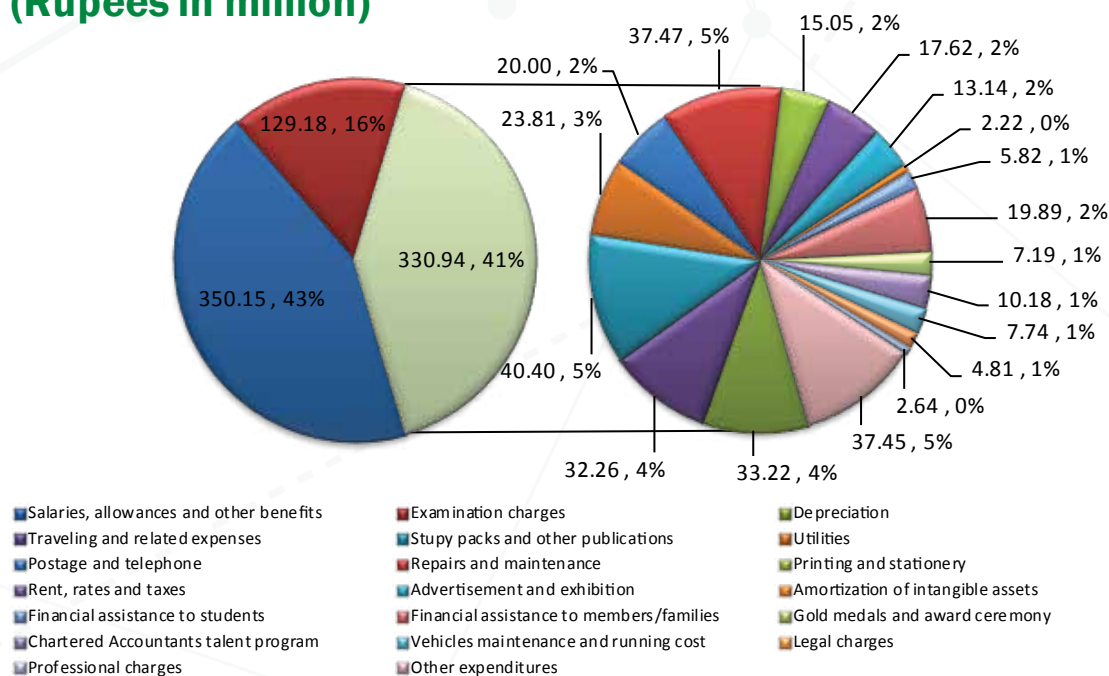
Income 2018 (Rupees in million)



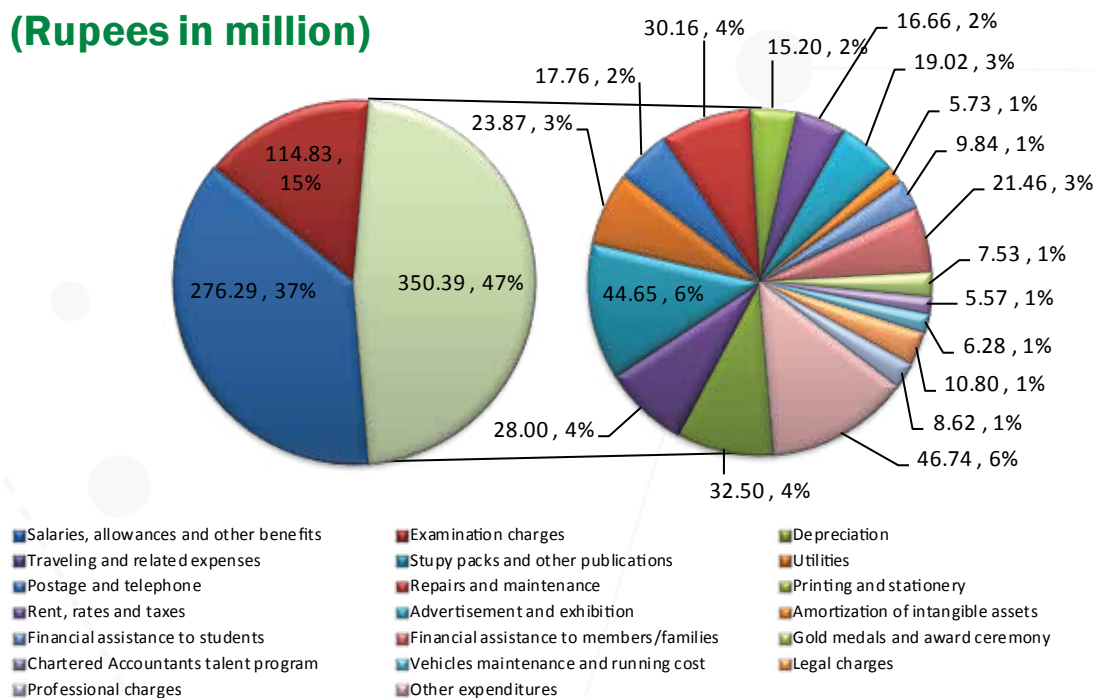
Income 2017 (Rupees in million)



Expenses 2018 (Rupees in million)



Expenses 2017 (Rupees in million)

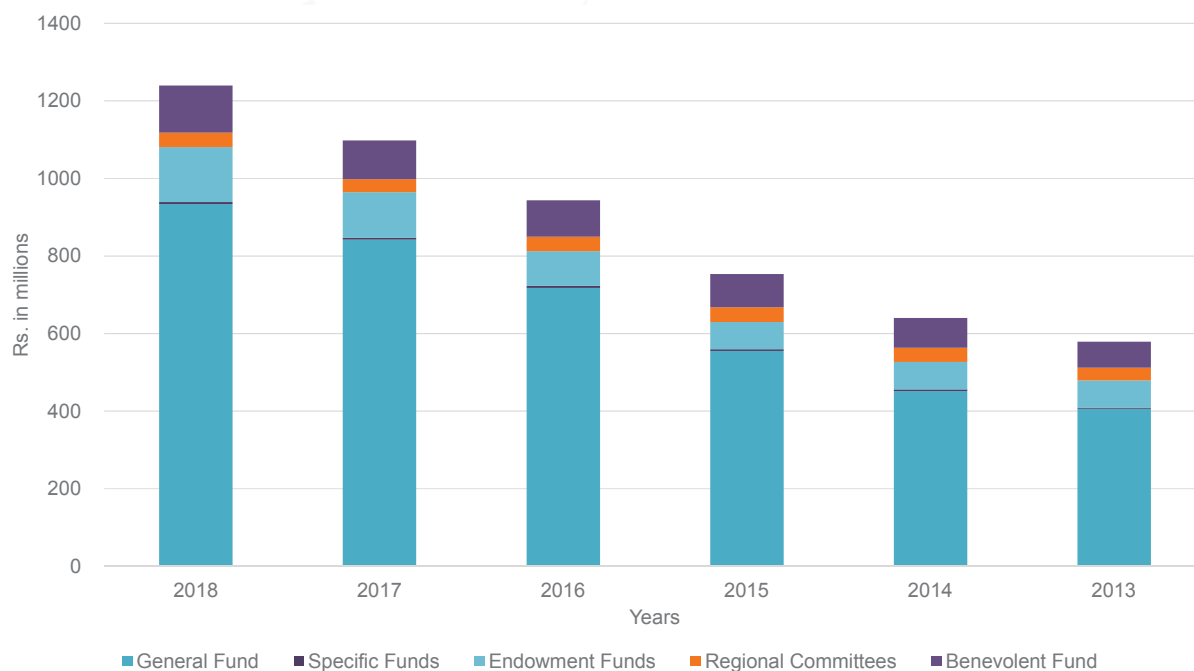


SIX YEARS SUMMARY

Fund Position

Rs. in million

Descriptions	2018	2017	2016	2015	2014	2013
General Fund	934	842	718	555	452	406
Specific Funds	5	5	5	5	4	3
Endowment Funds	142	118	90	70	71	70
Regional Committees	37	33	37	38	36	33
Benevolent Fund	122	100	94	86	77	67
Total	1240	1098	944	754	640	579



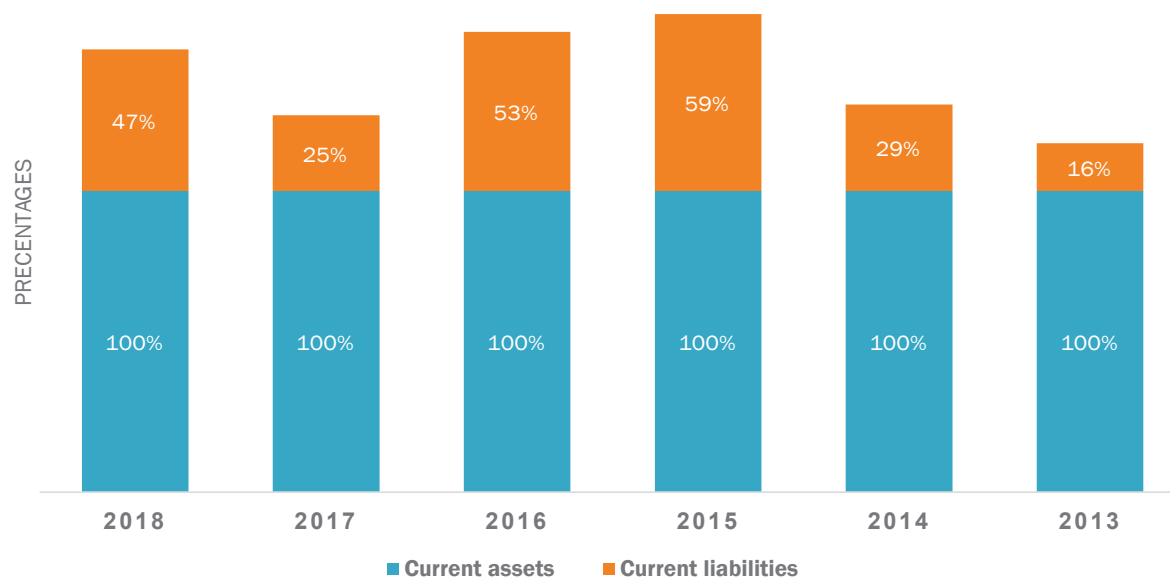
SIX YEARS SUMMARY

Assets & Liabilities

Rs. in million

Descriptions	2018	2017	2016	2015	2014	2013
Property, plant and equipment	677	229	247	235	225	184
Long term assets	417	510	553	445	159	91
Current asset	275	479	305	179	359	361
Current liability	(129)	(120)	(161)	(105)	(103)	(57)
Net assets	1240	1098	944	754	640	579

Current Assets 'vs' Current Liabilities

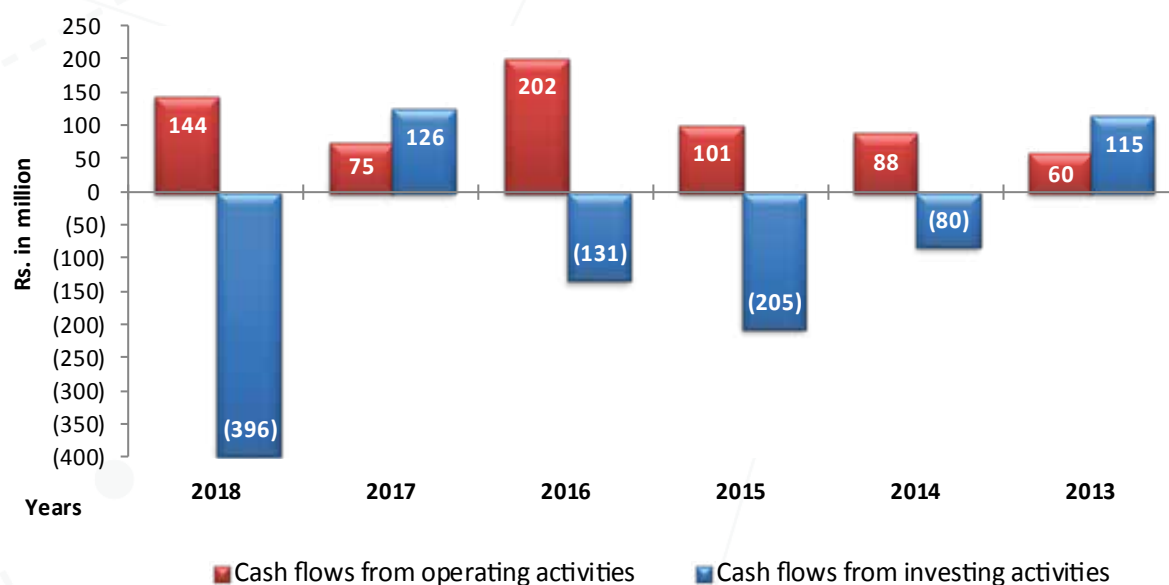


SIX YEARS SUMMARY

Cash flows

Rs. in million

Descriptions	2018	2017	2016	2015	2014	2013
Cash & cash equivalent at the beginning of the year	368	167	96	200	192	17
Cash flows from operating activities	144	75	202	101	88	60
Cash flows from investing activities	(396)	126	(131)	(205)	(80)	115
Net changes in cash and cash equivalent	(252)	201	71	(104)	8	175
Cash & cash equivalent at the end of the year	116	368	167	96	200	192

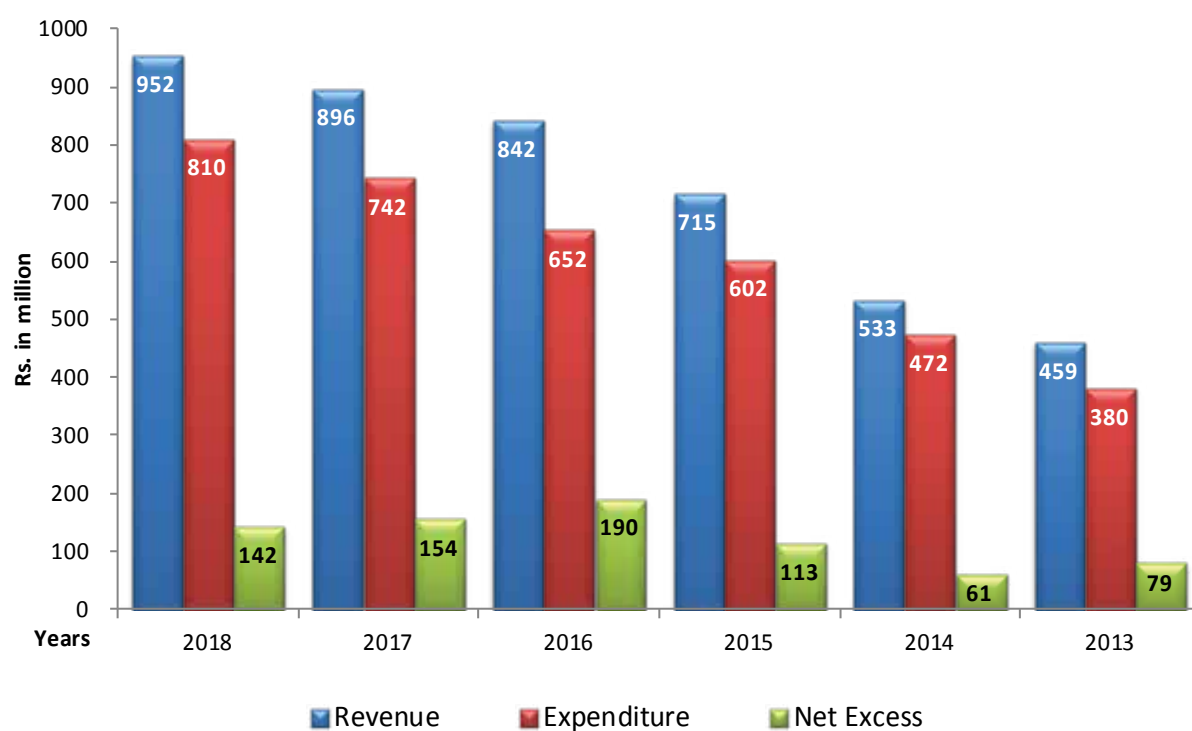


SIX YEARS SUMMARY

Income & Expenditure

Rs. in million

Descriptions	2018	2017	2016	2015	2014	2013
Revenue	952	896	842	715	533	459
Expenditure	810	742	652	602	472	380
Net Excess	142	154	190	113	61	79



SIX YEARS SUMMARY

Vertical Analysis

Rs. in million

Description	2018	2017	2016	2015	2014	2013
	Rs	%	Rs	%	Rs	%
ASSETS AND LIABILITIES						
Property, plant and equipment	677	55%	229	21%	247	26%
					235	31%
					225	35%
Other Long term assets	417	34%	510	46%	553	59%
					445	25%
Current assets	275	22%	479	44%	305	32%
					179	24%
Current liabilities	(129)	(11%)	(120)	(11%)	(161)	(17%)
					(105)	(14%)
					(103)	(16%)
Net assets	1240	100%	1098	100%	944	100%
					754	100%
					640	100%
					579	100%
REPRESENTED BY						
General Fund	934	75%	842	77%	718	76%
					555	74%
Specific Funds	5	0%	5	0%	5	1%
					4	1%
Endowment Funds	142	12%	118	11%	90	10%
					70	9%
Regional Committees	37	3%	33	3%	37	4%
					38	5%
Benevolent Fund	122	10%	100	9%	94	10%
					86	11%
					77	11%
					67	11%
INCOME & EXPENDITURES						
Income	953	100%	896	100%	842	100%
					715	100%
					533	100%
Expenditures	810	85%	742	83%	652	77%
					472	89%
Operating Surplus	143	15%	154	17%	190	23%
					113	16%
					61	11%
					79	17%

SIX YEARS SUMMARY

Horizontal Analysis

Rs. in million

Description	2018		2017		2016		2015		2014		2013	
	Rs	Percentage change (%)	Rs	Percentage change (%)	Rs	Percentage change (%)	Rs	Percentage change (%)	Rs	Percentage change (%)	Rs	Percentage change (%)
ASSETS AND LIABILITIES												
Property, plant and equipment	677	196%	229	(7%)	247	5%	235	4%	225	22%	184	
Other Long term assets	417	(18%)	510	(8%)	553	24%	445	180%	159	75%	91	
Current assets	275	(43%)	479	57%	305	70%	179	50%	359	(1%)	361	
Current liabilities	(129)	(8%)	(120)	25%	(161)	(53%)	(105)	(2%)	(103)	(81%)	(57)	
Net assets	1240		1098		944		754		640		579	
REPRESENTED BY												
General Fund	934	11%	842	17%	718	29%	555	23%	452	11%	406	
Specific Funds	5	0%	5	0%	5	0%	5	25%	4	33%	3	
Endowment Funds	142	20%	118	31%	90	29%	70	(1%)	71	1%	70	
Regional Committees	37	12%	33	(11%)	37	(3%)	38	6%	36	9%	33	
Benevolent Fund	122	22%	100	6%	94	9%	86	12%	77	15%	67	
	1240		1098		944		754		640		579	
INCOME & EXPENDITURES												
Income	953	6%	896	6%	842	18%	715	34%	533	16%	459	
Expenditures	810	9%	742	14%	652	8%	602	28%	472	24%	380	
Operating Surplus	143	(7%)	154	(19%)	190	68%	113	85%	61	(23%)	79	

SIX YEARS SUMMARY

Travelling and related expenses

Rs. in '000

Description	2018	2017	2016	2015	2014	2013
OVERSEAS TRAVELLING						
International Federation of Accountants (IFAC)						
Members of the Council	2,720	2,619	2,712	3,625	2,507	3,268
Members of the Committee	1,566	523	772	410	541	223
Staff of the Institute	1,217	-	-	615	398	-
	5,503	3,142	3,484	4,650	3,446	3,491
Confederation of Asian and Pacific Accountants (CAPA)						
Members of the Council	639	755	910	2,240	726	879
South Asian Federation of Accountants (SAFA)						
Members of the Council	1,825	2,346	728	1,392	2,163	606
Members of the Committee	-	182	126	-	-	-
Staff of the Institute	117	855	555	143	321	110
	1,942	3,383	1,409	1,535	2,484	716
Professional Accountants in Business (PAIB)						
Members of the Council	320	477	1,126	1,071	358	1,068
Staff of the Institute	-	-	-	-	143	-
	320	477	1,126	1,071	501	1,068
Conference and Chapter activities						
Members of the Council	830	967	-	718	757	-
Staff of the Institute	139	325	-	201	313	-
	969	1,292	-	919	1,070	-
Others						
Members of the Council	889	1,999	2,676	970	540	127
Members of the Committee	-	57	-	-	-	-
Staff of the Institute	2,933	2,787	1,900	1,591	1,528	1,182
	3,822	4,843	4,576	2,561	2,068	1,309
Sub Total	13,195	13,892	11,505	12,976	10,295	7,463
LOCAL TRAVELLING						
Members of the Council	7,563	5,905	5,920	3,987	5,220	5,510
Members of the Committee	2,935	1,353	1,112	961	786	798
Staff of the Institute	8,567	6,851	6,754	6,594	5,278	4,641
Sub Total	19,065	14,109	13,786	11,542	11,284	10,949
Grand Total	32,260	28,001	25,291	24,518	21,579	18,412

COUNCIL

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (12)		Meetings Held (14)	
Name	Attended	Name	Attended
Riaz A. Rehman Chamdia, FCA (chairman)	11	Nadeem Yousuf Adil, FCA (chairman)	14
Ashfaq Yousuf Tola, FCA	10	Dr. Waqar Masood Khan	6
Farrukh Rehman, FCA	12	Dr. Muhammad Irshad*	0
Hina Usmani, FCA	11	Farrukh Rehman, FCA	14
Iftikhar Taj, FCA	12	Hafiz Mohammad Yousaf, FCA	6
Jafar Husain, FCA	12	Hidayat Ali, FCA	13
Khalid Rahman, FCA	11	Khalilullah Shaikh, FCA	13
Khalilullah Shaikh, FCA	10	M. Sharif Tabani, FCA	13
M. Sharif Tabani, FCA	11	Mohammad Abdullah Yusuf, FCA	10
Mohammad Abdullah Yusuf, FCA	10	Mohammad Maqbool, FCA	14
Muhammad Ali Latif, FCA	10	Muhammad Zafar-UI-Haq Hijazi	0
Muhammad Awais, FCA	10	Naeem Akhtar Sheikh, FCA	13
Rana Muhammad Usman Khan, FCA	12	Nazir Ahmad Chaudhri, FCA	12
Saifullah, FCA	12	Nisar Mohammad Khan*	0
Shaukat Hussain, FCA	0	Rashid Ibrahim, FCA	14
Syed Najmul Hussain, FCA	10	Riaz A. Rehman Chamdia, FCA	11
Rukhsana Yasmin*	0	Sarmad Ahmad Khan, FCA	12
Dr. Waqar Masood Khan	8	Syed Najmul Hussain, FCA	13
		Tariq Mahmood Pasha	0
		Usman Ghani Akbani, FCA*	1
		Yacoob Suttar, FCA	6

*Rukhsana Yasmin: joined on July 27, 2018

Dr. Muhammad Irshad: remained till June 30, 2017

Nisar Mohammad Khan: remained till January 11, 2017

Usman Ghani Akbani: remained till July 8, 2017

Executive Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (8)		Meetings Held (7)	
Name	Attended	Name	Attended
Riaz A. Rehman Chamdia, FCA (chairman)	8	Nadeem Yousuf Adil, FCA (chairman)	7
Farrukh Rehman, FCA	8	Farrukh Rehman, FCA	7
Hina Usmani, FCA	7	Hafiz Mohammad Yousaf, FCA	1
Iftikhar Taj, FCA	8	Hidayat Ali, FCA	7
Jafar Husain, FCA	8	Khalilullah Shaikh, FCA	7
Khalilullah Shaikh, FCA	5	M. Sharif Tabani, FCA	7
M. Sharif Tabani, FCA	6	Nazir Ahmad Chaudhri, FCA	7
Rana Muhammad Usman Khan, FCA	7	Rashid Ibrahim, FCA	7
Saifullah, FCA	8	Sarmad Ahmad Khan, FCA	7
		Yacoob Suttar, FCA	0

Examination Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (6)		Meetings Held (7)	
Name	Attended	Name	Attended
Farrukh Rehman, FCA (chairman)	6	Nazir Ahmed Chaudhri, FCA (chairman)	5
Ashfaq Yousuf Tola, FCA	5	Farrukh Rehman, FCA	7
Hina Usmani, FCA	6	Naeem Akhtar Sheikh, FCA	1
Khalid Rahman, FCA	6	Rashid Ibrahim, FCA	1
Muhammad Ali Latif, FCA	5	Riaz A. Rehman Chamdia, FCA	6
Muhammad Awais, FCA	5	Syed Najmul Hussain, FCA	6
Rana Muhammad Usman Khan, FCA	6	Usman Ghani Akbani, FCA	0
Syed Najmul Hussain, FCA	4	Yacoob Suttar, FCA	0

As per tradition, the president does not attend the meetings of the Examination Committee and vice president chairs the meetings of the committee

Investigation Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (5)		Meetings Held (5)	
Name	Attended	Name	Attended
Jafar Husain, FCA (chairman)	5	Khalilullah Shaikh, FCA (chairman)	5
Ashfaq Yousuf Tola, FCA	5	Farrukh Rehman, FCA	4
Iftikhar Taj, FCA	4	Imran Afzal, FCA	5
Imran Afzal, FCA	4	Jalil-Ur-Rehman Tarin, FCA	4
Justice Ahmad Sarwana	5	Justice Ahmad Sarwana	5
Khalid Rahman, FCA	4	M. Z. Moin Mohajir, FCA	4
M. Z. Moin Mohajir, FCA	3	Mohammad Maqbool, FCA	3
Nasimuddin Hyder, FCA	4	Rashid Ibrahim, FCA	4
Syed Najmul Hussain, FCA	4	Riaz A. Rehman Chamdia, FCA	5

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

Audit Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (4)		Meetings Held (7)	
Name	Attended	Name	Attended
Zafar Iqbal Sobani, FCA (chairman)	4	Rashid Rehman Mir, FCA (chairman)	7
Abdul Aziz, FCA	2	Aftab Ahmad Khan, FCA	4
Hina Usmani, FCA	3	Farrukh Rehman, FCA	7
Saifullah, FCA	4	Mohammad Maqbool, FCA*	4
Syed Anis Ahmed, FCA	3	Rana Ahmed Humayun, FCA	6

*Joined in November 2016

Quality Assurance Board (QAB)

2017-2018 from October 27, 2017 to September 30, 2018		2017 From August 16, 2017 to October 26, 2017		2016-2017 from September 1, 2016 to August 15, 2017	
Meetings Held (8)		Meetings Held (2)		Meetings Held (6)	
Name	Attended	Name	Attended	Name	Attended
Zahid Iqbal Bhatti, FCA (chairman)	8	Zahid Iqbal Bhatti, FCA (chairman)	0	Sohail Hasan, FCA (chairman)	6
Abdul Samad, FCA	6	Abdul Samad, FCA	2	Ahmed Ali Mitha, FCA	4
Ahmed Ali Mitha, FCA	1	Ahmed Ali Mitha, FCA	1	Ali Azeem Ikram, FCA	2
Ali Azeem Ikram, FCA	4	Ali Azeem Ikram, FCA	1	Amer Aziz	2
Amina Aziz**	2	Ayaz Ahmed, FCA	2	Ayaz Ahmed, FCA	5
Ayaz Ahmed, FCA	6	Imran Inayat Butt	2	Etrat H. Rizvi	2
Imran Inayat Butt**	0	Mohammad Almas, FCA	1	Mohammad Almas, FCA	5
Mohammad Almas, FCA	8	Syed Ahmed Abid, FCA	2	Mohammad Naeem, FCA*	2
Riaz Nazar Ali, FCA	6	Teizoon Kijat, FCA	2	Muhammad Lukman, FCA	2
Syed Ahmed Abid, FCA	2	Zulfikar Ali Causer, FCA	2	Syed Ahmed Abid, FCA	4
Teizoon Kijat, FCA	6			Zulfikar Ali Causer, FCA	6
Zulfikar Ali Causer, FCA	8			Teizoon Kijat, FCA*	2

**Amina Aziz was nominated by SECP in place of Imran Inayat Butt by SECP w.e.f. February 19, 2018

*Mohammad Naeem resigned w.e.f. January 11, 2017 and Teizoon Kijat was nominated by SECP w.e.f. February 7, 2017

Small and Medium Practices Committee (SMP)

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (2)		Meetings Held (5)	
Name	Attended	Name	Attended
Muhammad Ali Latif, FCA (chairman)	2	Mohammad Maqbool, FCA (chairman)	5
Ahmad Salman Arshad, FCA	2	Aamer Waqar Chaudhry, FCA	1
Ahsan Elahi Vohra, FCA	0	Agha Mujeeb Ahmed Khan, FCA	5
Ale Imran Siddiqi, FCA	2	Arsalan Salahuddin Vardag, FCA	0
Amin Ali, FCA	2	Farrukh Viqaruddin Junaidy, FCA	0
Aneel Peter, ACA	1	Haroon Sulaman, FCA	1

Faisal Iqbal Khawaja, FCA	0	Hina Usmani, FCA	3
Fazal Mahmood, FCA	2	Kausar Ali Fecto, FCA	3
Hina Shahrukh, ACA	1	Khan Mohammad, FCA	4
Hina Usmani, FCA	1	Laeq Ahmed Rana, FCA	0
Jawad, ACA	1	Mohsin Nadeem, FCA	2
Kashif Maqbool Sehgal, FCA	2	Muhammad Fahim, FCA	4
Laeq Ahmed Rana, FCA	1	Muhammad Jawwad Shekha, FCA	3
Mohammad Maqbool, FCA	2	Najeeb Taher Moomhala, FCA	3
Mohammed Shabbir Kasbati, FCA	2	Osman Hameed Chaudhri, FCA	3
Muhammad Akram, ACA	1	Shahid Hussain, FCA	3
Najeeb Taher Moomhala, FCA	1	Shahid Mohsin Shaikh, FCA	1
Osman Hameed Chaudhri, FCA	1	Syed Mohammad Rehan, FCA	2
Saad Ali Rana, ACA	2	Usman Ghani Akbani, FCA	0
Saifullah, FCA	2	Zafar Iqbal, FCA	1
Syed Muhammad Hassan Ali Qadri, ACA	2	Zahid Noor Siddique, ACA	4
Zahid Noor Siddique, ACA	0		

Education and Training Committee (ETCOM)

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (6)		Meetings Held (6)	
Name	Attended	Name	Attended
Syed Najmul Hussain, FCA (chairman)	6	Syed Najmul Hussain, FCA (chairman)	6
Aamir Shaukat Hussain, ACA	4	Abdul Basit, FCA	2
Abdul Basit, FCA	2	Abdul Khaliq Daudpota	0
Ahmed Jabbar, FCA	6	Abdul Rafay Siddique, FCA	2
Ahmed Raza, FCA	6	Amyr Malik, ACA	2
Dr. Waqar Masood Khan	0	Iftikhar Taj, FCA	1

Farrukh Rehman, FCA	2	Imran Jalil, FCA	3
Haroon Tabraze, FCA	6	Jafar Husain, FCA	5
Hena Sadiq, FCA	4	M. Sharif Tabani, FCA	4
Iftikhar Taj, FCA	4	Mohammad Maqbool, FCA	6
Liaqat Ali Panwar, FCA	6	Muhammad Sajid Hamid Kapadia, ACA	3
M. Sharif Tabani, FCA	3	Mushtaq Ali Hirani, FCA	4
Mirza Zunair Zafar, ACA	4	Nazir Ahmad Chaudhri, FCA	0
Mohammad Maqbool, FCA	3	Riaz A. Rehman Chamdia, FCA	0
Muhammad Sajid Hamid Kapadia, ACA	2	Sajid Hussain, FCA	6
Rana M. Usman Khan, FCA	4	Syed Fahim ul Hassan, FCA	5
Sajid Hussain, FCA	4		
Shaikh Ahmed Salman, FCA	4		
Syed Fahim ul Hassan, FCA	5		
Talha Ahmed, ACA	4		

Professional Accountants in Business Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (5)		Meetings Held (2)	
Name	Attended	Name	Attended
Khalilullah Shaikh, FCA (chairman)	5	Khalilullah Shaikh, FCA (chairman)	2
Aamir Shaukat Hussain, ACA	5	Aamir Rasheed Rashid, ACA	1
Abdul Basit, FCA	1	Abdul Basit, FCA	2
Ajmal Ilyas Nagaria, ACA	4	Ahsan Rasheed, ACA	1
Ali Raza, ACA	0	Ali Noshad, ACA	0
Aurang Zeb, ACA	2	Amir Waheed Ahmed, FCA	0
Faizan Farooq, ACA	0	Asif Raza, FCA	0
Faizan Umer Paracha, ACA	3	Faizan Farooq, ACA	2

Fawad Aftab, FCA	5	Muhammad Amir Afzal Rana, FCA	2
Haroon Asghar, ACA	4	Muhammad Kashan Mansoori, ACA	2
Huzaifa Ahmed, ACA	0	Muhammad Naeem Ghouri, FCA	2
Iftikhar Taj, FCA	2	Muhammad Nasir, ACA	0
Junaid Mohammad Siddiq, FCA	0	Muhammad Rabnawaz Anjum, ACA	1
Kamran Shahzad, ACA	2	Muhammad Rashid Dastagir, FCA	2
Mohammad Naeem Ghouri, FCA	2	Muhammad Sajid Hamid Kapadia, ACA	1
Muhammad Ali, FCA	0	Muhammad Samiullah Siddiqui, FCA	2
Muhammad Hunain, ACA	3	Muhammad Tariq Moin, FCA	2
Muhammad Rashid Dastagir, FCA	2	Muhammad Umar Zuberi, FCA	1
Muhammad Saadat Shafqat, ACA	2	Muhammad Usman, ACA	0
Muhammad Samiullah, FCA	3	Muhammad Waqas Tariq, ACA	1
Muhammad Shehzad, ACA	3	Muhammad Yasir Khan Ghouri, ACA	0
Muhammad Shoaib, ACA	5	Muhammad Zaid, FCA	1
Muhammad Tariq Moin, FCA	3	Munir Muhammad Shafi, ACA	2
Muhammad Waqar Iqbal, ACA	3	Murtaza Abbas Mooman, FCA	1
Muhammad Zaid, FCA	3	Pervez Ismail, FCA	2
Muhammad Zubair Ikram, ACA	4	Saad Usman, FCA	2
Mustafa Chagla, FCA	1	Shahid Jamal Kazi, FCA	1
Noor-UI-Huda Ashraf, FCA	0	Shakaib Arif, FCA	2
Pervez Ismail, FCA	2	Shaukat Hussain, ACA	2
Saad Usman, FCA	1	Shoaib Ahmed, FCA	0
Sajid Kapadia, FCA	2	Syed Farhan Ahmed, FCA	1
Sarmad Sandeelo, ACA	2	Syed Mehran Munawar, ACA	2
Shahid Iqbal Khattak, FCA	1	Syed Moinuddin, FCA	2
Shahid Jamal Kazi, FCA	2	Syed Shahid Hussain Jafri, FCA	0
Shahzaib Shahzad, ACA	1	Umair Ali Bhatti, ACA	1

Shakaib Arif, FCA	2	Usama Rashid, FCA	1
Shaukat Hussain, ACA	2		
Sheikh Muhammad Salmaan Ali, FCA	1		
Sikandar Iqbal, ACA	0		
Syed Abu Afzal, ACA	2		
Syed Asif Zaman, ACA	0		
Syed Moinuddin, FCA	4		
Syed Tariq Ali, FCA	4		
Umair Ali Bhatti, ACA	3		
Usama Rashid, FCA	5		
Waqas Latif, ACA	3		

Continuing Professional Development Committee (CPD)

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (3)		Meetings Held (2)	
Name	Attended	Name	Attended
M. Sharif Tabani, FCA (chairman)	3	M. Sharif Tabani, FCA (chairman)	2
Abdul Rab, FCA	1	Abdul Rahim Suriya, FCA	0
Asad Feroze, FCA	2	Anam Nadia Rahman, ACA	1
Anam Nadia Rahman, ACA	1	Asad Feroze, FCA	1
Agha Mujeeb Ahmed Khan, FCA	3	Dr. Zeeshan Ahmed	1
Ejaz Hussain, ACA	0	Jehan Zeb Amin, FCA	1
Haris Bin Mohsin, ACA	0	Mohammad Zulfikar Akhtar, FCA	0
Iftikhar Taj, FCA	3	Moneeza Usman Butt, FCA	1
Jehan Zeb Amin, FCA	3	Muhammad Ali Latif, FCA	1
Khan Mohammad, FCA	2	Muhammad Zaid, FCA	1
M. Asad Ismail, FCA	2	Naseer Ahmed, ACA	2

Muhammad Zaid, FCA	1	Sarmad Ahmad Khan, FCA	1
Muhammad Hunain, ACA	1	Shabbir Younus, FCA	0
Naseer Ahmad, ACA	1	Syed Fahim ul Hassan, FCA	2
Osman Hameed Chaudhri, FCA	0	Zeeshan Shahid, ACA	0
Shahid Jamal Kazi, FCA	3		
Saifullah, FCA	2		
Saira Nasir, FCA	3		
Syed Fahim ul Hassan, FCA	2		
Zeeshan Ali, FCA	1		

Chartered Accountants Women Committee (CAWC)

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (6)		Meetings Held (5)	
Name	Attended	Name	Attended
Hina Usmani, FCA (chairman)	6	Farrukh Rehman, FCA (chairman)	5
Amir Waheed, FCA	2	Anam Nadia Rahman, ACA	4
Ammara Shamim, ACA	3	Bushra Aslam, FCA	3
Asad Ali Shah, FCA	2	Emad-ul-hasan, FCA	1
Atifa Arif Dar, FCA	2	Hadia Khalid Petiwala, ACA	3
Anam Nadia Rahman, ACA	2	Hena Sadiq, FCA	3
Farya Taseer, ACA	3	Hina Usmani, FCA	4
Fouzia Quttab, ACA	2	Khursheed Kotwal, FCA	5
Hiba Azhar, ACA*	0	Maimoona Raffat, ACA	4
Hina Kazi, FCA	4	Marium Mohammad Farooq, ACA	2
Hina Shahrukh, ACA	5	Moneeza Usman Butt, FCA	4
Khursheed Kotwal, FCA	5	Noureen Al Amin, FCA	3
Maimoona Raffat, ACA***	3	Qurratulain Hadi	1

Maria Zafar, ACA	3	Rija Salim Mangroli, ACA	4
Moneeza Usman Butt, FCA	3	Roshan Mehri, FCA	4
Rafia Saleem, ACA	2	Saira Nasir, FCA	3
Rahaila Aleem, ACA***	4	Sadia Salman, FCA	3
Roshan Mehri, FCA	3	Sadia Shakoor, ACA	3
Sadia Nazeer, FCA**	0	Uzma Adil Khan, FCA	1
Sadia Shakoor, ACA	2	Uzma Hayat, FCA	4
Saira Nasir, FCA	3	Yasmeen Ahmed Zai, FCA	1
Samina Jabeen, ACA	2		
Sohab Mushtaq, FCA****	0		
Tasneem Yousuf, ACA	2		

*Relieved from the Committee in February 2018.

**Relieved from the Committee in March 2018.

***Joined the Committee in February 2018.

****Joined the Committee in March 2018.

Accounting Standards Board (ASB)

2017-2018 from October 27, 2017 to September 30, 2018		2017 From August 16, 2017 to October 26, 2017		2016-2017 from September 1, 2016 to August 15, 2017	
Meetings Held (7)		Meetings Held (2)		Meetings Held (4)	
Name	Attended	Name	Attended	Name	Attended
Farrukh Rehman, FCA (chairman)	7	Farrukh Rehman, FCA (chairman)	2	Farrukh Rehman, FCA (chairman)	4
Aftab Mahmood Butt, FCA	5	Aftab Mahmood Butt, FCA	0	Aftab Mahmood Butt, FCA	2
Akhthar Javed	1	Akhthar Javed	1	Akhthar Javed	0
Ali Azeem Ikram, FCA	4	Ali Azeem Ikram, FCA	1	Ali Azeem Ikram, FCA	3
Asad Ali Shah, FCA	4	Asad Ali Shah, FCA	2	Asad Ali Shah, FCA	2
Farhan Ansari, FCA	5	Farhan Ansari, FCA	2	Farhan Ansari, FCA	3
Dr. Farrukh Iqbal	4	Dr. Farrukh Iqbal	2	Dr. Farrukh Iqbal	4
Ayesha Riaz, FCA	4	Ayesha Riaz, FCA	1	Ayesha Riaz, FCA	4
Mohammad Adnan Afaq, FCA	4	Mohammad Adnan Afaq, FCA	1	Mohammad Adnan Afaq, FCA	2

Mohammad Maqbool, FCA	6	Mohammad Maqbool, FCA	2	Mohammad Maqbool, FCA	3
Rayomond Kotwal	5	Rayomond Kotwal	1	Rayomond Kotwal	3
Riaz A. Rehman Chamdia, FCA	3	Riaz A. Rehman Chamdia, FCA	1	Riaz A. Rehman Chamdia, FCA	3
Syed Mohammad Shabbar Zaidi, FCA	6	Syed Mohammad Shabbar Zaidi, FCA	2	Syed Mohammad Shabbar Zaidi, FCA	3
Syed Najmul Hussain, FCA	2	Syed Najmul Hussain, FCA	1	Syed Najmul Hussain, FCA	3
Mahfooz Ahmed Bhatti*	3	Tafakhar Ali Asdi	1	Tafakhar Ali Asdi	0

*Mahfooz Ahmed Bhatti joined in place of Tafakhar Ali Asdi w.e.f April 2018

Public Sector Committee (PSC)

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (1)		Meetings Held (2)	
Name	Attended	Name	Attended
Mohammad Abdullah Yusuf, FCA (chairman)	1	Mohammad Abdullah Yusuf, FCA (chairman)	2
Abdul Qadeer, FCA	1	Abbas Hasan Naqvi, FCA	0
Ahsan Ghaffar Mehanti, FCA	1	Ahsan Ghaffar Mehanti, FCA	2
Arslan Khalid, FCA	0	Amer Tufail, FCA	0
Asad Ali Shah, FCA	1	Amin Ali, FCA	1
Fuad Azim Hashimi, FCA	0	Asad Ali Shah, FCA	0
Farrukh Ahmed Hamidi *	0	Asif Mahmood, FCA	2
Hasan Saqib, FCA (late)	1	Fuad Azim Hashimi, FCA	1
Jehan Zeb Amin, FCA	1	Hasan Saqib, FCA	1
Marriyam Balouch, FCA	1	Jehan Zeb Amin, FCA	1
Muhammad Zubair Mahmood, ACA	1	Mudassar Ghulam Nabi, ACA	2
Rahat Gul, FCA	1	Muhammad Arif, FCA	0
Riaz Nazar Ali, FCA	0	Riaz A. Rehman Chamdia	0

Shah Naveed Saeed, FCA	1	Salman Amin, FCA	0
Rashid Ibrahim, FCA	1	Shah Naveed Saeed, FCA	2
Touseef Alam Khan, FCA	1	Tafakhar Ali Asdi	1
Waseem Ahmad Khan	1	Waseem Ahmad Khan	2

*Joined w.e.f December 27, 2017

Economic Advisory & Government Relationship Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (4)		Meetings Held (2)	
Name	Attended	Name	Attended
Dr. Waqar Masood Khan, FCA (chairwoman)	4	Syed Mohammad Shabbar Zaidi, FCA (chairman)	1
Abdul Rab, FCA	1	Abdul Rab, FCA	2
Ahsan Ghaffar Mehanti, FCA	4	Ahsan Ghaffar Mehanti, FCA	2
Ammara Shamim Gondal, ACA	1	Arsalan Salahuddin Vardag, FCA	0
Hina Usmani, FCA	1	Ashfaq Hasan Khan, FCA	0
Haider Ali Patel, FCA	0	Bushra Naz Malik, FCA	0
Khursheed Kotwal, FCA	4	Imran Ahmed Mirza, FCA	2
Imran Jalil, FCA	4	Kamran Hafeez, FCA	1
Naresh Karia, FCA	1	Muddassar Mehmood, FCA	0
Muhammad Faisal, FCA	3	Muhammad Farid Alam, FCA	2
Muhammad Ali Latif, FCA	0	Nabiha Shahnawaz Cheema, FCA	0
Muhammad Arif Methani, FCA	3	Qaiser Javed, FCA	0
Moneeza Usman Butt, FCA	3	Salman Amin, FCA	1
M. Shahbaz Farooq Ahsan, ACA	4	Shahid Hasan Siddiqui, FCA	1
Salman Amin, FCA	3	Shahid Jamal Kazi, FCA	2
Shahid Jamal Kazi, FCA	4	Shaikh Saqib Masood, FCA	2
Muddassar Mehmood, FCA	1	Usama Rashid, FCA	2

Usama Rashid, FCA	2
Waqass Ahmad, ACA	1
Waseem Ashfaq, FCA	2

Committee on Fiscal Laws

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (2)		Meetings Held (3)	
Name	Attended	Name	Attended
Ashfaq Yousuf Tola, FCA (chairman)	2	Rashid Ibrahim, FCA (chairman)	3
Abbas, FCA	2	Abbas, FCA	3
Adnan Ahmad Mufti, FCA	1	Adnan Ahmad Mufti, FCA	0
Asad Feroze, FCA	2	Ashfaq Yousuf Tola, FCA	0
Asif Haroon, FCA	1	Asif Haroon, FCA	2
Asif Siddiq, FCA	2	Asif Siddiq, FCA	3
Aamir Rasheed Rashid, FCA	1	Atif Mufassir, FCA	2
Amer Javed Ahmed, FCA	2	Ejaz Hussain Rathore, FCA	0
Ellhai Bukhsh Qureshi, FCA	2	Habib Fakhruddin, FCA	2
Faisal Latif, FCA	2	Haider A. Patel, FCA	3
Haider Ali Patel, FCA	1	Imran Afzal, FCA	0
Imran Amin Virani, ACA*	0	Kamran Iqbal Butt, FCA	1
Kashif Maqbool Sehgal, ACA	1	Masood Ahmad, FCA	2
Khalid Mahmood, FCA	2	Mohammad Younas Ghazi, FCA	2
Mansoor Zaighum, FCA	1	Muhammad Awais, FCA	1
Muhammad Ali Latif, FCA	2	Muhammad Uzair Memon, ACA	1
Muhammad Akram, ACA	1	Naeem Akhtar Sheikh, FCA	0
Muhammad Awais, FCA	2	Rafqat Hussain, FCA	3
Muhammad Raza, FCA	2	Rana Muhammad Usman Khan	3

Mubasher Ahmed, FCA	1	Rizwan Bashir, FCA	3
Muhammad Furqan, ACA	2	Shahbaz Raza, FCA	3
Nasir Gullzar, FCA	2	Shaikh Saqib Masood, FCA	0
M. Z. Moin Mohajir, FCA	1	Shameer Haroon, ACA	2
Pervez Ismail, FCA	2	Syed Aurangzeb Hashmi, ACA	1
Rashid Ibrahim, FCA	1		
Rafqat Hussain, FCA	2		
Rana Muhammad Usman Khan, FCA	1		
Sana Quadri, ACA	1		
Shaikh Saqib Masood, FCA	1		
Shahbaz Raza, FCA	2		
Shameer Haroon, ACA	2		
Shahid Hussain, FCA	1		
Sunaib Barkat, ACA	2		
Syed Asif Zaman, ACA	1		
Talat Javed, FCA	2		
Mohammad Muzammil, ACA**	0		
Muhammad Mahmood Bikiya, ACA**	0		
Zubair Ahmed Qureshi, FCA**	0		

*Joined Committee w.e.f April 17, 2018

**Joined Committee w.e.f June 26, 2018

Auditing Standards and Ethics Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (4)		Meetings Held (9)	
Name	Attended	Name	Attended
Rana Muhammad Usman Khan, FCA (chairman)	4	Farrukh Rehman, FCA (chairman)	9
Asad Feroze, FCA	3	Amin Ali, FCA	5

Ale Imran Siddiqui, FCA	4	Asad Feroze, FCA	7
Arshad Mahmood Bhatti	2	Ejaz Hussain Rathore, FCA	7
Bilal Ali, FCA	3	Haroon Tabraze, FCA	6
Ejaz Hussain Rathore, FCA	3	Hina Usmani, FCA	6
Haroon Tabraze, FCA	3	Kamran Iqbal Yousafi, FCA	3
Hina Usmani, FCA	1	Maheen Fatima, FCA	1
Irfan Ilyas, FCA	2	Mehmood, FCA	6
Imran Jalil, ACA	2	Muhammad Haroon Rashid, FCA	0
Maheen Fatima, FCA	3	Nadeem Tirmizi, FCA	8
Mehmood, FCA	2	Naresh Kumar, ACA	6
Muhammad Almas, FCA	2	Osman Hameed Chaudhri, FCA	4
Muhammad Nasir Munir, FCA	3	S. Haider Abbas, FCA	4
Nadeem Tirmizi, FCA	2	Shariq Ali Zaidi, FCA	7
Naresh Kumar, ACA	2	Tasneem Yusuf, FCA	5
Osman Hameed Chaudhri, FCA	1		
Tasneem Yusuf, ACA	2		
Shuja - UI - Mulk, FCA	4		
Shariq Ali Zaidi, FCA	3		
Raheel Arshad, FCA	2		
Waqas Aftab Sheikh, FCA	2		

Overseas Coordination Committee (OCC)

2017-2018

from October 27, 2017 to September 30, 2018

2016-2017

from September 1, 2016 to October 26, 2017

Meetings Held (4)

Meetings Held (4)

Name	Attended	Name	Attended
Khalid Rahman, FCA (chairman)	4	Sarmad Ahmad Khan, FCA (chairman)	4
Arshad, FCA	2	Abdul Aziz, FCA	2
Asher Noor, FCA**	2	Kamran Ahmed Qazi, FCA*	0

Ashfaq Yousuf Tola, FCA	1	Muhammad Shoaib Jan Memon, FCA**	2
Asma, FCA**	1	Syed Asif Zaman, ACA	4
Muhammad Ali Latif, FCA	3	M. Sharif Tabani, FCA	2
Muhammad Awais, FCA	4	Mohammad Iqbal, FCA	2
Muhammad Shoaib Jan Memon, FCA	3	Mohammad Maqbool, FCA	4
Rauf Ali Jan, ACA**	3	Hidayat Ali, FCA	3
Syed Najmul Hussain, FCA	4	Riaz A. Rehman Chamdia, FCA	3
Ejaz Ahmad, ACA	0	Syed Shamshad Husain, FCA	4
Syed Asif Zaman, ACA*	2		
Syed Shamshad Husain, FCA*	1		
Mohammad Iqbal, FCA*	0		

*Previous Chapter Chairman
** Current Chapter Chairman

* Previous UK Management Committee Chairman
** Current UK Management Committee Chairman

Members Affairs Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Muhammad Awais, FCA (chairman)	4	Naeem Akhtar Sheikh, FCA (chairman)	3
Hina Usmani, FCA	2	Syed Najmul Hussain, FCA	2
Muhammad Shoaib Jan Memon, FCA	2	Riaz A. Rehman Chamdia, FCA	3
Syed Najmul Hussain, FCA	4	Mohammad Maqbool, FCA	2
Iftikhar Taj, FCA	3	Mohammad Iqbal, FCA	2

* Reconstituted in November 2017

Benevolent Fund Management Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (3)		Meetings Held (4)	
Name	Attended	Name	Attended
Imran Afzal, FCA (chairman)	3	Imran Afzal, FCA (chairman)	4
Abdul Qadeer, FCA	2	Abdul Qadeer, FCA	2

Adeel Ahmad Khan, FCA	1	Adeel Ahmad Khan, FCA	2
Kamran Iqbal Butt, FCA	2	Ali Noshad, ACA	1
Liaquat Ali, FCA	2	Kamran Iqbal Butt, FCA	1
Mahmood A. Qureshi, FCA	1	Liaquat Ali, FCA	3
Masoom Akhtar, FCA	2	Mahmood A. Qureshi, FCA	3
Mohammed Ali, FCA	0	Masoom Akhtar, FCA	1
Mohammed Rafiuddin Hyder, FCA	2	Mohammed Ali, ACA	4
Muhammad Ahmad Shahid, FCA	2	Mohammed Rafiuddin Hyder, FCA	2
Muhammad Awais, FCA	0	Muhammad Ahmad Shahid, FCA	2
Qamar UI Islam, FCA	1	Muhammad Awais, FCA	2
Rana Muhammad Usman Khan, FCA	2	Qamar UI Islam, FCA	3
Rehan Mobin, FCA	2	Rana Muhammad Usman Khan, FCA	3
Rashid Ibrahim, FCA	2	Rehan Mobin, FCA	3
Rashid Masood Alam, FCA	1	Shakaib Arif, FCA	1

Publications Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (2)		Meetings Held (1)	
Name	Attended	Name	Attended
Muhammad Awais, FCA (chairman)	2	Yacoob Suttar, FCA (chairman)	1
Aneel Peter, ACA	1	Abdul Qadir, ACA	0
Haris Bin Mohsin, ACA	0	Hina Shamsi, ACA	0
Hina Kazi, FCA	2	Mirza Zunair Zafar, ACA	1
Iftikhar Taj, FCA	1	Munim Imran, ACA	1
Jafar Husain, FCA	2	Naseer Ahmed, ACA	1
Mian Bilal Zia, ACA	2	Shaukat Hussain, ACA	1
Nadeem Butt, FCA	1	Syed Jawwad UI Haq Haqqi, ACA	1
Naseer Ahmed, ACA	1	Waqas Latif, ACA	1
Nouman Razaq Khan, FCA	2		
Omair Haroon, FCA	1		
Sadia Shakoor, ACA	0		
Shahid Jamal Kazi, FCA	1		
Syed Athar Hussain Zaidi, FCA	2		

Syed Jawwad Ul Haq Haqqi, ACA	1
Syed Muhammad Hassan Ali, ACA	1
Tariq Feroz Khan, FCA	1
Usman Zafar, ACA	1
Waqas Latif, ACA	1

Human Resources Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (4)		Meetings Held (2)	
Name	Attended	Name	Attended
Riaz A. Rehman, FCA (chairman)		Nadeem Yousuf Adil, FCA (chairman)	2
Farrukh Rehman, FCA	4	Hafiz Mohammad Yousaf, FCA	1
Jafar Husain, FCA	4	Khalilullah Sheikh, FCA	2
Iftikhar Taj, FCA	4	Nazir Ahmed Chaudhri, FCA	2
Khalilullah Shaikh, FCA	4	Yacoob Suttar, FCA	2
	2		

IT Committee

2017-2018 from October 27, 2017 to September 30, 2018		2016-2017 from September 1, 2016 to October 26, 2017	
Meetings Held (1)		Meetings Held (-)	
Name	Attended	Name	Attended
Iftikhar Taj, FCA (chairman)	1	Saad Kaliya, FCA (chairman)	-
Abdul Ghaffar, FCA	0	Huma Pasha, FCA	-
Faisal Shujaa Khan, FCA	1	Iftikhar Taj, FCA	-
Muhammad Awais, FCA	0	Moin Balkhi	-
Saad Kaliya, FCA	1	Waqar Ahmed Khan, FCA	-
Saira Nasir, FCA	0		
Shakaib Arif, FCA	0		
Syed Najmul Hussain, FCA	1		

FINANCIAL STATEMENTS 2018



Qasim E. Causer

Chartered Accountant

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Syed Aftab Hameed

Chartered Accountant

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Lahore.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN (the Institute), which comprises the statement of financial position as at June 30, 2018, and the statement of comprehensive income, statement of cash flows and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 2018, and of its financial performance and its cash flows and changes in funds for the year then ended in accordance with International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as notified by the SECP.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as notified by the SECP, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

QASIM E. CAUSER
CHARTERED ACCOUNTANT
KARACHI
DATED: September 05, 2018

SYED AFTAB HAMEED
CHARTERED ACCOUNTANT
LAHORE

STATEMENT OF FINANCIAL POSITION

as at June 30, 2018

	Note	2018	2017
		Rs. '000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	677,198	229,160
Intangible assets	6	1,797	3,813
Long term investments	7	404,138	342,164
Loans, advances, deposits and prepayments	8	11,565	163,869
		<u>1,094,698</u>	<u>739,006</u>
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	9	10,416	18,900
Short term investments	10	179,957	365,199
Loans, advances, prepayments and other receivables	11	27,999	21,514
Accrued income on investments	12	8,766	15,495
Cash and bank balances	13	47,608	57,722
		<u>274,746</u>	<u>478,830</u>
TOTAL ASSETS		<u>1,369,444</u>	<u>1,217,836</u>
LIABILITIES			
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	14	78,921	81,719
Fee and charges received in advance	15	50,461	38,087
		<u>129,382</u>	<u>119,806</u>
CONTINGENCIES AND COMMITMENTS	16		
NET ASSETS		<u>1,240,062</u>	<u>1,098,030</u>
REPRESENTED BY:			
ACCUMULATED FUNDS			
General Fund		933,945	842,095
Specific Fund		5,164	5,073
Endowment Funds		141,747	117,399
Regional Committees		37,295	33,439
Benevolent Fund		121,911	100,024
		<u>1,240,062</u>	<u>1,098,030</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, 2018

	Note	2018	2017
		Rs. '000	
Income			
Members' subscription	17	159,036	144,622
Examination and other fees	18	580,919	515,877
Education and training fees	19	129,119	119,165
Publications	20	8,987	12,236
Other income	21	28,687	31,790
		<u>906,748</u>	<u>823,690</u>
Expenditure			
Salaries, allowances and other benefits	22	350,147	276,291
Examination charges		129,179	114,832
Depreciation	5.2	33,221	32,498
Traveling and related expenses	23	32,260	28,001
Study packs and other publications	24	40,397	44,651
Utilities		23,812	23,870
Postage and telephone		20,003	17,758
Repairs and maintenance		37,470	30,156
Printing and stationery		15,054	15,197
Rent, rates and taxes		17,619	16,656
Advertisement and marketing		13,144	19,021
Amortisation of intangible assets	6	2,216	5,734
Financial assistance to students	25	5,822	9,839
Financial assistance to members and/or families		19,893	21,462
Gold medals and award ceremony		7,189	7,532
Edhi CA talent program		10,184	5,575
Vehicles maintenance and running cost		7,743	6,278
Legal charges		4,813	10,796
Professional charges		2,644	8,621
Others	26	37,453	46,733
		<u>810,263</u>	<u>741,501</u>
Excess of income over expenditure before income from investments		<u>96,485</u>	<u>82,189</u>
Income from investments	27	46,367	72,353
Excess of income over expenditure for the year		<u>142,852</u>	<u>154,542</u>
Other comprehensive income			
Deficit on re-measurement of available for sale investments		(820)	(483)
Total comprehensive income for the year		<u>142,032</u>	<u>154,059</u>
Attributable to:			
General Fund		116,062	159,246
Specific Fund		91	44
Endowment Funds		1,136	(4,324)
Regional Committees		3,856	(4,041)
Benevolent Fund		20,887	3,134
		<u>142,032</u>	<u>154,059</u>

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, 2018

	Note	2018	2017
		Rs. '000	
Cash flows from operating activities			
Cash received against:			
Members' subscription		158,442	142,136
Examination and other fees		593,095	473,578
Education and training fees		129,119	119,165
Sale of publications		9,410	11,902
Facilities and miscellaneous		28,831	30,134
		918,897	776,915
Cash paid against:			
Salaries, allowances and other benefits		336,502	273,489
Fees to professional bodies		7,624	5,416
Property tax		914	928
Suppliers and services		429,578	422,373
		774,618	702,206
Net cash generated from operating activities		144,279	74,709
Cash flows from investing activities			
Investments - net		(111,954)	214,778
Fixed capital expenditure		(332,412)	(24,042)
Purchase of intangible assets		(200)	-
Proceeds from sale of property, plant and equipment		1,209	25,396
Income received from investments		47,448	65,922
Loans, advances and deposits recovered		2,184	13,816
Loans, advances and deposits paid		(1,651)	(169,878)
Net cash (used in) / generated from investing activities		(395,376)	125,992
Net (decrease) / increase in cash and cash equivalents		(251,097)	200,701
Cash and cash equivalents - at beginning of the year		367,555	166,854
Cash and cash equivalents - at end of the year	28	116,458	367,555

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, 2018

	General Fund	Specific Fund	Endowment Funds			Regional Committees				Benevolent Fund			Total
			Students' Fund	Libraries Development Fund	Sub total	Southern		Northern		Sub total	Accumulated Fund	Special Reserve Fund	
						Accumulated Fund	H.J. Irani Memorial Fund	Accumulated Fund	Accumulated Fund				
Rs. '000													
Balance as at July 01, 2016	717,698	4,829	82,126	7,748	89,874	25,387	156	11,937	37,480	93,051	839	93,890	943,771
Transferred to Benevolent Fund	(3,000)	-	-	-	-	-	-	-	-	3,000	-	3,000	-
Transferred to Student Endowment Fund to cover the shortfall of income	(3,200)	-	3,200	-	3,200	-	-	-	-	-	-	-	-
Transferred to Student Endowment Fund	(28,649)	-	28,649	-	28,649	-	-	-	-	-	-	-	-
Transferred from H.J. Irani Memorial Fund	-	-	-	-	-	160	(160)	-	-	-	-	-	-
Contribution for gold medal	-	200	-	-	-	-	-	-	-	-	-	-	200
Total comprehensive income for the year ended June 30, 2017	159,246	44	(4,765)	441	(4,324)	1,432	4	(5,477)	(4,041)	3,617	-	3,617	154,542
Excess / (deficit) of income over expenditure for the year	-	-	-	-	-	-	-	-	-	(483)	-	(483)	(483)
Other comprehensive income	159,246	44	(4,765)	441	(4,324)	1,432	4	(5,477)	(4,041)	3,134	-	3,134	154,059
Balance as at June 30, 2017	842,095	5,073	109,210	8,189	117,399	26,979	-	6,460	33,439	99,185	839	100,024	1,098,030
Balance as at July 01, 2017	842,095	5,073	109,210	8,189	117,399	26,979	-	6,460	33,439	99,185	839	100,024	1,098,030
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Transferred to Students' Endowment Fund	(23,212)	-	23,212	-	23,212	-	-	-	-	-	-	-	-
Total comprehensive income for the year ended June 30, 2018	116,062	91	752	384	1,136	1,709	-	2,147	3,856	21,707	-	21,707	142,852
Excess of income over expenditure for the year	-	-	-	-	-	-	-	-	-	(820)	-	(820)	(820)
Other comprehensive income	116,062	91	752	384	1,136	1,709	-	2,147	3,856	20,887	-	20,887	142,032
Balance as at June 30, 2018	933,945	5,164	133,174	8,573	141,747	28,688	-	8,607	37,295	121,072	839	121,911	1,240,062

The Council in its meeting held on May 10-11, 2017, decided to allocate Rs. 1 million from General Fund to Benevolent Fund.

The Council in its meeting held on May 10-11, 2017, decided to appropriate 20% of its net surplus from General Fund to Students' Endowment 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, 2018

1. THE INSTITUTE AND ITS OPERATIONS

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

Regional Committees

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

Endowment Funds

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

Benevolent Fund

Benevolent Fund was established by the Council of the Institute to provide relief to deserving persons who are or have been members of the Institute and spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is contribution 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 Act, 2017 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 standards, interpretations and amendments to published approved accounting standards

2.3.1 Amendments that are effective in current year and adopted by the Institute

The Institute has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

	Effective date (annual periods beginning on or after)
IAS 7 Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	January 01, 2017

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 12 Disclosure of Interests in Other Entities	January 01, 2017
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2.3.2 Amendments not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
	Conceptual framework for Financial reporting 2018 - Original Issue	March 2018
IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 7	Financial Instruments : Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	Applies when IFRS 9 is applied
IFRS 9	Financial Instruments - Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.	January 01, 2018
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.	January 01, 2018
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 19	Employee benefits - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures	January 01, 2019
IAS 39	Financial Instruments: Recognition and Measurements-Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	Applies when IFRS 9 is applied
IAS 40	Investment Property - Amendments to clarify transfers of property to, or from, investment property	January 01, 2018

The Annual Improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2018
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

Annual Improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

2.3.3 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan (SECP) effective from the dates mentioned below against the respective standard:

IFRS 9	Financial Instruments	July 01, 2018
IFRS 15	Revenue from Contracts with Customers	July 01, 2018
IFRS 16	Leases	January 1, 2019

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Institute's future financial statements.

The Institute expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Institute's financial statements in the period of initial application.

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 with corresponding changes in value through other comprehensive income.

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].
- (iv) Estimation of contingent liabilities.

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 - tangible

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 was available for use and on disposals, up to the day the asset has been in use. No amortization is provided on leasehold land as cost of renewing lease is nominal and realizable value is higher than cost.

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 in income and expenditure account.

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 income and expenditure account.

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 income and expenditure account 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 day on which asset is available for use while no amortisation is charged up to the day 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 income and expenditure account.

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 assets with fixed or determinable payments and fixed maturities, where the Institute's management has intention 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. These are carried at cost net of any allowance for uncollectible amounts, which is the fair value of consideration to be recorded and are included in current assets except for maturities greater than twelve months after the reporting date, which are 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 off-set and the net amount is reported in the financial statements only when the Institute has a legally enforceable right to off-set the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability 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 realizable value. Cost is determined on first-in first-out basis.

Net realizable 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 carried at fair value of the consideration to be received in future. An estimated provision is made against amounts considered doubtful of recovery whereas, amounts considered irrecoverable are written off.

4.9 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks and short term investments realizable within three months.

4.10 Employees benefits

The Institute's employees benefits comprise of provident fund and compensated absences for eligible employees.

a) Defined contribution plan (Provident Fund)

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.

b) Compensated absences

The Institute accounts for compensated absences on the basis of earned unavailed leave balance of each employee at the balance sheet date. Provision is made to cover the obligation under the scheme on accrual basis.

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 Contingencies and Commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Council based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Council.

4.13 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 resources embodying 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.

4.14 Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the Institute and revenue can be reliably measured. Revenue is recognised at fair value of consideration received or receivable. 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.
- Donations received are deferred and recognised as income on systematic basis to match them with the related expenses which are intended to be compensated.
- Dividend income is recognized when the right to receive payment is established.
- Income from the sale of study packs and other publications is recognized on receipt basis.

4.15 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak-Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the statement of comprehensive income.

4.16 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.

4.17 Related party transactions

Transactions with related parties are based on arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions. Parties are said to be related if they are able to influence operating and financial decisions of the Institute.

4.18 Appropriation of funds

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

	Note	2018	2017
		Rs. '000	
5. PROPERTY, PLANT AND EQUIPMENT			
Land	5.1	440,220	18
Operating fixed assets	5.2	236,978	223,601
Capital work in progress	5.3	-	5,541
		<u>677,198</u>	<u>229,160</u>

5.1 This includes leasehold land at Preedy Street, Karachi, of Rs. 0.018 million, is occupied by squatters. The members in its 51st Annual General Meeting held on September 20, 2012, has authorised the Council to proceed for the sale of the Preedy Street land at best price available.

This also includes Rs. 440.202 million paid to Lahore Development Authority (LDA) in respect of piece of land, measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore, acquired through auction during the period. The Lahore Development Authority (LDA) has demanded CVT of Rs. 8.8 million vide its letter dated July 28, 2018. The management is of the view that the CVT has been abolished effective July 1, 2017 and since the transaction date falls after July 1, 2017 the CVT is not payable on this transaction.

The management is planning to challenge this demand in the Court of Law and is confident that the above said levy is not payable by the Institute.

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5.2 Operating fixed assets

	Leasehold land	Building on leasehold land	Freehold land	Building on freehold land	Generators	Electric fittings and appliances	Furniture and fixtures	Vehicles	Office equipment	Library books - Regional Committees	Total
Rs. '000											
As at July 01, 2016											
Cost (5.2.1)	1,601	104,850	4,581	30,014	16,328	66,642	55,007	57,441	94,701	1,955	433,120
Accumulated depreciation	-	(45,380)	-	(10,456)	(7,141)	(35,481)	(21,960)	(22,226)	(53,687)	(1,309)	(197,640)
Net book value	1,601	59,470	4,581	19,558	9,187	31,161	33,047	35,215	41,014	646	235,480
Year ended June 30, 2017											
Opening net book value	1,601	59,470	4,581	19,558	9,187	31,161	33,047	35,215	41,014	646	235,480
Additions	-	3,945	-	-	-	2,290	5,093	9,823	8,706	44	29,901
Disposals: (note 5.2.2)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(541)	-	(95)	(2,013)	(1,597)	(14,439)	(3,575)	-	(22,260)
Accumulated depreciation	-	-	-	-	92	1,627	1,133	8,055	3,131	-	14,038
Written off: (note 26)	-	-	(541)	-	(3)	(386)	(464)	(6,384)	(444)	-	(8,222)
Cost	-	(743)	-	-	-	(1,215)	(526)	-	(828)	-	(3,312)
Accumulated depreciation	-	337	-	-	-	851	308	-	756	-	2,252
Depreciation for the year	-	(406)	-	-	-	(364)	(218)	-	(72)	-	(1,060)
Closing net book value	1,601	59,927	4,040	18,580	7,806	27,900	33,858	31,253	38,025	611	223,601
Year ended June 30, 2017											
Cost (5.2.1)	1,601	108,052	4,040	30,014	16,233	65,704	57,977	52,825	99,004	1,999	437,449
Accumulated depreciation	-	(48,125)	-	(11,434)	(8,427)	(37,804)	(24,119)	(21,572)	(60,979)	(1,388)	(213,848)
Net book value	1,601	59,927	4,040	18,580	7,806	27,900	33,858	31,253	38,025	611	223,601
Year ended June 30, 2018											
Opening net book value	1,601	59,927	4,040	18,580	7,806	27,900	33,858	31,253	38,025	611	223,601
Additions	-	3,007	-	-	3,110	2,921	5,018	25,739	9,726	-	49,521
Disposals: (note 5.2.2)	-	-	-	-	-	-	-	(4,153)	(358)	-	(4,511)
Cost	-	-	-	-	-	-	-	1,311	277	-	1,588
Accumulated depreciation	-	-	-	-	-	-	-	(2,842)	(81)	-	(2,923)
Depreciation for the year	-	(3,097)	-	(929)	(1,420)	(4,475)	(3,816)	(8,562)	(10,847)	(75)	(33,221)
Closing net book value	1,601	59,837	4,040	17,651	9,496	26,346	35,060	45,588	36,823	536	236,978
Year ended June 30, 2018											
Cost (5.2.1)	1,601	111,059	4,040	30,014	19,343	68,625	62,995	74,411	108,372	1,999	482,459
Accumulated depreciation	-	(51,222)	-	(12,363)	(9,847)	(42,279)	(27,935)	(28,823)	(71,549)	(1,463)	(245,481)
Net book value	1,601	59,837	4,040	17,651	9,496	26,346	35,060	45,588	36,823	536	236,978
Annual rate of depreciation (% per annum)	-	5	-	5	15	10 - 20	10 - 20	20	10 - 33	10 - 33	-

5.2.1 Leasehold land includes a Land carried at Rs. 1, donated by a senior member of the Institute in 2010, to the Institute only for the construction of Institute's offices, library, examination center, class rooms, auditorium or other similar activities. The land is situated at Government Teachers Cooperative Housing Society Ltd., Gulzare-e-Hijri, Scheme 33, Karachi.

5.2.2 The detail of operating fixed assets disposed off during the year are as follows:

Particular of assets	Receivables					Gain / (loss)	Mode of Disposal	Particulars of buyers
	Cost	Accumulated depreciation	Net book value	Sale proceeds	from insurance company			
----- Rs. '000 -----								
Office Equipments								
Camera	31	10	21	-	21	-	Insurance claim	M/s. National Insurance Co. Ltd.
UPS	250	203	47	21	-	(26)	Trade in	M/s. Power Zone
Laptop	77	64	13	13	-	-	As per Institute's policy	Mr. Faheem Siddiqui, Ex-employee
	358	277	81	34	21	(26)		
Vehicles								
Suzuki Cultus	1,022	642	380	615	-	235	As per Institute's policy	Mr. Anas Iqbal, Employee
Suzuki Cultus	980	661	319	560	-	241	As per Institute's policy	Ms. Saira Shamsiee, Employee
Toyota Corolla GLE	2,151	8	2,143	-	2,129	(14)	Insurance claim	M/s. National Insurance Co. Ltd.
	4,153	1,311	2,842	1,175	2,129	462		
June 30, 2018	4,511	1,588	2,923	1,209	2,150	436		
June 30, 2017	22,260	14,038	8,222	27,242	-	19,020		

5.3 Capital work in progress

	2018	2017
	Rs. '000	
Opening balance	5,541	11,400
Additions (at cost)	1,060	763
Transfer to property, plant and equipment	(6,601)	(6,622)
Closing balance	<u>-</u>	<u>5,541</u>

6. INTANGIBLE ASSETS

	Computer software licenses	Development cost of study pack materials	Total
	Rs. '000		
As at June 30, 2016			
Cost	5,097	26,048	31,145
Accumulated amortisation	(3,598)	(18,000)	(21,598)
Net book value	<u>1,499</u>	<u>8,048</u>	<u>9,547</u>
Year ended June 30, 2017			
Opening net book value	1,499	8,048	9,547
Deletions / write off:			
Cost	3,229	-	3,229
Less: Accumulated amortisation	(3,229)	-	(3,229)
	-	-	-
Amortisation charges	(560)	(5,174)	(5,734)
Closing net book value	<u>939</u>	<u>2,874</u>	<u>3,813</u>
As at June 30, 2017			
Cost - after write off	1,868	26,048	27,916
Accumulated amortisation - after write off	(929)	(23,174)	(24,103)
Net book value	<u>939</u>	<u>2,874</u>	<u>3,813</u>
Year ended June 30, 2018			
Opening net book value	939	2,874	3,813
Addition	200	-	200
Amortisation charges	(572)	(1,644)	(2,216)
Closing net book value	<u>567</u>	<u>1,230</u>	<u>1,797</u>
As at June 30, 2018			
Cost	2,068	26,048	28,116
Accumulated amortisation	(1,501)	(24,818)	(26,319)
Net book value	<u>567</u>	<u>1,230</u>	<u>1,797</u>
Annual rate of amortisation (% per annum)	33%	33%	

6.1 Intangible assets as at June 30, 2018 include items having an aggregate cost of Rs. 0.26 million (2017: Rs. 0.26 million) that have been fully amortised and are still in use of the Institute.

	Note	2018	2017
		Rs. '000	
7. LONG TERM INVESTMENTS			
Held to maturity			
General Fund	7.1	266,768	199,764
Specific Fund: Prize Fund	7.2	2,434	1,482
Endowment Funds	7.3	113,152	44,797
Southern Regional Committee	7.4	16,641	20,829
Benevolent Fund	7.5	5,143	75,292
		<u>404,138</u>	<u>342,164</u>
7.1 General Fund			
Certificates of Islamic Investments	7.1.1	115,000	115,000
Pakistan Investment Bonds	7.1.2	133,073	334,482
Less: Maturing within one year, classified under short term investments	10.1	-	(266,851)
		133,073	67,631
Certificates of Deposit	7.1.3	18,695	17,133
		<u>266,768</u>	<u>199,764</u>

7.1.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 115 million (June 30, 2017: Rs. 115 million). These certificates carry profit at the rates ranging from 5.98% to 6.03% (June 30, 2017: 5.97% to 6.00%) per annum and are maturing on various dates upto February 16, 2024.

7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 122.86 million (June 30, 2017: Rs. 332.65 million). Profit is receivable on half yearly basis, with yield at rates ranging from 6.99% to 8.02% (June 30, 2017: 6.99% to 12.47%) per annum. These PIBs have term of five years and are maturing on various dates upto July 19, 2022.

7.1.3 This represents Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2017: Rs. 15 million). These certificates carry mark-up at rate of 10.42% (June 30, 2017: 10.42%) per annum and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 3.69 million (June 30, 2017: Rs. 2.13 million) is included in the carrying value.

	Note	2018	2017
		Rs. '000	
7.2 Specific Fund: Prize Fund			
Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bond	7.2.2	1,434	482
		<u>2,434</u>	<u>1,482</u>

7.2.1 This represents Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2017: Rs. 1 million). This certificate carries profit at rates ranging from 5.98% to 6.03% (June 30, 2017: 5.97% to 6.00%) per annum and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 1.29 million (June 30, 2017: Rs. 0.470 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% to 8.02% (June 30, 2017: 8.02%) per annum. These PIBs have a term of five years and is maturing on July 19, 2022.

	Note	2018	2017
		Rs. '000	
7.3 Endowment Funds			
Students' Endowment Fund			
Certificates of Islamic Investments	7.3.1	42,000	42,000
Pakistan Investment Bonds	7.3.2	63,504	8,992
Less: Maturing within one year, classified under Short Term Investments	10.3	-	(8,124)
		63,504	868
Libraries Development Fund			
Pakistan Investment Bonds	7.3.3	7,648	3,960
Less: Maturing within one year, classified under Short Term Investments	10.3	-	(2,031)
		7,648	1,929
		<u>113,152</u>	<u>44,797</u>

7.3.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 42 million (June 30, 2017: Rs. 42 million). Profit is receivable on monthly basis at rates ranging from 5.98% to 6.03% (June 30, 2017: 5.97% to 6.00%) per annum and are maturing on various dates upto June 30, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 54.91 million (June 30, 2017: Rs. 0.845 million). Profit is receivable on half yearly basis, with yield at rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02% to 12.42%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 6.830 million (June 30, 2017: Rs. 1.910 million). Profit is receivable on half yearly basis, with yield at rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02% to 12.42%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

	Note	2018	2017
		Rs. '000	
7.4 Southern Regional Committee			
Certificates of Islamic Investments	7.4.1	22,505	20,829
Less: Maturing within one year, classified under Short Term Investments	10.4	(5,864)	-
		<u>16,641</u>	<u>20,829</u>

7.4.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 16.64 million (June 30, 2017: Rs. 20.83 million). These certificates carry profit at rates ranging from 5.26% to 5.59% (June 30, 2017: 5.26% to 5.61%) per annum and are maturing on various dates upto June 26, 2023. Accrued profit aggregating to Rs. 0.006 million (June 30, 2017: Rs. 0.45 million) is included in the carrying value.

	Note	2018	2017
		Rs. '000	
7.5 Benevolent Fund			
Defence Savings Certificates	7.5.1	5,143	4,587
Special Savings Certificates		76,175	70,705
Less: Maturing within one year, classified under Short Term Investments	10.6.1	(76,175)	-
		-	70,705
		<u>5,143</u>	<u>75,292</u>

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2017: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 6, 2020. These certificates carry mark-up at the rate of 12.10% (June 30, 2017: 12.10%) per annum. Accrued mark-up aggregating to Rs. 3.14 million (June 30, 2017: Rs. 2.59 million) is included in the carrying value.

	Note	2018	2017
		Rs. '000	
8. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS			
Motor cycle loans (secured - considered good)	8.1	1,050	1,044
Less: Recoverable within one year grouped under current assets	11	(382)	(347)
		668	697
Advances (secured - considered good)	8.2	2,043	3,039
Less: Recoverable within one year grouped under current assets	11	(1,016)	(1,173)
		1,027	1,866
Interest free education loans - unsecured considered good		1,512	1,531
considered doubtful		3,233	3,194
		4,745	4,725
Less: Impairment allowance against doubtful loans		(3,233)	(3,194)
		1,512	1,531
Prepaid rent		345	-
Advance against purchase of property, plant and equipment	8.3	4,196	8,967
Deposits		3,817	150,808
		<u>11,565</u>	<u>163,869</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 benefits. Effect of amortisation is considered immaterial. This includes Rs. 0.400 (2017: Rs. 0.735 million) due from key management personnel.
- 8.3 This represents advance against purchase of vehicles.

	Note	2018	2017
		Rs. '000	
9. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS			
Stock of study packs		3,243	8,141
Stock of publications and souvenirs		7,766	11,728
		<u>11,009</u>	<u>19,869</u>
Less: Provision for obsolete stock	9.1	(593)	(969)
		<u>10,416</u>	<u>18,900</u>
9.1 Provision for obsolete stock			
Balance at the beginning of the year		(1,852)	(883)
Provision recognised during the year	26	(593)	(969)
Provision written off during the year		1,852	-
Balance at the end of the year		<u>(593)</u>	<u>(1,852)</u>
10. SHORT TERM INVESTMENTS			
Held to maturity			
General Fund	10.1	50,015	287,949
Specific Fund: Prize Fund	10.2	2,718	3,246
Endowment Funds	10.3	-	41,274
Southern Regional Committee	10.4	7,677	3,357
Northern Regional Committee	10.5	5,112	5,112
Benevolent Fund	10.6	109,585	18,591
Available for sale			
Benevolent Fund	10.6	4,850	5,670
		<u>179,957</u>	<u>365,199</u>
10.1 General Fund			
Held to maturity			
Certificate of Investment		-	21,098
Certificates of Islamic Investments	10.1.1	50,015	-
Pakistan Investment Bonds	7.1	-	266,851
		<u>50,015</u>	<u>287,949</u>

10.1.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 50 million (June 30, 2017: Nil). These certificates carry profit at rate of 5.60% (June 30, 2017: Nil) per annum and are maturing on December 29, 2018. Accrued profit amounting to Rs. 0.015 million (June 30, 2017: Nil) is included in the carrying value.

10.2 Specific Fund: Prize Fund

	Note	2018 Rs. '000	2017
Term Deposit Receipts	10.2.1	2,718	3,246

10.2.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 2.70 million (June 30, 2017: Rs. 3.20 million). These TDRs carry mark-up at rates ranging from 5.70% to 5.80% (June 30, 2017: 5.70% to 6.30%) per annum and are maturing on various dates upto April 01, 2019. Accrued profit amounting to Rs. 0.018 million (June 30, 2017: Rs. 0.046 million) is included in the carrying value.

	Note	2018 Rs. '000	2017
10.3 Endowment Funds			
Students' Endowment Fund			
Held to maturity			
Term Deposit Receipt		-	27,427
Pakistan Investment Bond	7.3	-	8,124
		-	35,551
Libraries Development Fund			
Held to maturity			
Term Deposit Receipt		-	3,692
Pakistan Investment Bond	7.3	-	2,031
		-	5,723
		-	41,274

10.4 Southern Regional Committee

Certificates of Islamic Investments	10.4.1	7,677	3,357
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10.4.1 This represents Certificates of Islamic Investments, issued by a bank having face value aggregating to Rs. 7.10 million (June 30, 2017: Rs. 3.30 million). These certificates carry profit at rates ranging from 4.69% to 5.59% (June 30, 2017: 4.79% to 5.60%) per annum and are maturing on various dates upto June 24, 2019. Accrued profit amounting to Rs. 0.58 million (June 30, 2017: Rs. 0.057 million) is included in the carrying value.

	Note	2018 Rs. '000	2017
10.5 Northern Regional Committee			
Certificates of Islamic Investments	10.5.1	5,112	5,112

10.5.1 This represents Certificates of Islamic Investments having face value of Rs. 5.00 million (June 30, 2017: Rs. 5.00 million). These certificates carry profit at rates ranging from 4.62% (June 30, 2017: 4.50% to 4.67%) per annum and are maturing on January 5, 2019. Accrued profit amounting to Rs. 0.112 million (June 30, 2017: Rs. 0.112 million) is included in the carrying value.

10.6 Benevolent Fund

	Note	2018	2017
		Rs. '000	
Held to maturity			
Special Savings Certificates	10.6.1	76,175	-
Term Deposit Receipts	10.6.2	33,410	-
Certificates of investments		-	18,591
		109,585	18,591
Available for sale			
Investments in equity shares	10.6.3	4,850	5,670
		<u>114,435</u>	<u>24,261</u>

10.6.1 This represents investment in Special Savings Certificates, having aggregate face value of Rs. 62 million (June 30, 2017: Rs. 62 million, classified under long term investments). These certificates have been placed for a term of three years and are maturing on September 28, 2018. These certificates carry effective mark-up at rate of 7.74% (June 30, 2017: 7.74%) per annum. Accrued profit amounting to Rs. 14.18 million (June 30, 2017: Rs. 8.71 million) is included in the carrying value.

10.6.2 This represents Term Deposit Receipts (TDRs) aggregating to Rs. 32 million (June 30, 2017: Nil). These TDRs carry mark-up at rate of 8.00% (June 30, 2017: Nil) per annum and are maturing on December 12, 2018. Accrued profit amounting to Rs. 1.41 million (June 30, 2017: Nil) is included in the carrying value.

10.6.3 Investments in equity shares

	2018	2017
	Rs. '000	
The Hub Power Company Limited		
As on July 01	4,698	4,804
Deficit on re-measurement	(1,011)	(106)
Market value of 40,000 ordinary shares as on June 30	3,687	4,698
Fauji Fertilizer Company Limited		
As on July 01	972	1,349
Surplus / (Deficit) on re-measurement	191	(377)
Market value of 11,767 ordinary shares as on June 30	1,163	972
	<u>4,850</u>	<u>5,670</u>

	Note	2018	2017
11 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
		Rs. '000	
Current portion of :			
Motor Cycle loans	8	382	347
Long term advance	8	1,016	1,173
		1,398	1,520
Advances: (considered good)			
Secured:			
Executives (key management personnel)		1,091	641
Employees		751	680
		1,842	1,321
Unsecured:			
Income tax		8,328	5,902
Suppliers and others		1,738	1,504
		10,066	7,406
Less: Impairment allowance against advance income tax	11.1	(8,328)	(5,902)
		1,738	1,504
Prepayments:			
- Rent		3,806	3,061
- Others		6,253	4,557
		10,059	7,618
Other receivables (considered good)	11.2	12,962	9,551
		27,999	21,514
11.1 Opening balance		5,902	3,690
Add: Impairment allowance against advance income tax		2,426	2,212
Closing balance		8,328	5,902
11.2 Other receivables (considered good)			
Advertisement income receivable		58	98
Due on account of rental of facilities		302	96
Due in respect of seminar and conference		421	1,182
Dividend receivable		145	-
Fee in transit	11.2.1	7,198	2,818
Miscellaneous	11.2.2	4,838	5,357
		12,962	9,551

11.2.1 This represents fee in transit against membership fee to be received through a bank.

11.2.2 This includes Rs. 0.253 receivable from Ex-Council Members (2017: Rs. 0.180 million from Council Members) and insurance claim receivable amounting to Rs. 3.890 million (2017: Rs. 1.826 million).

	Note	2018	2017
		Rs. '000	
12 ACCRUED INCOME ON INVESTMENTS			
Accrued income on :			
Term deposit receipts / Certificates of		1,079	1,001
Islamic investments		7,687	14,494
Pakistan Investment Bonds		<u>8,766</u>	<u>15,495</u>
13 CASH AND BANK BALANCES			
General Fund			
Cash in hand			
Local currency		389	219
Foreign currency		<u>142</u>	<u>38</u>
		531	257
Cash at banks in :			
Current accounts			
Local currency		<u>1,089</u>	<u>5,059</u>
Foreign currency		<u>122</u>	<u>105</u>
		1,211	5,164
PLS Saving accounts			
Local currency	13.1	<u>31,570</u>	<u>44,502</u>
Foreign currency	13.2	<u>1,133</u>	<u>404</u>
		32,703	44,906
Prize Fund			
Cash at bank in PLS Saving accounts	13.1	536	375
Students' Endowment Fund			
Cash at banks in:			
PLS Saving accounts	13.1	3,631	3,512
Southern Regional Committee			
Cash in hand		51	25
Cash at banks in:			
Current accounts		<u>1,250</u>	<u>1,197</u>
PLS Saving accounts	13.1	<u>863</u>	<u>482</u>
		2,113	1,679

	Note	2018	2017
		Rs. '000	
Northern Regional Committee			
Cash in hand		65	51
Cash at banks in:			
Current account		715	723
PLS Saving accounts	13.1	1,480	248
		2,195	971
Benevolent Fund			
Cash at banks in:			
PLS Saving accounts	13.1	4,572	782
		47,608	57,722

13.1 These carry mark-up at rates upto 5.60% (2017: upto 5.75%) per annum.

13.2 These carry mark-up at rates upto 0.10% (2017: upto 0.10%) per annum.

	Note	2018	2017
		Rs. '000	
14 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		16,322	22,241
Accrued liabilities	14.1	54,466	53,223
Other liabilities			
Chartered Accountant Students' Association (CASA)		872	567
Retention money		585	615
IFRS Foundation royalty		534	150
Others	14.1	6,142	4,923
		8,133	6,255
		78,921	81,719

14.1 This includes Rs. 0.855 million (2017: Rs. 0.630 million) payable to Council Members and Rs. 0.935 million (2017: Rs. 0.333 million) payable to key management personnel.

	2018	2017
	Rs. '000	
15 FEE AND CHARGES RECEIVED IN ADVANCE		
Fee received in advance from / on account of:		
Members	22,523	23,117
Examinations	22,635	10,459
Others	3,076	2,931
Advance insurance premium from members	2,227	1,580
	50,461	38,087

16 CONTINGENCIES AND COMMITMENTS

- 16.1 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 Honorable 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. On June 01, 2017, in view of the change in law, the appeal was disposed off by the Supreme Court by transferring it to the Competition Appellate Tribunal constituted under the Competition Act, 2010. The Institute has a fair case, therefore, no accrual has been made in these financial statements relating to the above referred penalty.
- 16.2 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 Honorable Lahore High Court against the aforementioned order in addition to appeal filed before Competition Appellate Tribunal.
- The Honorable Lahore 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 against such liability/amount.
- 16.3 Sindh Revenue Board issued a letter to the Institute dated May 27, 2015, requiring the Institute to explain its position on non-payment of Sindh Sales Tax amounting to Rs. 37.77 million on membership fee, 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 letter, and the said letter was suspended till the next date of hearing by the Honorable High Court of Sindh 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 against such liability / amount.
- 16.4 Commitments in respect of capital expenditure as at the reporting date aggregated to Rs. 4.40 million (2017: Rs. 329 million).

	Note	2018	2017
		Rs. '000	
17 MEMBERS' SUBSCRIPTION			
Annual subscription	17.1	139,070	126,566
Admission fee		1,377	1,452
Practicing certificate fee		18,316	16,530
Foreign affiliation fee		121	-
Duplicate identity card fee		152	74
		<u>159,036</u>	<u>144,622</u>
17.1 Annual subscription			
General Fund		116,242	104,727
Southern Region		3,246	3,158
Northern Region		2,535	2,369
Benevolent Fund		17,047	16,312
		<u>139,070</u>	<u>126,566</u>

	Note	2018	2017
		Rs. '000	
18 EXAMINATION AND OTHER FEES			
Examination fee		536,993	478,983
Annual subscription from students		40,365	34,182
Fee for duplicate certificates and other services		3,561	2,712
		<u>580,919</u>	<u>515,877</u>
19 EDUCATION AND TRAINING FEES			
Registration fee		125,043	114,232
Registered Accounting Education Tutors' fee		2,429	2,400
Training organization fee		1,647	2,533
		<u>129,119</u>	<u>119,165</u>
20 PUBLICATIONS			
Study packs	20.1	2,548	2,463
Other Publications:			
Accounting Standards		4,280	5,704
Auditing Standards		1,324	2,522
Gripping IFRS		82	160
Miscellaneous		753	1,387
		6,439	9,773
		<u>8,987</u>	<u>12,236</u>

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

	Note	2018	2017
		Rs. '000	
21 OTHER INCOME			
Income derived from utilisation of facilities		5,111	4,597
Gain on sale of property, plant and equipment - net	5.2.2	436	19,020
Surplus on Directors' Training Programs	21.1	5,018	3,205
Net surplus from seminar, conferences & other events	21.2	784	-
Donation received during the year		16,346	4,205
Miscellaneous		992	763
		<u>28,687</u>	<u>31,790</u>

	Note	2018	2017
		Rs. '000	
21.1 Surplus on Directors' Training Programs			
Fee received for the training		11,242	9,380
Less: Expenses incurred on training		(6,224)	(6,175)
		<u>5,018</u>	<u>3,205</u>
21.2 Net surplus from seminar, conferences & other events			
Contributions from members, sponsors and others		60,803	44,493
Less: expenses incurred		(60,019)	(52,074)
		<u>784</u>	<u>(7,581)</u>
22 SALARIES, ALLOWANCES AND OTHER BENEFITS		<u>350,147</u>	<u>276,291</u>
Salaries, allowances and other benefits include Rs. 16.411 million (2017: Rs. 13.048 million) in respect of staff retirement benefits.			

	Note	2018	2017
		Rs. '000	
23 TRAVELING AND RELATED EXPENSES			
Expenses incurred in respect of meetings and conferences attended by:			
Members of the Council		14,786	15,068
Members of the Committees		4,501	2,115
Staff of the Institute:			
Secretary, Directors and other executives		6,935	5,284
Other staff		6,038	5,534
		<u>12,973</u>	<u>10,818</u>
		<u>32,260</u>	<u>28,001</u>

	Note	2018	2017
		Rs. '000	
24 STUDY PACKS AND OTHER PUBLICATIONS			
Study packs:			
Opening stock		7,971	8,010
Cost of publication of study packs		23,526	29,764
Less: Closing stock		(3,243)	(7,971)
		28,254	29,803
Other publications		12,143	14,848
		<u>40,397</u>	<u>44,651</u>
25 FINANCIAL ASSISTANCE TO STUDENTS		<u>5,822</u>	<u>9,839</u>

This represents disbursement made out of Students' Endowment Fund.

	Note	2018	2017
		Rs. '000	
26 OTHERS			
Fee to professional bodies	26.1	5,849	5,416
Auditors' remuneration	26.2	937	840
Meeting and related expenses		1,691	1,549
Books and publications		760	802
Conveyance		375	383
Entertainment / meeting expenses		3,620	3,070
Bank charges		6,623	5,644
Insurance		3,053	2,512
Obsolete stock written off / provision for obsolete stock	9.1	593	969
Impairment allowance against advance income tax	11.1	2,426	2,212
Impairment allowance for doubtful students' loans	8	39	-
Training expenses		2,301	6,474
Election expenses		2,944	-
Online Education and Research Facility		1,740	1,705
Honoraria to article writers		257	334
Sports and recreation		823	658
Exchange loss - net		140	35
Property, plant and equipment written off	5.2	-	1,060
Net deficit from seminar, conferences and other events	21.2	-	7,581
Sundry expenses		3,282	5,489
		<u>37,453</u>	<u>46,733</u>

26.1 Fee to professional bodies

2018 **2017**
Rs. '000

International bodies

Accounting & Auditing Organization For Islamic
Financial Institutions (AAOIFI)

433 455

CA Worldwide (CAW)

1,387 1,444

Confederation of Asian and Pacific Accountants (CAPA)

873 911

International Federation of Accountants (IFAC)

2,805 2,275

South Asian Federation of Accountants (SAFA)

251 231

Local body

Pakistan Institute of Corporate Governance (PICG)

100 100

5,849 5,416

26.2 Auditors' remuneration

Audit fee

Qasim Ebrahim Causer

385 350

Syed Aftab Hameed

385 350

770 700

Out of pocket expenses

167 140

937 840

27 INCOME FROM INVESTMENTS

General Fund

Markup / profit on:

Term Deposit Receipts / Certificates of
Islamic Investment

8,633 15,791

Pakistan Investment Bonds

12,330 34,646

PLS saving accounts

7,496 6,887

28,459 57,324

Specific Fund

319 308

Endowment Funds

7,294 5,875

Southern Regional Committee

1,321 1,291

Northern Regional Committee

365 298

Benevolent Fund

8,609 7,257

46,367 72,353

2018 **2017**
Rs. '000

28 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	47,608	57,722
Short term investments realisable within three months	68,850	309,833
	<u>116,458</u>	<u>367,555</u>

29 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Institute comprise of employees retirement benefit plans and key management personnel. Amounts due from and to related parties are shown under receivables and payables. Other significant transaction with related parties are as follows:

Relationship with the Institute	Nature of transactions	2018	2017
		Rs. '000	
Staff retirement benefit plans:	Contribution paid to:		
	Provident Fund	16,411	13,048
Key management personnel:			
Secretary, Executive	Consideration received against:		
Directors, Directors and	sale of fixed assets	1,188	3,604
other Executives	Managerial remuneration	170,305	125,819
	Reimbursement of expenses	6,075	5,275
Members of the council	Membership fee received	541	613
	Reimbursement of expenses	3,925	6,496

29.1 Detail of expenses incurred in respect of traveling of members of the council, members of the committees, secretary, executive directors, directors and other executives of the Institute are disclosed in note 23.

29.2 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, Executive Directors, Directors and Senior Managers as its key management personnel.

30. REMUNERATION AND BENEFITS OF SECRETARY, EXECUTIVE DIRECTORS, DIRECTORS AND OTHER EXECUTIVES

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

	Secretary		Executive Directors, Directors and Other Executives	
	2018	2017	2018	2017
	Rs. '000			
Managerial remuneration	11,400	4,580	158,905	121,239
Defined contribution plan - employee provident fund	853	115	8,242	6,112
Annual membership fee	22	-	582	495
Fuel, maintenance and utilities	403	109	5,068	4,671
	12,678	4,804	172,797	132,517
Number of persons	1	1	41	39

30.1 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.

30.2 The Secretary, Executive Directors, Directors and other executives of the Institute are also provided with the Institute's maintained cars/monetization allowance in lieu thereof.

31. 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:

31.1 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

31.1.1 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.

31.1.2 Segment revenues and results:

2018	Examination	Education	Membership	General Services	Total
	Rs. '000				
Income					
- from members	-	-	159,036	-	159,036
- from students	580,919	129,119	-	-	710,038
- others	-	-	-	37,674	37,674
	580,919	129,119	159,036	37,674	906,748
Expenditure (note 31.1.3)	(273,716)	(134,992)	(175,205)	(226,350)	(810,263)
					96,485
Income from investments and surplus on remeasurement of investment - unallocated					45,547
Excess of income over expenditure					142,032

2017

	Examination	Education	Membership	General Services	Total
	Rs. '000				
Income					
- from members	-	-	144,622	-	144,622
- from students	515,877	119,165	-	-	635,042
- others	-	-	-	44,026	44,026
	515,877	119,165	144,622	44,026	823,690
Expenditure (note 31.1.4)	(261,514)	(124,774)	(143,178)	(212,035)	(741,501)
					82,189
Income from investments and surplus on remeasurement of investment - unallocated					71,870
Excess of income over expenditure					154,059

31.1.3 Expenditure

	Examination	Education	Membership	General Services	Total
	Rs. '000				
2018					
Salaries, allowances and other benefits	87,519	52,805	90,500	119,323	350,147
Examination charges	129,179	-	-	-	129,179
Depreciation	8,305	4,319	5,980	14,617	33,221
Traveling and related expenses	8,293	1,512	19,938	2,517	32,260
Study packs and other publications	-	28,174	41	12,182	40,397
Utilities	5,953	3,096	4,286	10,477	23,812
Postage and telephone	5,001	2,600	3,601	8,801	20,003
Repairs and maintenance	9,367	4,871	6,745	16,487	37,470
Printing and stationery	4,255	3,691	2,923	4,185	15,054
Rent, rates and taxes	37	242	30	17,310	17,619
Advertisement and marketing	293	12,826	25	-	13,144
Amortisation of intangible assets	554	288	399	975	2,216
Financial assistance to students	-	5,822	-	-	5,822
Financial assistance to members and/or families	-	-	19,893	-	19,893
Gold medals and award ceremony	7,189	-	-	-	7,189
Edhi CA talent program	-	10,184	-	-	10,184
Vehicles maintenance and running cost	2,248	911	2,331	2,253	7,743
Legal charges	-	-	4,604	209	4,813
Professional charges	-	169	611	1,864	2,644
Others	5,523	3,482	13,298	15,150	37,453
	273,716	134,992	175,205	226,350	810,263

31.1.4 Expenditure

	Examination	Education	Membership	General Services	Total
	Rs. '000				
2017					
Salaries, allowances and other benefits	79,067	34,367	54,703	108,154	276,291
Examination charges	114,832	-	-	-	114,832
Depreciation	8,450	3,900	4,550	15,598	32,498
Traveling and related expenses	6,985	942	18,339	1,735	28,001
Study packs and other publications	-	37,414	390	6,847	44,651
Utilities	6,206	2,864	3,342	11,458	23,870
Postage and telephone	4,617	2,131	2,486	8,524	17,758
Repairs and maintenance	7,841	3,619	4,222	14,474	30,156
Printing and stationery	4,165	2,150	4,079	4,803	15,197
Rent, rates and taxes	37	124	26	16,469	16,656
Advertisement and marketing	-	17,061	372	1,588	19,021
Amortisation of intangible assets	1,491	688	803	2,752	5,734
Financial assistance to students	-	9,839	-	-	9,839
Financial assistance to members and/or families	-	-	21,462	-	21,462
Gold medals and award ceremony	7,532	-	-	-	7,532
Edhi CA talent program	-	5,575	-	-	5,575
Vehicles maintenance and running cost	1,936	689	1,737	1,916	6,278
Legal charges	-	-	10,487	309	10,796
Professional charges	7,529	-	53	1,039	8,621
Others	10,826	3,411	16,127	16,369	46,733
	261,514	124,774	143,178	212,035	741,501

31.1.5 Other information

	Examination	Education	Membership	General Services	Total
	Rs. '000				
2018					
Segment assets employed	15,499	37,371	25,798	648,510	727,178
Unallocated assets					642,266
Total assets					<u>1,369,444</u>
Segment liabilities employed	40,542	1,792	27,625	59,423	<u>129,382</u>
2017					
Segment assets employed	38,113	21,144	31,793	342,393	433,443
Unallocated assets					784,393
Total assets					<u>1,217,836</u>
Segment liabilities employed	24,075	4,520	29,128	62,083	<u>119,806</u>

31.1.6 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.

31.2 Geographical segments

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

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

Geographical segment information is also presented in South (includes provinces namely Sindh and Baluchistan) and North (includes provinces namely Punjab, Khyber Pakhtunkhwa and Gilgit Biltistan) regions.

31.2.1 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.

31.2.2 (a) Segment revenues and results

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
2018					
Income					
from members	67,956	31,550	15,587	43,943	159,036
from students	189,041	264,378	129,764	126,855	710,038
others general services - unallocated	-	-	-	-	37,674
					<u>906,748</u>
Allocated expenditure - Members and Students	(183,679)	(186,937)	(91,865)	(121,432)	(583,913)
Unallocated expenditure - General Services					(226,350)
Total expenditure (note 31.2.3 (a))					<u>(810,263)</u>
Income from investments and surplus on remeasurement of investment - unallocated					45,547
Excess of income over expenditure					<u>142,032</u>
2017					
Income					
from members	61,677	28,681	14,199	40,065	144,622
from students	182,094	230,839	116,317	105,792	635,042
others general services - unallocated	-	-	-	-	44,026
					<u>823,690</u>
Allocated expenditure - Members and Students	(171,826)	(168,811)	(84,811)	(104,018)	(529,466)
Unallocated expenditure - General Services					(212,035)
Total expenditure (note 31.2.4 (a))					<u>(741,501)</u>
Income from investments and surplus on remeasurement of investment - unallocated					71,870
Excess of income over expenditure					<u>154,059</u>

31.2.3 (a) Expenditure

2018

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Salaries, allowances and other benefits	278,017	45,577	16,864	9,689	350,147
Examination charges	80,427	24,178	10,988	13,586	129,179
Depreciation	22,799	5,150	2,516	2,756	33,221
Traveling and related expenses	20,704	8,362	2,540	654	32,260
Study packs and other publications	17,896	11,915	5,568	5,018	40,397
Utilities	14,410	4,255	2,134	3,013	23,812
Postage and telephone	14,571	2,095	1,041	2,296	20,003
Repairs and maintenance	18,126	7,867	4,314	7,163	37,470
Printing and stationery	13,333	1,200	245	276	15,054
Rent, rates and taxes	4,176	2,545	338	10,560	17,619
Advertisement and marketing	5,794	4,036	950	2,364	13,144
Amortisation of intangible assets	2,216	-	-	-	2,216
Financial assistance to students	301	4,053	1,007	461	5,822
Financial assistance to members and/or families	9,659	6,608	1,868	1,758	19,893
Gold medals and award ceremony	3,105	2,295	1,789	-	7,189
Edhi CA talent program	4,070	1,972	611	3,531	10,184
Vehicles maintenance and running cost	6,542	963	98	140	7,743
Legal charges	4,798	15	-	-	4,813
Professional charges	2,431	191	22	-	2,644
Others	31,913	3,014	1,706	820	37,453
Expenditure - as and where incurred	555,288	136,291	54,599	64,085	810,263
Inter-segment allocation / transfer to unallocated	(371,609)	50,646	37,266	57,347	(226,350)
Allocated expenditure - Members and Students	183,679	186,937	91,865	121,432	583,913
Unallocated expenditure - General Services					226,350
Total expenditure					<u>810,263</u>

31.2.4 (a) Expenditure

2017

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Salaries, allowances and other benefits	216,425	39,124	12,297	8,445	276,291
Examination charges	71,510	21,192	10,266	11,864	114,832
Depreciation	22,511	5,320	1,862	2,805	32,498
Traveling and related expenses	16,051	7,972	2,703	1,275	28,001
Study packs and other publications	21,553	12,529	6,010	4,559	44,651
Utilities	13,859	4,674	2,139	3,198	23,870
Postage and telephone	11,684	3,379	1,064	1,631	17,758
Repairs and maintenance	15,877	5,867	3,097	5,315	30,156
Printing and stationery	13,436	1,330	181	250	15,197
Rent, rates and taxes	4,079	2,549	397	9,631	16,656
Advertisement and marketing	3,959	8,786	1,615	4,661	19,021
Amortisation of intangible assets	5,734	-	-	-	5,734
Financial assistance to students	848	6,011	1,895	1,085	9,839
Financial assistance to members and/or families	11,153	6,233	1,775	2,301	21,462
Gold medals and award ceremony	3,438	4,094	-	-	7,532
Edhi CA talent program	2,321	1,095	482	1,677	5,575
Vehicles maintenance and running cost	5,277	754	183	64	6,278
Legal charges	10,658	138	-	-	10,796
Professional charges	8,460	8	153	-	8,621
Others	39,460	4,229	2,257	787	46,733
Expenditure - as and where incurred	498,293	135,284	48,376	59,548	741,501
Inter-segment allocation / transfer to unallocated	(326,467)	33,527	36,435	44,470	(212,035)
Allocated expenditure - Members and Students	171,826	168,811	84,811	104,018	529,466
Unallocated expenditure - General Services					212,035
Total expenditure					<u>741,501</u>

31.2.5 (a) Other Information

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
2018					
Segment assets employed	191,047	491,709	23,239	21,183	727,178
Unallocated assets					642,266
Total assets					<u>1,369,444</u>
Segment liabilities employed	74,454	1,566	1,667	1,234	78,921
Unallocated liabilities					50,461
Total liabilities					<u>129,382</u>
2017					
Segment assets employed	188,819	205,413	19,324	19,887	433,443
Unallocated assets					784,393
Total assets					<u>1,217,836</u>
Segment liabilities employed	69,861	9,878	1,190	790	81,719
Unallocated liabilities					38,087
Total liabilities					<u>119,806</u>

31.2.6 (a) 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.

31.2.2 (b) Segment revenues and results

Income	South	North	Total
	Rs. '000		
2018			
from members	91,834	67,202	159,036
from students	206,576	503,462	710,038
others general services - unallocated			37,674
			<u>906,748</u>
Allocated expenditure - Members and Students	(217,200)	(366,713)	(583,913)
Unallocated expenditure - General Services			(226,350)
Total expenditure (note 31.2.3 (b))			(810,263)
Income from investments and surplus on remeasurement of investment - unallocated			45,547
Excess of income over expenditure			<u>142,032</u>
2017			
from members	83,411	61,211	144,622
from students	194,061	440,981	635,042
others general services - unallocated			44,026
			<u>823,690</u>
Allocated expenditure - Members and Students	(200,622)	(328,844)	(529,466)
Unallocated expenditure - General Services			(212,035)
Total expenditure (note 31.2.4 (b))			(741,501)
Income from investments and surplus on remeasurement of investment - unallocated			71,870
Excess of income over expenditure			<u>154,059</u>

31.2.3 (b) Expenditure

2018

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

South	North	Total
Rs. '000		
280,322	69,825	350,147
82,707	46,472	129,179
22,991	10,230	33,221
20,916	11,344	32,260
18,398	21,999	40,397
14,724	9,088	23,812
14,743	5,260	20,003
19,458	18,012	37,470
13,379	1,675	15,054
5,521	12,098	17,619
6,760	6,384	13,144
2,216	-	2,216
301	5,521	5,822
9,659	10,234	19,893
3,032	4,157	7,189
4,647	5,537	10,184
6,548	1,195	7,743
4,798	15	4,813
2,431	213	2,644
32,047	5,406	37,453
565,598	244,665	810,263
(348,398)	122,048	(226,350)
217,200	366,713	583,913
		226,350
		810,263

31.2.4 (b) Expenditure

2017

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

South	North	Total
Rs. '000		
218,331	57,960	276,291
73,120	41,712	114,832
22,682	9,816	32,498
17,208	10,793	28,001
21,915	22,736	44,651
14,085	9,785	23,870
11,823	5,935	17,758
16,461	13,695	30,156
13,471	1,726	15,197
5,403	11,253	16,656
5,392	13,629	19,021
5,734	-	5,734
856	8,983	9,839
11,153	10,309	21,462
3,438	4,094	7,532
2,826	2,749	5,575
5,281	997	6,278
10,658	138	10,796
8,460	161	8,621
39,619	7,114	46,733
507,916	233,585	741,501
(307,294)	95,259	(212,035)
200,622	328,844	529,466
		212,035
		741,501

31.2.5 (b) Other information**2018**

Segment assets employed
Unallocated assets
Total assets

Segment liabilities employed
Unallocated liabilities
Total liabilities

2017

Segment assets employed
Unallocated assets
Total assets

Segment liabilities employed
Unallocated liabilities
Total liabilities

South	North	Total
Rs. '000		
192,503	534,675	727,178
		642,266
		<u>1,369,444</u>
74,941	3,980	78,921
		50,461
		<u>129,382</u>
190,031	243,412	433,443
		784,393
		<u>1,217,836</u>
69,885	11,834	81,719
		38,087
		<u>119,806</u>

31.2.6 (b) 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.

32. FINANCIAL RISK MANAGEMENT**32.1 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 foreign exchange risk and interest rate risk and equity price risk).

The Institute's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize 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. 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 and interest rate risk provided by the Council.

(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. 663.695 million (2017: Rs. 947.874 million) as detailed in note 32.2, those that are subject to credit risk aggregate to Rs. 368.384 million (2017: Rs. 509.839 million).

The credit risk on liquid funds maintained with banks / financial institutions and investments was approximately 52% (2017: 36%) 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 carrying amounts of financial assets that represent Institute's maximum credit exposure as at the reporting date are as follows:

	Note	2018	2017
		Rs. '000	
Long term investments	32.1.1	193,336	195,962
Loans and deposits		7,024	154,902
Short term investments	32.1.1	103,782	88,193
Loans, advances and other receivables		16,202	12,392
Accrued Income on investments		1,079	1,001
Bank balances		46,961	57,389
		<u>368,384</u>	<u>509,839</u>

32.1.1 This excludes investment in Government securities.

(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 and adequate balance sheet liquidity & solvency ratios. As at June 30, 2018 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 effect 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.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

	June 2018					
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	EURO	Nepali Rupees
Cash and bank balances	1,396,201	10,325	380	69	625	2,150
Creditors, accrued expenses and other liabilities	(533,610)	-	(3)	-	-	-
Net Exposure	862,591	10,325	377	69	625	2,150

	June 2017					
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	EURO	Nepali Rupees
Cash and bank balances	547,671	5,005	135	-	20	2,150
Creditors, accrued expenses and other liabilities	(1,649,681)	(14,300)	(1,103)	-	-	-
Net Exposure	(1,102,010)	(9,295)	(968)	-	20	2,150

The following significant exchange rates have been applied:

	Reporting date rate	
	2018	2017
U.S. Dollar to Rupee	121.49	104.85
British Pound to Rupee	159.93	136.24
UAE Dirham to Rupee	33.08	28.55
Saudi Riyal to Rupee	32.40	27.96
Euro to Rupee	141.58	119.63
Nepali Rupee to Rupee	1.10	0.99

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, 2018, if Rupee had strengthened / weakened by 10% against US Dollar, British Pound, UAE Dirham and Euro with all other variables held constant, income for the year would have increased / (decreased) by the amounts shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

Effect on income for the year:

	2018	2017
U.S. Dollar to Rupee	125	97
British Pound to Rupee	6	13
Euro to Rupee	9	-

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:

	2018	2017
	Rs. '000	
Fixed rate instruments		
Government securities	286,977	423,208
Term deposit receipts	36,128	34,365
Certificates of deposit / investment	18,695	56,822
Variable rate instruments		
Certificates of Islamic Investments	237,445	187,298
Balances maintained with banks	43,785	50,305

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, 2018, if the interest rate on the Institute investments had been higher / (lower) by 100 basis point all other variables held constant, finance income for the year would have been higher / (lower) by Rs. 3.36 million (2017: Rs. 3.29 million) mainly as a result of higher / (lower) interest income.

32.2 Financial instruments by category

2018

Financial Assets as per balance sheet

	Held to maturity	Available for sale	Loans and receivables	Total
	Rs. '000			
Long term investments	404,138	-	-	404,138
Loans and deposits	-	-	7,024	7,024
Short term investments	175,107	4,850	-	179,957
Loans, advances and other receivables	-	-	16,202	16,202
Accrued income on investments	8,766	-	-	8,766
Cash and bank balances	-	-	47,608	47,608
	<u>588,011</u>	<u>4,850</u>	<u>70,834</u>	<u>663,695</u>

2017

Financial Assets as per balance sheet

Long term investments	342,164	-	-	342,164
Loans and deposits	-	-	154,902	154,902
Short term investments	359,529	5,670	-	365,199
Loans, advances and other receivables	-	-	12,392	12,392
Accrued income on investments	15,495	-	-	15,495
Cash and bank balances	-	-	57,722	57,722
	<u>717,188</u>	<u>5,670</u>	<u>225,016</u>	<u>947,874</u>

Liabilities carried at amortized cost

Financial liabilities as per balance sheet

Creditors, accrued expenses and other liabilities

2018 2017

Rs. '000

78,92181,719

32.3 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Institute is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

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

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

Currently, the Institute's investment in equity shares amounting to Rs. 4.850 million (2017: Rs. 5.670 million) are the only financial assets measured at fair value in the financial statements and these financial instruments are classified under level 1.

There were no transfers amongst the levels during the current and preceding year. The Institute's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

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

- Special Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 76.175 million (2017: Rs. 70.705 million) as against their aggregate fair value of Rs. 73.46 million (2017: Rs. 70.045 million);
- Defence Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 5.143 million (2017: Rs. 4.587 million) as against their aggregate fair value of Rs. 4.761 million (2017: Rs. 4.158 million); and
- Pakistan Investment Bonds that are carried at amortised cost, using the effective yield method, aggregating Rs. 205.659 million (2017: Rs. 347.916) as against their aggregate fair value of Rs. 200.220 million (2017: Rs. 350.880 million).

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year other than those already disclosed in note 32.3 of these financial statements.

33. NUMBER OF EMPLOYEES

The Institute had 218 (2017: 206) full time employees and 7 (2017: 7) part time employees as at June 30, 2018.

34. CORRESPONDING FIGURES

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

35. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorized these financial statements for issue on September 05, 2018.

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