

CONDENSED INTERIM
FINANCIAL STATEMENTS
OF
THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF PAKISTAN
FOR THE HALF YEAR ENDED
DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN** ("the Institute") as at December 31, 2013 and the related condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in funds and notes to the accounts for the six-month period then ended (here-in-after referred as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

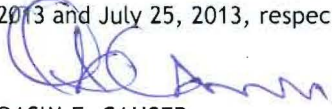
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

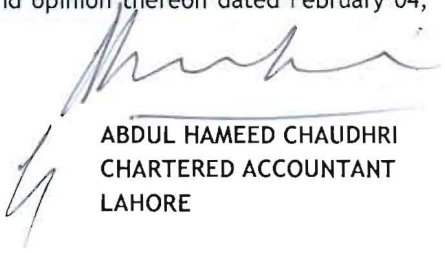
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended December 31, 2013 and December 31, 2012 in condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The financial statements of the Institute for the half year ended December 31, 2012 and for the year ended June 30, 2013 were reviewed and audited respectively by Mr. Abdul Hameed Chaudhri, Chartered Accountant and Mr. Abdul Wahid, Chartered Accountant who had expressed an unqualified conclusion and opinion thereon dated February 04, 2013 and July 25, 2013, respectively.


QASIM E. CAUSER
CHARTERED ACCOUNTANT
KARACHI


ABDUL HAMEED CHAUDHRI
CHARTERED ACCOUNTANT
LAHORE

DATED: 23 JAN 2014

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2013

		December 31, 2013 Un-audited	June 30, 2013 Audited
	Note	----- Rupees in '000 -----	
NON CURRENT ASSETS			
Property, plant and equipment	5	201,532	183,561
Intangible assets	6	15,016	3,875
Long term investments	7	85,327	81,853
Loans and deposits		6,015	5,721
		<u>307,890</u>	<u>275,010</u>
CURRENT ASSETS			
Stock of publications and souvenirs		12,474	6,778
Short term investments	8	359,784	314,621
Loans, advances, prepayments and other receivables		16,531	11,829
Cash and bank balances		43,652	28,336
		<u>432,441</u>	<u>361,564</u>
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		33,251	24,236
Fees and charges received in advance		27,236	33,171
		<u>60,487</u>	<u>57,407</u>
NET CURRENT ASSETS		<u>371,954</u>	<u>304,157</u>
CONTINGENCIES AND COMMITMENTS	9		
NET ASSETS		<u><u>679,844</u></u>	<u><u>579,167</u></u>
FINANCED BY:			
General Fund		494,159	405,888
Specific Fund		3,465	3,292
Endowment Funds		71,084	70,283
Regional Committees		34,823	33,053
Benevolent Fund		76,313	66,651
		<u><u>679,844</u></u>	<u><u>579,167</u></u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


SECRETARY


PRESIDENT



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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2013

	Note	Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2013	2012	2013	2012
		----- Rupees in '000 -----	----- Rupees in '000 -----	----- Rupees in '000 -----	----- Rupees in '000 -----
INCOME					
Members' subscription		6,436	7,837	91,480	81,088
Examination and other fees		64,908	56,231	148,770	138,053
Education and training fees		29,590	23,185	40,847	32,153
Publications		1,825	2,360	3,849	3,380
Other operating income	10	1,428	1,105	4,819	1,971
		104,187	90,718	289,765	256,645
EXPENDITURE					
Salaries, allowances and other benefits	11	44,866	36,854	90,090	72,570
Examination charges		8,904	13,269	28,386	30,463
Depreciation		6,117	5,385	11,545	10,148
Traveling and related expenses		5,514	6,743	10,314	11,303
Publications		2,404	3,080	4,427	4,646
Utilities		4,965	4,552	10,261	9,565
Postage and telephone		2,455	2,896	4,804	4,911
Repairs and maintenance		4,731	3,446	8,388	8,246
Printing and stationery		1,775	2,250	4,832	4,508
Rent, rates and taxes		2,668	1,593	4,947	3,141
Advertisement and exhibition		2,948	1,069	5,557	1,460
Others	12	13,257	12,516	27,866	25,644
		100,604	93,653	211,417	186,605
Excess / (deficit) of income over expenditure before finance income		3,583	(2,935)	78,348	70,040
Finance income		11,395	12,400	22,313	22,155
Excess of income over expenditure for the period		14,978	9,465	100,661	92,195
Other comprehensive income					
Surplus / (deficit) on re-measurement of investments classified as available for sale	4	4	(2)	16	206
Total comprehensive income for the period		14,982	9,463	100,677	92,401
ATTRIBUTABLE TO:					
General Fund		13,245	7,189	88,271	82,661
Specific Fund		156	9	173	24
Endowment Funds		1,473	1,583	801	317
Regional Committees		(531)	245	1,770	2,605
Benevolent Fund		639	437	9,662	6,794
		14,982	9,463	100,677	92,401

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	December 31, 2013	December 31, 2012
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received:		
Membership	76,135	69,692
Examinations	157,155	143,729
Training	40,847	32,153
Publications	3,835	3,026
Facilities and miscellaneous	2,762	4,691
	280,734	253,291
Cash paid:		
Employees	91,089	73,196
Professional bodies	1,148	1,090
Property tax	860	191
Suppliers and vendors	105,118	77,014
	198,215	151,491
Net cash generated from operating activities	82,519	101,800
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(196,987)	(33,809)
Fixed capital expenditure	(30,928)	(17,082)
Purchase of intangible assets	(11,200)	-
Proceeds from sale of operating fixed assets	729	68
Income received from investments	36,294	14,549
Loans and deposits recovered	661	930
Loans and deposits paid	(140)	(324)
Net cash used in investing activities	(201,571)	(35,668)
Net (decrease) / increase in cash and cash equivalents	(119,052)	66,132
Cash and cash equivalents at beginning of the period	191,840	17,328
Cash and cash equivalents at end of the period	72,788	83,460

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

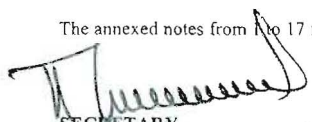

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	General Fund	Specific Fund	Endowment Funds			Regional Committees				Benevolent Fund			Total
			Students' Endowment Fund	Libraries Development Fund	Sub total	Southern		Northern	Sub total	Accumulated Fund	Special Reserve Fund	Sub total	
						Accumulated Fund	H.J. Irani Memorial Fund	Accumulated Fund					
Rupees '000													
Balance as at July 01, 2012	349,870	3,217	52,591	5,913	58,504	18,863	120	11,781	30,764	56,951	839	57,790	500,145
Transferred to Student's Endowment Fund	(10,000)	-	10,000	-	10,000	-	-	-	-	-	-	-	-
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Excess of income over expenditure for the period	82,661	24	163	154	317	2,047	3	555	2,605	6,588	-	6,588	92,195
Surplus on re-measurement of investments	-	-	-	-	-	-	-	-	-	206	-	206	206
Total comprehensive income for the period	82,661	24	163	154	317	2,047	3	555	2,605	6,794	-	6,794	92,401
Balance as at December 31, 2012	421,531	3,241	62,754	6,067	68,821	20,910	123	12,336	33,369	64,745	839	65,584	592,546
Balance as at July 01, 2013	405,888	3,292	64,033	6,250	70,283	20,740	127	12,186	33,053	65,812	839	66,651	579,167
Excess of income over expenditure for the period	88,271	173	619	182	801	747	5	1,018	1,770	9,646	-	9,646	100,661
Surplus on re-measurement of investments	-	-	-	-	-	-	-	-	-	16	-	16	16
Total comprehensive income for the period	88,271	173	619	182	801	747	5	1,018	1,770	9,662	-	9,662	100,677
Balance as at December 31, 2013	494,159	3,465	64,652	6,432	71,084	21,487	132	13,204	34,823	75,474	839	76,313	679,844

The annexed notes from No 17 form an integral part of this condensed interim financial information.


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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

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.

Endowment Funds

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

Regional Committees

The Council of the Institute has established two regional committees (i.e. Southern Regional Committee and Northern Regional Committee) to carry out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983. These committees function under the control, supervision and directions of the Council. Major contributions to the committees include transfers by the Institute from annual subscriptions received from its members.

Benevolent Fund

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Institute for the six months period ended December 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983. In case where requirements differ, the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983 have been followed.

This condensed interim financial information is un-audited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting". This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Institute for the year ended June 30, 2013.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Institute for the year ended June 30, 2013, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the un-audited condensed interim financial information for the half year ended December 31, 2012.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Institute. Figures in this condensed interim financial information have been rounded-off to the nearest Rupees in thousand unless otherwise stated.

3 ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements for the year ended June 30, 2013.

3.2 The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2013 are either considered not to be relevant or to have insignificant effect on the Institute's operations and therefore, are not detailed in this condensed interim financial information.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2013.

		December 31, 2013 Un-audited ----- Rupees in '000 -----	June 30, 2013 Audited
	Note		
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	195,773	180,215
Leasehold land - Preedy Street, Karachi	5.2	18	18
Capital work in progress		5,741	3,328
		<u>201,532</u>	<u>183,561</u>
5.1	Operating fixed assets		
Opening net book value		180,215	167,847
Additions during the period / year	5.1.1	<u>28,514</u>	<u>35,873</u>
		208,729	203,720
Less:			
Disposals and adjustments during the period / year	5.1.2	(1,411)	(2,043)
Depreciation charged for the period / year		(11,545)	(21,462)
		<u>(12,956)</u>	<u>(23,505)</u>
Closing net book value		<u>195,773</u>	<u>180,215</u>
5.1.1	Additions during the period / year are as follows:		
Buildings on leasehold land		1,830	2,117
Buildings on freehold land		1,898	-
Generators		1,480	5,634
Electric fittings and appliances		4,186	2,456
Furniture and fixtures		4,796	4,953
Vehicles		7,960	11,112
Office equipment		6,364	9,457
Library books		-	144
		<u>28,514</u>	<u>35,873</u>

	December 31, 2013 Un-audited	June 30, 2013 Audited
Note	----- Rupees in '000 -----	

5.1.2 Disposals / adjustments during the period / year are as follows:

At net book value

Building on leasehold land	(470)	-
Building on freehold land	(32)	-
Generators	-	(832)
Electric fittings and appliances	(145)	(212)
Furniture and fixtures	(73)	(366)
Vehicles	(575)	(212)
Office equipment	(116)	(421)
	<u>(1,411)</u>	<u>(2,043)</u>

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

6 INTANGIBLE ASSETS

Computer softwares		749	715
Study material under development	6.1	<u>14,267</u>	<u>3,160</u>
		<u>15,016</u>	<u>3,875</u>

6.1 This represents cost incurred upto the reporting date on development of new study materials in cooperation with an International Publishing House.

7 LONG TERM INVESTMENTS

Specific Fund: Prize Fund		-	1,400
Endowment Funds	7.1	11,000	11,000
Southern Regional Committee	7.2	19,293	17,604
Benevolent Fund	7.3	<u>55,034</u>	<u>51,849</u>
		<u>85,327</u>	<u>81,853</u>

		December 31, 2013 Un-audited	June 30, 2013 Audited
	Note	----- Rupees in '000 -----	
7.1	Endowment Funds		
	Students' Endowment Fund		
	Held to maturity		
	Term Deposit Receipts	7.1.1	11,000
			11,000

7.1.1 This represents investment in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 11.00 million (June 30, 2013: Rs. 11.00 million). These TDRs have been placed for a term of 5 years and are maturing on various dates upto January 2015. These carry profit at the rate of 12.00% (June 30, 2013: 12.00%) per annum and profit thereon is paid on a monthly basis.

7.2 Southern Regional Committee

Held to maturity			
Certificate of Islamic Investments			
Accumulated Fund	7.2.1	19,161	17,477
H.J. Irani Memorial Fund	7.2.2	132	127
		19,293	17,604

7.2.1 These represent Certificates of Islamic Investments, issued by a bank having aggregate face value of Rs. 17.53 million (June 30, 2013: Rs. 16.03 million). These certificates carry expected profit at the rates ranging between 8.62% and 9.54% (June 30, 2013: 8.89% and 9.78%) per annum and are maturing on various dates latest by July 2018. Accrued profit aggregating Rs. 1.63 million (June 30, 2013: Rs. 1.44 million) is included in the carrying value.

7.2.2 This represents a Certificate of Islamic Investment, issued by a bank having aggregate face value of Rs. 0.12 million (June 30, 2013: Rs. 0.12 million). This certificate carries expected profit ranging between 7.88% and 8.05% (June 30, 2013: 7.95% and 9.78%) per annum and is maturing on October 31, 2015. Accrued profit aggregating Rs 0.01 million (June 30, 2013: Rs. 0.01 million) is included in the carrying value.



	December 31, 2013 Un-audited	June 30, 2013 Audited
Note	----- Rupees in '000 -----	

7.3 Benevolent Fund

Held to maturity

Defence Saving Certificates

7.3.1

3,607

3,390

Special Saving Certificates

7.3.2

51,427

48,459

55,034

51,849

7.3.1 This represents investment in Defence Savings Certificates, having an aggregate face value of Rs. 2.00 million (June 30, 2013: Rs. 2.00 million). These certificates have been placed for a term of 10 years maturing in 2020. These carry profit at the rate of 12.15% (June 30, 2013: 12.15%) per annum. Accrued profit aggregating Rs. 1.61 million (June 30, 2013: Rs. 1.39 million) is included in the carrying value.

7.3.2 This represents investment in Special Savings Certificates, having an aggregate face value of Rs. 42.84 million (June 30, 2013: Rs. 42.84 million). These certificates have been placed for a term of 3 years maturing in 2015. These carry profit at the rate of 13.48% (June 30, 2013: 13.48%) per annum. Accrued profit aggregating Rs. 8.58 million (June 30, 2013: Rs. 5.61 million) is included in the carrying value.

8 SHORT TERM INVESTMENTS

General Fund

8.1

275,044

246,832

Specific Fund: Prize Fund

8.2

3,238

1,867

Endowment Funds

8.3

51,111

42,564

Southern Regional Committee

8.4

850

819

Northern Regional Committee

8.5

9,550

9,000

Benevolent Fund

8.6

19,991

13,539

359,784

314,621

8.1 General Fund

Held to maturity

Term Deposit Receipts

8.1.1

275,044

198,137

Special Saving Certificates

-

48,695

275,044

246,832

- 8.1.1 This represents investment in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 264.21 million (June 30, 2013: Rs 184.20 million). These TDRs carry profit at the rates ranging between 8.70% to 14.00% (June 30, 2013: 8.90% to 14.00%) per annum and are maturing on various dates upto December 2014. Accrued profit aggregating Rs. 10.84 million (June 30, 2013: Rs. 13.93 million) is included in the carrying value.

		December 31, 2013 Un-audited ----- Rupees in '000 -----	June 30, 2013 Audited
	Note		
8.2	Specific Fund: Prize Fund		
	Held to maturity		
	Term Deposit Receipts	8.2.1	3,238 1,867

- 8.2.1 This represents investment in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs 3.20 million (June 30, 2013: Rs 1.80 million). These are maturing on various dates latest by November 2014. These TDRs carry profit at the rates ranging between 8.00% and 12.00% (June 30, 2013: 8.00% and 9.70%) per annum. Accrued profit aggregating Rs. 0.04 million (June 30, 2013: Rs. 0.06 million) is included in the carrying value.

8.3 Endowment Funds

Students' Endowment Fund			
Held to maturity			
Term Deposit Receipts	8.3.1	45,995	39,403
Libraries Development Fund			
Held to maturity			
Term Deposit Receipts	8.3.2	5,116 3,161	
		51,111 42,564	

- 8.3.1 This represents investments in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 45.29 million (June 30, 2013: Rs. 37.29 million). These TDRs carry profit at the rates ranging between 8.75% to 12.70% (June 30, 2013: 9.40% to 12.70%) per annum and are maturing on various dates upto December 2014. Accrued profit aggregating Rs.0.71 million (June 30, 2013: Rs. 2.11 million) is included in the carrying value.

8.3.2 This represents investment in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 5.00 million (June 30, 2013: Rs. 3.00 million). These TDRs carry profit at the rates ranging between of 8.75% to 12.70% (June 30, 2013: 9.70% to 12.70%) per annum and are maturing on various dates upto August, 2014. Accrued profit aggregating Rs.0.12 million (June 30, 2013: Rs. 0.16 million) is included in the carrying value.

		December 31, 2013 Un-audited	June 30, 2013 Audited
	Note	----- Rupees in '000 -----	
8.4 Southern Regional Committee			
Held to maturity			
Certificate of Islamic Investments			
Accumulated fund	8.4.1	<u>850</u>	<u>819</u>
8.4.1 This represents Certificates of Islamic Investment placed with a bank having an aggregate face value of Rs. 0.80 million (June 30, 2013: Rs 0.80 million). These certificates carry expected profit at the rates ranging between 7.36% and 7.58% (June 30, 2013: 7.72% and 9.10%) per annum and is maturing on March 2014. Accrued profit aggregating Rs. 0.05 million (June 30, 2013: Rs. 0.01 million) is included in the carrying value.			
8.5 Northern Regional Committee			
Held to maturity			
Habib Islamic Certificates	8.5.1	<u>9,550</u>	<u>9,000</u>
8.5.1 This represents investment in Islamic Certificates placed with a bank, having an aggregate face value of Rs. 9.00 million (June 30, 2013: Rs 9.00 million). These certificates have been placed for a term of one year and are maturing on April 23, 2014 and carry expected profit at the rate of 8.83% (June 30, 2013: 10.50%) per annum. Accrued profit aggregating Rs. 0.55 million (June 30, 2013: nil) is included in the carrying value.			
8.6 Benevolent Fund			
Available for sale			
Investments in listed securities	8.6.1	3,746	3,730
Held to maturity			
Investments in government securities	8.6.2	<u>16,245</u>	<u>9,809</u>
		<u>19,991</u>	<u>13,539</u>

8.6.1 Investments in listed securities

The Hub Power Company Limited

As on July 01	2,466	1,676
(Deficit) / surplus on re-measurement of investments	(37)	790
Market value of 40,000 ordinary shares at Rs. 60.72 per share (June 30, 2013: Rs. 61.65 per share)	<u>2,429</u>	<u>2,466</u>

Fauji Fertilizer Company Limited

As on July 01	1,264	1,306
Surplus / (deficit) on re-measurement of investments	53	(42)
Market value of 11,767 ordinary shares at Rs. 111.96 per share (June 30, 2013: Rs. 107.43 per share)	<u>1,317</u>	<u>1,264</u>
	<u>3,746</u>	<u>3,730</u>

- 8.6.2 This represents investment in Treasury Bills, having face value of Rs. 15.91 million (June 30, 2013: Rs. 9.79 million). These have been placed for terms of three months and six months respectively and are maturing upto March 2014. These carry profit at the rates ranging between 9.41% and 9.82% (June 30, 2013: 8.91% and 9.30%) per annum. Accrued profit aggregating Rs. 0.34 million (June 30, 2013: Rs.0.01 million) is included in the carrying value.

9 CONTINGENCIES AND COMMITMENTS

- 9.1 The Appellate Bench of the Competition Commission of Pakistan (the Commission) passed an Order, dated March 11, 2009, in response to an appeal filed by the Institute against an Order, dated December 4, 2008, of single member bench of the Commission. In both the Orders, it was contended that fixing of minimum fee, through ATR-14 by the Institute, is in violation of Section 4(1) of the Competition Ordinance, 2007 and imposed a penalty of Rs.1 million as a result thereof. The Institute has filed an appeal before the Honourable Supreme Court of Pakistan which was pending for hearing in the year 2009. During the pendency of the appeal the Competition Commission Ordinance, 2010 was promulgated on March 26, 2010. The judgement has now been suspended by the Honourable Supreme Court of Pakistan, therefore, no provision has been made in this condensed interim financial information relating to the above referred penalty.

- 9.2 The Competition Commission of Pakistan (the Commission) passed an order dated January 10, 2013, wherein it has held that ICAP circular dated July 04, 2012, refraining the training organizations from engaging trainees of other accounting bodies is in violation of section 4 of the Competition Act, 2010, and a penalty of Rs. 25 million was also imposed. The Institute has filed a writ petition in the Honourable Lahore High Court against the aforementioned order in addition to appeal filed before Competition Appellate Tribunal. The Honourable High Court in the interim order dated October 23, 2013, has confirmed that the penalty imposed by the Commission, in the above referred order of the Commission, shall not be recovered till final disposal of the writ petition. Based on legal advice, the Institute expects a favourable outcome of the legal proceedings, therefore no provision has been made in this condensed interim financial information relating to the above-referred penalty.
- 9.3 Commitments in respect of capital expenditure as at reporting date amounted to Rs. 14.59 million (June 30, 2013: Rs. 14.46 million). Further, commitments in respect of development of new study materials in cooperation with an International Publishing House as at the reporting date amounted to Rs. 10.20 million (June 30, 2013: Rs. 20.22 million).

	Note	Quarter ended		Half year ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Un-audited ----- Rupees in '000 -----	Un-audited ----- Rupees in '000 -----	Un-audited ----- Rupees in '000 -----	Un-audited ----- Rupees in '000 -----
10 OTHER OPERATING INCOME					
Income derived from rental of facilities		1,073	1,023	1,412	1,858
Reversal of provision for doubtful students' loans		-	10	-	10
Surplus on Directors' Training Programs	10.1	392	-	3,111	-
Miscellaneous (loss) / income		(37)	72	296	103
		<u>1,428</u>	<u>1,105</u>	<u>4,819</u>	<u>1,971</u>
10.1 Net income from Directors' training programme					
Fee received for training		1,050	-	7,269	-
Less: Expenses incurred on training		(658)	(22)	(4,158)	(522)
		<u>392</u>	<u>(22)</u>	<u>3,111</u>	<u>(522)</u>
11 SALARIES, ALLOWANCES AND OTHER BENEFITS					
Salaries and allowances		42,239	34,663	84,862	68,216
Employees' health insurance		503	376	983	765
Defined contribution plan - Provident Fund		2,124	1,815	4,245	3,589
		<u>44,866</u>	<u>36,854</u>	<u>90,090</u>	<u>72,570</u>

OTHERS

	Note	Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2013	2012	2013	2012
		Un-audited	Un-audited	Un-audited	Un-audited
		----- Rupees in '000 -----		----- Rupees in '000 -----	
Fees to professional bodies		574	552	1,148	1,090
Legal and professional charges		2,541	1,619	3,240	2,583
Consultancy charges		-	121	-	121
Auditors' remuneration		110	98	121	163
Meeting and related expenses	12.1	254	200	725	441
Books and publications		90	156	211	299
Conveyance		63	47	115	110
Staff refreshment expenses		589	689	1,096	1,055
Bank charges		452	413	1,584	1,421
Zakat		-	393	875	1,167
Insurance		492	384	972	738
Vehicles maintenance and running cost		2,059	1,684	4,100	3,145
Amortization of intangible assets		64	79	123	158
Gold medals and award ceremony		641	1,256	747	1,814
Entrance test conducting charges		25	(13)	95	46
Training expenses		87	261	546	382
Financial assistance to students		-	-	2,002	1,918
Online Education and Research Facility (PERN-2)		597	525	1,152	1,077
Loss on sale of operating fixed assets		16	-	207	-
Financial assistance to members / families		2,045	2,193	4,166	4,116
Honoraria to article writer		-	-	165	99
Sports and recreation		222	52	473	84
Directors' Training Programme	10.1	-	22	-	522
Balance written off		-	-	114	-
Net deficit from seminars and conferences	12.2	1,337	907	2,544	1,697
Sundry expenses		999	878	1,345	1,398
		<u>13,257</u>	<u>12,516</u>	<u>27,866</u>	<u>25,644</u>

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

12.2 Net deficit from seminars and conferences

This represents net deficit incurred in respect of activities of Continuous Professional Development conducted by the Regional Committees.

	Quarter ended		Half year ended	
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Un-audited	Un-audited	Un-audited	Un-audited
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Contributions from members, sponsors and others	1,147	1,870	1,519	2,720
Less: Expenses incurred	(2,484)	(2,777)	(4,063)	(4,417)
	<u>(1,337)</u>	<u>(907)</u>	<u>(2,544)</u>	<u>(1,697)</u>

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, balances with banks and short term investments realizable within three months. Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:

	December 31, 2013 Un-audited ----- Rupees in '000 -----	December 31, 2012 Un-audited ----- Rupees in '000 -----
Cash and bank balances	43,652	25,994
Short term investments realizable within three months	29,136	57,466
	<u>72,788</u>	<u>83,460</u>

14 TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	December 31, 2013 Un-audited ----- Rupees in '000 -----	December 31, 2012 Un-audited ----- Rupees in '000 -----
(i) Staff retirement benefit plans	Contribution paid to Provident Fund	4,245	3,589
(ii) Key management personnel :			
Directors and other executives	Managerial remuneration	16,779	10,224
	Reimbursement of expenses	490	70
Members of the Council	Membership fee received	416	368
	Reimbursement of expenses	1,770	2,971

14.2 Period / year end balances

Relationship with the Institute	Nature of balances	December 31, 2013 Un-audited	June 30, 2013 Audited
		----- Rupees in '000 -----	
Key management personnel			
Secretary / COO and Directors	Loans, advances, prepayments and other receivables	500	414
	Creditors, accrued expenses and other liabilities	262	108
Members of the Council	Loans, advances, prepayments and other receivables	323	29
	Creditors, accrued expenses and other liabilities	398	162

15 SEGMENT INFORMATION

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

Geographical segments:

The Institute has following two main geographical segments:

- North (includes provinces namely Punjab, Khyber Pakhtunkhwa and Gilgit Baltistan); and
- South (includes provinces namely Sindh and Baluchistan)

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

15.1 Geographical segments

Bases of allocation amongst geographical segments are as follows:

Services 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. The general services are, however, allocated on the proportion derived by the weighted average number of students and members.

15.1.1 Geographical segment result

- from members
- from students
- others

Total income

Finance income and surplus on re-measurement of investments classified as available for sale

Total comprehensive income for the period

15.1.2 Other information

Segments assets employed	
Unallocated assets	
Total assets	

Segments liabilities employed	
Unallocated liabilities	
Total liabilities	

Capital expenditure incurred during the period / year

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.

Half year ended December 31, 2013			Half year ended December 31, 2012		
South	North	Total	South	North	Total
-----Un-audited-----					
-----Rupees in '000-----					

15.1.3 Expenditure

Salaries, allowances and other benefits	36,036	54,054	90,090	30,479	42,091	72,570
Examination charges	9,935	18,451	28,386	11,271	19,192	30,463
Depreciation	4,618	6,927	11,545	4,262	5,886	10,148
Traveling and related expenses	4,126	6,188	10,314	4,747	6,556	11,303
Publications	2,126	2,301	4,427	1,951	2,695	4,646
Utilities	4,104	6,157	10,261	4,017	5,548	9,565
Postage and telephone	1,922	2,882	4,804	2,062	2,849	4,911
Repair and maintenance	3,355	5,033	8,388	3,463	4,783	8,246
Printing and stationery	1,933	2,899	4,832	1,893	2,615	4,508
Rent, rates and taxes	1,979	2,968	4,947	1,319	1,822	3,141
Advertisement and exhibition	2,279	3,278	5,557	842	618	1,460
Fees to professional bodies	677	471	1,148	643	447	1,090
Legal and professional charges	1,296	1,944	3,240	1,085	1,498	2,583
Consultancy charges	-	-	-	50	71	121
Auditors' remuneration	71	50	121	96	67	163
Meetings and related expenses	428	297	725	260	181	441
Books and publications	84	127	211	126	173	299
Conveyance	46	69	115	46	64	110
Staff refreshment expenses	438	658	1,096	433	622	1,055
Bank charges	634	950	1,584	583	838	1,421
Zakat	350	525	875	478	689	1,167
Insurance	389	583	972	310	428	738
Vehicle maintenance and running cost	1,640	2,460	4,100	1,321	1,824	3,145
Amortization of intangible assets	49	74	123	66	92	158
Gold medals and award ceremony	747	-	747	1,292	522	1,814
Entrance tests conducting charges	23	72	95	-	46	46
Training expenses	218	328	546	179	203	382
Financial assistance to students	701	1,301	2,002	548	1,370	1,918
Online Education and Research Facility (PERN 2)	461	691	1,152	452	625	1,077
Loss on sale of operating fixed assets	83	124	207	-	-	-
Financial assistance to members/families	2,458	1,708	4,166	2,223	1,893	4,116
Honoraria to article writer	66	99	165	42	57	99
Sports and recreation	189	284	473	35	49	84
Directors' Training Programme	-	-	-	219	303	522
Balance written off	46	68	114	-	-	-
Net deficit from seminars and conferences	1,018	1,526	2,544	713	984	1,697
Sundry expenses	538	807	1,345	587	811	1,398
Total expenditure	85,063	126,354	211,417	78,093	108,512	186,605

15.2 Service segments

Basis of allocation amongst service segments are as follows:

Services provided / rendered directly to students are allocated to education and examination departments in accordance with their respective activities whereas, member related income and expenditure are allocated directly to membership department. Remaining income and expenditure are allocated to general services.

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

Half year ended December 31, 2013					Half year ended December 31, 2012				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Service	Total
Un-audited									
Rupees in '000									

15.2.1 Service segment result

Income

- from members
- from students
- others

Total income

Less: Expenditure - note 15.2.3

-	-	91,480	-	91,480	-	-	81,088	-	81,088
148,770	40,847	-	-	189,617	138,053	32,153	-	-	170,206
-	-	-	8,668	8,668	-	-	-	5,351	5,351
148,770	40,847	91,480	8,668	289,765	138,053	32,153	81,088	5,351	256,645
73,195	20,504	53,488	64,230	211,417	72,485	14,797	42,298	57,025	186,605
75,575	20,343	37,992	(55,562)	78,348	65,568	17,356	38,790	(51,674)	70,040

Finance income and surplus on re-measurement
of investments classified as available for sale
Total comprehensive income for the period

22,329	22,361
100,677	92,401

-----As at December 31, 2013-----					-----As at June 30, 2013-----				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
-----Un-audited-----					-----Audited-----				
-----Rupees in '000-----									

15.2.2 Other information

Segments assets employed

Unallocated assets

Total assets

Segments liabilities employed

Unallocated liabilities

Total liabilities

Capital expenditure incurred during the period /
year

53,970	33,281	40,112	124,205	251,568	44,960	21,746	29,903	115,156	211,765
				488,763					424,809
				740,331					636,574
24,664	870	10,460	24,493	60,487	19,292	2,178	21,478	14,459	57,407
				-					-
				60,487					57,407
4,802	3,969	5,055	14,688	28,514	3,647	2,297	7,032	22,897	35,873

Half year ended December 31, 2013					Half year ended December 31, 2012				
Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
Un-audited									
Rupees in '000									

15.2.3 Expenditure

Salaries, allowances, and other benefits	27,666	6,718	24,449	31,257	90,090	24,062	5,562	16,400	26,546	72,570
Examination charges	28,386	-	-	-	28,386	30,463	-	-	-	30,463
Depreciation	3,233	1,270	1,847	5,195	11,545	3,044	1,015	1,319	4,770	10,148
Traveling and related expenses	1,289	657	7,994	374	10,314	1,157	701	8,985	460	11,303
Publications	-	-	-	4,427	4,427	-	-	-	4,646	4,646
Utilities	2,873	1,129	1,642	4,617	10,261	2,870	957	1,243	4,495	9,565
Postage and telephone	1,345	528	769	2,162	4,804	1,474	491	638	2,308	4,911
Repairs and maintenance	2,349	923	1,342	3,774	8,388	2,474	825	1,072	3,875	8,246
Printing and stationery	1,116	888	649	2,179	4,832	1,134	525	759	2,090	4,508
Rent, rates and taxes	31	12	33	4,871	4,947	28	2	35	3,076	3,141
Advertisement and exhibitions	-	4,960	134	463	5,557	3	1,081	126	250	1,460
Fee to professional bodies	-	-	1,148	-	1,148	-	-	1,090	-	1,090
Legal and professional charges	24	-	3,065	151	3,240	24	25	2,261	273	2,583
Consultancy charges	-	-	-	-	-	-	-	-	121	121
Auditors' remuneration	34	13	19	55	121	49	16	21	77	163
Meetings and related expenses	-	-	-	725	725	-	-	-	441	441
Books and publications	5	18	136	52	211	42	74	89	94	299
Conveyance	-	-	-	115	115	4	6	21	79	110
Staff refreshment expenses	452	50	37	557	1,096	319	27	21	688	1,055
Bank charges	813	223	500	48	1,584	764	178	449	30	1,421
Zakat	449	123	276	27	875	628	146	369	24	1,167
Insurance	229	118	272	353	972	209	67	167	295	738
Vehicle maintenance and running cost	1,174	531	1,482	913	4,100	976	342	976	851	3,145
Amortization of intangible assets	34	14	20	55	123	47	16	20	75	158
Gold medals and award ceremony	747	-	-	-	747	1,814	-	-	-	1,814
Entrance tests conducting charges	95	-	-	-	95	46	-	-	-	46
Training expenses	19	-	489	38	546	87	45	91	159	382
Financial assistance to students	-	2,002	-	-	2,002	-	1,918	-	-	1,918
Online Education and Research Facility (PERN 2)	323	127	184	518	1,152	323	108	140	506	1,077
Loss on sale of operating fixed assets	-	-	-	207	207	-	-	-	-	-
Financial assistance to the members and families	-	-	4,166	-	4,166	-	-	4,116	-	4,116
Honoraria to article writer	-	-	-	165	165	-	-	-	99	99
Sports and recreation	132	52	76	213	473	25	8	11	40	84
Directors' Training Programme	-	-	-	-	-	-	522	-	-	522
Balance written off	-	-	-	114	114	-	-	-	-	-
Net deficit from seminars and conferences	-	-	2,544	-	2,544	-	-	1,697	-	1,697
Sundry expenses	377	148	215	605	1,345	419	140	182	657	1,398
Total expenditure	73,195	20,504	53,488	64,230	211,417	72,485	14,797	42,298	57,025	186,605

16 CORRESPONDING FIGURE

Corresponding information has been re-arranged and/or re-classified for the purposes of better presentation.

Balance sheet

June 30, 2013

From:

To:

Rupees
in '000

Property, plant and equipment

Intangibles assets

3,160

Statement of comprehensive income

From:	To:	Quarter ended December 31, 2012 Rupees in '000	Half year ended December 31, 2012 Rupees in '000
Others (Annual general meeting)	Others (Meetings and related expenses)	3	145
Others (Entertainment - Staff refreshment expenses)	Others (Meetings and related expenses)	197	296
Others (Bank charges)	Others (Zakat)	393	1,167
Others (Training expenses)	Others (Directors' Training Programme)	22	522
Other operating income	Others (Net deficit from seminar and conferences)	907	1,697

17 DATE OF AUTHORIZATION FOR ISSUE

The Council of the Institute authorized this condensed interim financial information for issue on

23 JAN 2014

SECRETARY

PRESIDENT