



The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

(UN-AUDITED)

REPORT OF THE COUNCIL FOR THE HALF YEAR ENDED DECEMBER 31, 2017

Financial Review

The Council of the Institute of Chartered Accountants of Pakistan (ICAP) is pleased to present the interim financial statements for the half year ended December 31, 2017.

The Institute achieved a surplus of Rs. 174 million for the period (2016: Rs. 173 million). Total revenue and other income enhanced from Rs. 532 million to Rs. 585 million while expenditure increased from Rs. 360 million to Rs. 411 million.

Amendments in Chartered Accountants (CA) Ordinance, 1961

Proposed Amendments in the CA Ordinance were considered by the Council and after obtaining feedback from the membership, the same were submitted to the SECP along with the amendment bill and statement of rationale for the amendments. The comments of SECP on the proposed amendments have also been addressed and response of ICAP has been submitted on the said comments. Some additional comments have also been provided by the SECP and the Audit Oversight Board on the amendments proposed in the CA Ordinance which are under consideration.

ICAP CA Women Committee Leadership Summit

The CA Women Committee of the Institute successfully organized the Leadership Summit, 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 panelists and was well appreciated by the participants.

AAOIFI Consultative Sessions at ICAP

ICAP in collaboration with the State Bank of Pakistan (SBP) and the Institute for Business Administration (IBA - CEIF) hosted a Public Hearing on behalf of Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI) on the Exposure Drafts ASIFI 6: External Shari'ah Audit; FAS 29: Sukuk in the Books of the Issuer and FAS 31: Investment Agency (Al-Wakala Bi Al-Istithmar). The sessions were attended by Shariah Scholars, personnel from the banking and finance profession and members of ICAP.

National Finance Olympiad 2017

The Professional Accountants in Business Committee (PAIBC) of The Institute of Chartered Accountants of Pakistan (ICAP), in collaboration with Unilever Pakistan Limited, organised the National Finance Olympiad (NFO) for the third consecutive year. Grand Finale of NFO was on December 20, 2017 in Karachi.

National Finance Olympiad 2017 started with the registration of 30 teams from renowned organisations across Pakistan. After an intense MCQ-based qualifying round, held simultaneously in Karachi and Lahore on December 12, 2017, fifteen teams qualified for the simulation round- a new addition to the National Finance Olympiad.

The fifteen qualifying teams then went through a Harvard Case Study Simulation conducted by the Karachi School of Business and Leadership (KSBL) in Lahore ICAP and at KSBL in Karachi. The experience of case simulation was greatly appreciated by the teams. The top six teams who competed in the Grand Finale were Engro Fertilizers Limited, EY Ford Rhodes,

Grant Thornton Anjum Rahman, Haleeb Foods Limited, Linde Pakistan, and Midas Safety Pakistan.

Top management of renowned national and multinational organisations attended the finance competition.

Representation at Regional/International Forums

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

- SAFA meetings and events
- IFAC – Council, CAP & PAODC meetings
- CAPA meetings
- CAW meeting
- AAOIFI meetings

The Council would like to extend its gratitude to all the stakeholders, including the contributions made by the Committees, and thank the management and staff for their dedication and hard work.

By Order of the Council

Abdul Malik

Secretary

Karachi, February 22, 2018

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, 2017 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 half year 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 half year ended December 31, 2017 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 quarters ended December 31, 2017 and December 31, 2016 in condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

QASIM EBRAHIM CAUSER
CHARTERED ACCOUNTANT
KARACHI

SYED AFTAB HAMEED
CHARTERED ACCOUNTANT
LAHORE

DATED: February 22, 2018

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

		December 31, 2017	June 30, 2017
	Note	Un-audited	Audited
		----- Rupees in '000 -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	679,372	229,160
Intangible assets	6	2,910	3,813
Long term investments	7	407,918	342,164
Loans, advances and deposits		15,630	163,869
		<u>1,105,830</u>	<u>739,006</u>
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	8	21,164	18,900
Short term investments	9	162,072	365,199
Loans, advances, prepayments and other receivables		21,080	21,514
Accrued income on investments		9,840	15,495
Cash and bank balances		92,465	57,722
		<u>306,621</u>	<u>478,830</u>
TOTAL ASSETS		<u>1,412,451</u>	<u>1,217,836</u>
LIABILITIES			
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		103,266	81,719
Fee and charges received in advance		37,186	38,087
		<u>140,452</u>	<u>119,806</u>
CONTINGENCIES AND COMMITMENTS	10		
NET ASSETS		<u>1,271,999</u>	<u>1,098,030</u>
REPRESENTED BY:			
General Fund		994,179	842,095
Specific Fund		5,175	5,073
Endowment Funds		117,081	117,399
Regional Committees		37,057	33,439
Benevolent Fund		118,507	100,024
		<u>1,271,999</u>	<u>1,098,030</u>

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

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2017	2016	2017	2016
		----- Rupees in '000 -----		----- Rupees in '000 -----	
INCOME					
Members' subscription		13,137	9,543	151,339	136,913
Examination and other fees		155,453	131,176	304,380	263,620
Education and training fees		42,016	50,119	86,305	81,973
Receipts from publications		2,411	3,917	4,595	7,515
Other income	11	10,855	2,313	16,537	6,098
		<u>223,872</u>	<u>197,068</u>	<u>563,156</u>	<u>496,119</u>
EXPENDITURE					
Salaries, allowances and other benefits		97,994	64,699	180,972	126,658
Examination charges		35,921	24,943	63,792	52,010
Depreciation		7,922	8,087	15,226	15,958
Traveling and related expenses		9,217	7,505	14,674	15,257
Study packs and other publications		11,695	13,717	20,946	27,957
Utilities		6,104	5,982	12,615	12,456
Postage and telephone		4,971	4,687	9,678	8,781
Repairs and maintenance		10,182	7,698	18,138	15,217
Printing and stationery		2,969	5,182	7,860	8,357
Rent, rates and taxes		4,327	4,106	8,772	8,351
Advertisement and exhibition		5,892	8,048	8,148	12,341
Amortisation of intangible assets		553	2,389	1,103	4,651
Financial assistance to students		-	41	3,644	3,750
Financial assistance to members and/or families		4,758	6,539	10,093	12,274
Gold medals and award ceremony		1,198	1,396	1,407	1,638
Edhi CA talent program		2,153	1,167	4,072	1,683
Vehicles maintenance and running cost		1,829	1,497	3,435	2,940
Legal and professional charges		2,342	844	3,831	2,079
Others	12	10,906	12,206	23,058	27,417
		<u>220,933</u>	<u>180,733</u>	<u>411,464</u>	<u>359,775</u>
Excess of income over expenditure before income from investments		2,939	16,335	151,692	136,344
Income from investments		10,980	18,620	23,376	36,293
Excess of income over expenditure for the period		<u>13,919</u>	<u>34,955</u>	<u>175,068</u>	<u>172,637</u>
Other comprehensive income					
(Deficit) / surplus on re-measurement of available for sale investments		(879)	177	(1,099)	15
Total comprehensive income for the period		<u>13,040</u>	<u>35,132</u>	<u>173,969</u>	<u>172,652</u>
ATTRIBUTABLE TO:					
General Fund		9,134	40,395	152,084	168,142
Specific Fund		80	17	102	47
Endowment Funds		1,946	1,151	(318)	(1,092)
Regional Committees		(2,153)	(3,027)	3,618	(987)
Benevolent Fund		4,033	(3,404)	18,483	6,542
		<u>13,040</u>	<u>35,132</u>	<u>173,969</u>	<u>172,652</u>

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

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	December 31, 2017	December 31, 2016
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received against:		
Members' subscription	131,861	114,796
Examination and other fees	323,825	230,782
Education and training fees	86,305	81,973
Sale of publications	5,380	7,988
Facilities and miscellaneous	14,673	3,751
	562,044	439,290
Cash paid against:		
Salaries, allowances and other benefits	171,069	127,989
Fees to professional bodies	2,517	-
Property tax	898	928
Supplies and services	205,297	212,770
	379,781	341,687
Net cash generated from operating activities	182,263	97,603
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	(123,089)	(153,385)
Fixed capital expenditure	(318,170)	(6,795)
Purchase of intangible assets	(200)	-
Proceeds from sale of operating fixed assets	1,175	-
Income received from investments	28,160	31,343
Loans, advances and deposits - net	249	(441)
Net cash used in investing activities	(411,875)	(129,278)
Net decrease in cash and cash equivalents	(229,612)	(31,675)
Cash and cash equivalents at the beginning of the period	367,555	166,854
Cash and cash equivalents at the end of the period	137,943	135,179

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

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund			Total
			Students' Endowment	Libraries Development	Sub total	Southern	Northern	Sub total	Accumulated Fund	Special Reserve Fund	Sub total	
----- Rs. in '000 -----												
Balance as at July 01, 2016	717,698	4,829	82,126	7,748	89,874	25,543	11,937	37,480	93,051	839	93,890	943,771
Transferred to Benevolent Fund	(2,000)	-	-	-	-	-	-	-	2,000	-	2,000	-
Total comprehensive income for the period ended December 31, 2016												
Excess / (deficit) of income over expenditure for the period	168,142	47	(1,294)	202	(1,092)	191	(1,178)	(987)	6,527	-	6,527	172,637
Other comprehensive income	-	-	-	-	-	-	-	-	15	-	15	15
	168,142	47	(1,294)	202	(1,092)	191	(1,178)	(987)	6,542	-	6,542	172,652
Balance as at December 31, 2016	883,840	4,876	80,832	7,950	88,782	25,734	10,759	36,493	101,593	839	102,432	1,116,423
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
Total comprehensive income for the period ended December 31, 2017												
Excess / (deficit) of income over expenditure for the period	152,084	102	(498)	180	(318)	2,380	1,238	3,618	19,582	-	19,582	175,068
Other comprehensive loss	-	-	-	-	-	-	-	-	(1,099)	-	(1,099)	(1,099)
	152,084	102	(498)	180	(318)	2,380	1,238	3,618	18,483	-	18,483	173,969
Balance as at December 31, 2017	994,179	5,175	108,712	8,369	117,081	29,359	7,698	37,057	117,668	839	118,507	1,271,999

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

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

1. THE INSTITUTE AND ITS OPERATIONS

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

Regional Committees

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

Endowment Funds

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

Benevolent Fund

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Institute for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983. In case where requirements differ, the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-Laws, 1983 have been followed.

This condensed interim financial information is un-audited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of IAS 34. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited annual financial statements of the Institute for the year ended June 30, 2017.

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, 2017, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial information of the Institute for the half year ended December 31, 2016.

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 values.

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

2.3 Functional and presentation currency

This condensed interim financial information is 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.

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 of the Institute for the year ended June 30, 2017.
- 3.2 The Institute has adopted all the new standards and amendments to existing standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2017. The adoption of these new and amended standards do not have any effect on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Institute's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Institute for the year ended June 30, 2017.

	Note	December 31, 2017 Un-audited ----- Rupees in '000 -----	June 30, 2017 Audited
5. PROPERTY, PLANT AND EQUIPMENT			
Land	5.1	440,220	18
Operating fixed assets	5.2	234,212	223,601
Capital work in progress		4,940	5,541
		<u>679,372</u>	<u>229,160</u>

5.1 This includes amount of 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 title of this land is in the process of being transferred to the Institute pending the resolution of the matter regarding applicability of capital value tax amounting to Rs. 8.804 million. The matter is presently under discussion with Lahore Development Authority and Board of Revenue Punjab.

5.2 Operating fixed assets

Net book value at beginning of the period / year		223,601	235,480
Additions during the period / year	5.2.1	26,557	29,901
		<u>250,158</u>	<u>265,381</u>
Less:			
Disposals at book value [having cost Rs. 2.03 million (June 30, 2017: Rs. 22.26 million)]	5.2.2	720	8,222
Written off during the period / year		-	1,060
Depreciation charge for the period / year		15,226	32,498
		<u>15,946</u>	<u>41,780</u>
Net book value at end of the period / year		<u>234,212</u>	<u>223,601</u>

		December 31, 2017	June 30, 2017
	Note	Un-audited	Audited
		----- Rupees in	'000 -----
5.2.1 Additions during the period / year at cost			
Building on leasehold land		1,951	3,945
Generators		3,110	-
Electric fittings and appliances		1,364	2,290
Furniture and fixtures		1,615	5,093
Vehicles		11,552	9,823
Office equipment		6,965	8,706
Library books		-	44
		<u>26,557</u>	<u>29,901</u>
5.2.2 Disposals during the period / year at book value			
Freehold land		-	541
Generator		-	3
Electric fittings and appliances		-	386
Furniture and fixtures		-	464
Vehicles		699	6,384
Office equipment		21	444
		<u>720</u>	<u>8,222</u>
6. INTANGIBLE ASSETS			
Net book value at the beginning of the period / year		3,813	9,547
Additions during the period / year		200	-
Written off during the period / year			
Cost		-	3,229
Less: Accumulated amortisation		-	(3,229)
		<u>4,013</u>	<u>9,547</u>
Amortisation charged during the period / year		(1,103)	(5,734)
Net book value at the end of the period / year		<u>2,910</u>	<u>3,813</u>
7. LONG TERM INVESTMENTS			
Held to maturity			
General Fund	7.1	267,466	199,764
Specific Fund: Prize Fund	7.2	2,454	1,482
Endowment Funds	7.3	114,409	44,797
Southern Regional Committee	7.4	18,724	20,829
Benevolent Fund	7.5	4,865	75,292
		<u>407,918</u>	<u>342,164</u>

	December 31, 2017	June 30, 2017
	Un-audited	Audited
Note	----- Rupees in '000 -----	

7.1 General Fund

Certificates of Islamic Investments	7.1.1	115,000	115,000
Pakistan Investment Bonds	7.1.2	172,911	334,482
Less: Maturing within one year, classified under short term investments		(38,365)	(266,851)
		134,546	67,631
Certificate of Deposit	7.1.3	17,920	17,133
		<u>267,466</u>	<u>199,764</u>

- 7.1.1 This represents investment in 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 5.99% (June 30, 2017: 5.97% to 6.00%) per annum receivable on monthly basis 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. 161.16 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 three to five years and are maturing on various dates upto July 19, 2022.
- 7.1.3 This represent investment in Certificates of Deposit of a financial institution amounting to Rs. 15 million (June 30, 2017: Rs. 15 million). These certificates carry mark-up at rate of 10.42% (June 30, 2016: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 2.92 million (June 30, 2017: Rs. 2.13 million) is included in the carrying value.

7.2 Specific Fund: Prize Fund

Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bonds	7.2.2	1,454	482
		<u>2,454</u>	<u>1,482</u>

- 7.2.1 This represents investment in 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 5.99% (June 30, 2017: 5.97% to 6.00%) per annum receivable on monthly basis and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 1.29 million (June 30, 2017: Rs. 0.47 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2017: 8.02%) per annum. These PIBs have a term of five years and are maturing on various dates upto July 19, 2022.

		December 31, 2017	June 30, 2017
	Note	Un-audited	Audited
		----- Rupees in '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	64,647	8,992
Less: Maturing within one year, classified under short term investments		-	(8,124)
		64,647	868
Libraries Development Fund			
Pakistan Investment Bonds	7.3.3	7,762	3,960
Less: Maturing within one year, classified under short term investments		-	(2,031)
		7,762	1,929
		<u>114,409</u>	<u>44,797</u>

7.3.1 This represents investment in 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 5.99% (June 30, 2017: 5.97% to 6.00%) per annum on these certificates, which are maturing on various dates upto July 19, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 54.91 million (June 30, 2017: Rs. 8.97 million). Profit is receivable on half yearly basis, with yield at the 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 various dates upto July 19, 2022.

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 6.83 million (June 30, 2017: Rs. 3.91 million). Profit is receivable on half yearly basis, with yield at the 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 various dates upto July 19, 2022.

7.4 Southern Regional Committee

Certificates of Islamic Investments	7.4.1	<u>18,724</u>	<u>20,829</u>
-------------------------------------	-------	---------------	---------------

7.4.1 This represents investment in Certificates of Islamic Investments of a bank aggregating to Rs. 18.23 million (June 30, 2017: Rs. 20.38 million). These certificates carry profit at rates ranging from 4.69% to 5.63% (June 30, 2017: 5.26% to 5.61%) per annum and are maturing on various dates upto June 29, 2022. Accrued profit aggregating to Rs. 0.49 million (June 30, 2017: Rs. 0.45 million) is included in the carrying value.

		December 31, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- Rupees in '000 -----	
7.5 Benevolent Fund			
Defence Savings Certificates	7.5.1	4,865	4,587
Special Savings Certificates		-	70,705
		<u>4,865</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. 2.87 million (June 30, 2017: Rs. 2.59 million) is included in the carrying value.

8. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS

Stock of study packs		12,625	7,971
Stock of publications and souvenirs		9,056	10,929
		<u>21,681</u>	<u>18,900</u>
Less: Provision for obsolete stock		(517)	-
		<u>21,164</u>	<u>18,900</u>

9. SHORT TERM INVESTMENTS

Held to maturity

General Fund	9.1	38,365	287,949
Specific Fund: Prize Fund	9.2	2,756	3,246
Endowment Funds		-	41,274
Southern Regional Committee	9.3	5,550	3,357
Northern Regional Committee	9.4	5,228	5,112
Benevolent Fund	9.5	105,602	18,591

Available for sale

Benevolent Fund	9.5	4,571	5,670
		<u>162,072</u>	<u>365,199</u>

		December 31, 2017	June 30, 2017
	Note	Un-audited	Audited
		----- Rupees in '000 -----	
9.1 General Fund			
Held to maturity			
Certificates of Investments		-	21,098
Pakistan Investment Bonds	7.1	38,365	266,851
		<u>38,365</u>	<u>287,949</u>
9.2 Specific Fund: Prize Fund			
Term Deposit Receipts	9.2.1	<u>2,756</u>	<u>3,246</u>
9.2.1	This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 2.7 million (June 30, 2017: Rs. 3.2 million). These TDRs carry mark-up at rates ranging from 5.70% to 6.30% (June 30, 2017: 5.70% to 6.30%) per annum and are maturing on various dates upto April 02, 2018. Accrued mark-up aggregating Rs. 0.056 million (June 30, 2017: Rs. 0.046 million) is included in the carrying value.		
9.3 Southern Regional Committee			
Certificates of Islamic Investments	9.3.1	<u>5,550</u>	<u>3,357</u>
9.3.1	This represents Certificates of Islamic Investments, issued by a bank having face value aggregating to Rs. 5.45 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 25, 2018.		
9.4 Northern Regional Committee			
Certificates of Islamic Investments	9.4.1	<u>5,228</u>	<u>5,112</u>
9.4.1	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 rate of 4.62% (June 30, 2017: 4.50% to 4.67%) per annum and are maturing on January 5, 2018.		
9.5 Benevolent Fund			
Held to maturity			
Certificates of Investments		-	18,591
Term Deposit Receipts (TDRs)	9.5.1	32,140	-
Special Savings Certificates	9.5.2	73,462	-
		<u>105,602</u>	<u>18,591</u>
Available for sale			
Investments in equity shares	9.5.3	4,571	5,670
		<u>110,173</u>	<u>24,261</u>

9.5.1 This represents investment in TDRs of financial institution amounting 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 mark-up aggregating to Rs. 0.14 million (June 30, 2017: Nil) is included in the carrying value.

9.5.2 This represents investment in Special Savings Certificates, having aggregate face value of Rs. 62 million (June 30, 2017: Rs. 62 million). 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 mark-up aggregating to Rs. 11.46 million (June 30, 2017: Rs. 8.71 million) is included in the carrying value.

	December 31, 2017 Un-audited	June 30, 2017 Audited
Note	----- Rupees in '000 -----	
9.5.3 Investments in equity shares		
The Hub Power Company Limited		
As on July 01	4,698	4,804
Deficit on re-measurement	(1,056)	(106)
Market value of 40,000 ordinary shares	3,642	4,698
Fauji Fertilizer Company Limited		
As on July 01	972	1,349
Deficit on re-measurement	(43)	(377)
Market value of 11,767 ordinary shares	929	972
	4,571	5,670

10. CONTINGENCIES AND COMMITMENTS

10.1 There is no significant change in the status of contingencies as reported in note 16 to the annual audited financial statements of the Institute for the year ended June 30, 2017.

10.2 Commitments in respect of capital expenditure as at reporting date aggregated to Rs. 28.72 million (June 30, 2017: Rs. 329 million, including Rs. 293.2 million against purchase of land from Lahore Development Authority).

	Quarter ended		Half year ended	
	December 31, 2017 Un-audited ----- Rupees in '000 -----	December 31, 2016 Un-audited ----- Rupees in '000 -----	December 31, 2017 Un-audited ----- Rupees in '000 -----	December 31, 2016 Un-audited ----- Rupees in '000 -----
Income derived from utilisation of facilities	1,467	1,191	2,323	1,963
Gain on sale of fixed assets - net	-	-	476	-
Net surplus on Directors' Training Programs	2,060	529	2,564	987
Donation received	6,536	230	10,243	2,710
Miscellaneous	792	363	931	438
	10,855	2,313	16,537	6,098

12. OTHERS

	Quarter ended		Half year ended	
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Un-audited	Un-audited	Un-audited	Un-audited
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Fees to professional bodies	1,350	1,396	2,686	2,742
Auditors' remuneration	283	224	583	409
Meetings and related expenses / entertainment	1,316	1,280	2,668	2,205
Books and publications	146	178	289	317
Bank charges	1,637	1,344	4,414	3,635
Insurance	768	604	1,423	1,201
Provision for obsolete stock of study packs, publications and souvenirs	18	452	517	452
Provision against advance income tax	691	129	1,464	2,195
Training expenses	213	177	769	285
Election expenses	-	-	2,940	-
Online education and research facility	430	427	858	853
Sports and recreation	-	5	679	429
Written off fixed assets	-	1,060	-	1,060
Net deficit from seminars, conferences and other events	3,293	2,682	2,215	8,907
Sundry expenses	761	2,248	1,553	2,727
	<u>10,906</u>	<u>12,206</u>	<u>23,058</u>	<u>27,417</u>

13. CASH AND CASH EQUIVALENTS

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

	December 31, 2017	December 31, 2016
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Cash and bank balances	92,465	122,138
Short term investments realisable within three months	45,478	13,041
	<u>137,943</u>	<u>135,179</u>

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	December 31,	December 31,
		2017	2016
		Un-Audited	Un-Audited
		----- Rupees in '000 -----	
Staff retirement benefit plans:	Contribution paid to:		
	Provident Fund	8,275	6,155
Key management personnel:			
Secretary, Directors and Senior Managers	Managerial remuneration	87,021	53,557
Members of the Council	Membership fee received	613	613

14.2 Period / year end balances:

Relationship with the Institute	Nature of balances	December 31,	June 30,
		2017	2017
		Un-audited	Audited
		----- Rupees in '000 -----	
Key management personnel			
Secretary, Directors and Senior Managers	Loans and advances	1,733	1,220
	Other liabilities	1,025	35
Staff retirement benefit plans	Due from Provident Fund	32	-

15. FINANCIAL RISK MANAGEMENT

The Institute's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Institute's audited annual financial statements for the year ended June 30, 2017.

There have been no significant changes in the risk management policies since the year end.

16. SEGMENT INFORMATION

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

(a) Service segments:

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

(i) Examination (ii) Education (iii) Membership (iv) General Services

(b) Geographical segments:

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

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

This information also presented in South (includes provinces, namely, Sindh and Balochistan) and North (includes provinces, namely, Punjab, Khyber Pakhtunkhwa, Gilgit Baltistan and Azad Kashmir) regions.

16.1 Service segment

16.1.1 Basis of allocation

Service provided/rendered directly to students are allocated to Examination and Education whereas member related income and expenditure are allocated directly to Membership. Remaining income and expenditure are allocated to General Services.

16.1.2 Segment revenue and results

	----- Un-audited -----					----- Audited -----				
	For the half year ended December 31, 2017					For the half year ended December 31, 2016				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
	----- Rs. in '000 -----									
Income										
from members	-	-	151,339	-	151,339	-	-	136,913	-	136,913
from students	304,380	86,305	-	-	390,685	263,620	81,973	-	-	345,593
others	-	-	-	21,132	21,132	-	-	-	13,613	13,613
Total income	304,380	86,305	151,339	21,132	563,156	263,620	81,973	136,913	13,613	496,119
Expenditure - note 16.1.3	(135,141)	(70,021)	(85,056)	(121,246)	(411,464)	(114,770)	(69,612)	(71,380)	(104,013)	(359,775)
	169,239	16,284	66,283	(100,114)	151,692	148,850	12,361	65,533	(90,400)	136,344
Income from investments and surplus on re-measurement of available for sale investments					22,277					36,308
Excess of income over expenditure					173,969					172,652

16.1.3 Expenditure

Salaries, allowances, and other benefits	44,122	23,952	38,347	74,551	180,972	38,086	15,657	24,197	48,718	126,658
Examination charges	63,792	-	-	-	63,792	52,010	-	-	-	52,010
Depreciation	3,959	1,827	2,436	7,004	15,226	4,149	1,755	2,075	7,979	15,958
Traveling and related expenses	3,833	772	9,185	884	14,674	3,166	554	10,279	1,258	15,257
Study packs and other publications	-	20,748	41	157	20,946	-	27,837	43	77	27,957
Utilities	3,280	1,514	2,018	5,803	12,615	3,239	1,370	1,619	6,228	12,456
Postage and telephone	2,516	1,161	1,548	4,453	9,678	2,283	966	1,142	4,390	8,781
Repair and maintenance	4,716	2,177	2,902	8,343	18,138	3,956	1,674	1,978	7,609	15,217
Printing and stationery	3,621	1,523	2,192	524	7,860	1,340	1,052	1,837	4,128	8,357
Rent, rates and taxes	35	140	26	8,571	8,772	12	58	19	8,262	8,351
Advertisement and exhibitions	18	6,133	24	1,973	8,148	-	10,821	372	1,148	12,341
Amortisation of intangible assets	287	132	176	508	1,103	1,209	512	605	2,325	4,651
Financial assistance to students	-	3,644	-	-	3,644	-	3,750	-	-	3,750
Financial assistance to members / families	-	-	10,093	-	10,093	-	-	12,274	-	12,274
Gold medals and award ceremony	1,407	-	-	-	1,407	1,638	-	-	-	1,638
Edhi CA talent program	-	4,072	-	-	4,072	-	1,683	-	-	1,683
Vehicle maintenance and running cost	980	435	1,081	939	3,435	917	348	773	902	2,940
Legal and professional charges	-	114	2,793	924	3,831	5	-	1,286	788	2,079
Others	2,575	1,677	12,194	6,612	23,058	2,760	1,575	12,881	10,201	27,417
Total expenditures	135,141	70,021	85,056	121,246	411,464	114,770	69,612	71,380	104,013	359,775

	----- Un-audited -----					----- Audited -----				
	As at December 31, 2017					As at June 30, 2017				
	Examination	Education	Membership	General Services	Total	Examination	Education	Membership	General Services	Total
	----- Rs. in '000 -----									

16.1.4 Other Information

Segments assets employed	33,369	33,747	20,865	649,265	737,246	38,113	21,144	31,793	342,393	433,443
Unallocated assets					675,205					784,393
Total assets					<u>1,412,451</u>					<u>1,217,836</u>
Segments liabilities employed	53,937	6,576	8,324	71,615	<u>140,452</u>	24,075	4,520	29,128	62,083	<u>119,806</u>

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

16.2 Geographical segments:

16.2.1 Basis of allocation

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

----- Un-audited -----									
For the half year ended December 31, 2017					For the half year ended December 31, 2016				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total

16.2.2 Segment revenue and results

----- Rs. in '000 -----										
Income										
from members	64,667	30,023	14,832	41,817	151,339	58,389	27,152	13,442	37,930	136,913
from students	107,781	142,871	72,293	67,740	390,685	116,942	116,476	61,894	50,281	345,593
other general services - unallocated	-	-	-	-	21,132	-	-	-	-	13,613
					<u>563,156</u>					<u>496,119</u>
Allocated expenditure - Members and students	(92,871)	(91,973)	(46,299)	(59,075)	(290,218)	(93,094)	(76,165)	(39,959)	(46,544)	(255,762)
Unallocated expenditure - General services					(121,246)					(104,013)
					<u>(411,464)</u>					<u>(359,775)</u>
Income from investments and surplus on re-measurement of available for sale investments					22,277					36,308
Excess of income over expenditure					<u>173,969</u>					<u>172,652</u>

16.2.3 Expenditure

Salaries, allowances and other benefits	145,030	22,822	8,337	4,783	180,972	99,084	18,589	4,842	4,143	126,658
Examination charges	41,402	11,022	5,575	5,793	63,792	32,115	9,731	4,866	5,298	52,010
Depreciation	10,648	2,411	887	1,280	15,226	10,990	2,708	954	1,306	15,958
Traveling and related expenses	8,363	4,159	1,685	467	14,674	8,185	4,982	1,561	529	15,257
Study packs and other publications	8,555	6,704	2,960	2,727	20,946	13,215	8,505	3,815	2,422	27,957
Utilities	7,902	1,956	1,138	1,619	12,615	7,256	2,357	1,129	1,714	12,456
Postage and telephone	7,358	921	556	843	9,678	5,817	1,734	442	788	8,781
Repairs and maintenance	9,216	3,576	2,038	3,308	18,138	7,530	3,301	1,646	2,740	15,217
Printing and stationery	6,749	848	118	145	7,860	7,565	534	78	180	8,357
Rent, rates and taxes	2,127	1,237	209	5,199	8,772	2,281	1,271	193	4,606	8,351
Advertisement and exhibitions	2,815	3,399	505	1,429	8,148	2,256	5,787	809	3,489	12,341
Amortisation of intangible assets	1,103	-	-	-	1,103	4,651	-	-	-	4,651
Financial assistance to students	204	2,638	584	218	3,644	322	2,149	778	501	3,750
Financial assistance to members / families	5,033	3,211	970	879	10,093	6,986	3,096	855	1,337	12,274
Gold medals and award ceremony	1,407	-	-	-	1,407	1,638	-	-	-	1,638
Edhi CA talent program	1,589	729	248	1,506	4,072	233	494	100	856	1,683
Vehicles maintenance and running cost	3,097	219	55	64	3,435	2,676	166	78	20	2,940
Legal and professional charges	3,678	141	12	-	3,831	1,819	115	145	-	2,079
Others	19,979	1,566	1,046	467	23,058	23,595	2,881	599	342	27,417
Expenditure - as and where incurred	<u>286,255</u>	<u>67,559</u>	<u>26,923</u>	<u>30,727</u>	<u>411,464</u>	<u>238,214</u>	<u>68,400</u>	<u>22,890</u>	<u>30,271</u>	<u>359,775</u>
Inter-segment allocation / transfer to unallocated	(193,384)	24,414	19,376	28,348	(121,246)	(145,120)	7,765	17,069	16,273	(104,013)
Allocated expenditure - Members and students	<u>92,871</u>	<u>91,973</u>	<u>46,299</u>	<u>59,075</u>	<u>290,218</u>	<u>93,094</u>	<u>76,165</u>	<u>39,959</u>	<u>46,544</u>	<u>255,762</u>
Unallocated expenditure - General services					<u>121,246</u>					<u>104,013</u>
Total expenditure					<u>411,464</u>					<u>359,775</u>

16.2.4 Other Information

----- Un-audited -----					----- Audited -----				
As at December 31, 2017					As at June 30, 2017				
Karachi	Lahore	Islamabad and Rawalpindi	Others	Total	Karachi	Lahore	Islamabad and Rawalpindi	Others	Total

----- Rs. in '000 -----										
Segments assets employed	199,009	495,335	22,568	20,334	737,246	188,819	205,413	19,324	19,887	433,443
Unallocated assets					675,205					784,393
Total assets					<u>1,412,451</u>					<u>1,217,836</u>
Segments liabilities employed	97,215	3,276	1,215	1,560	103,266	69,861	9,878	1,190	790	81,719
Unallocated liabilities					37,186					38,087
Total liabilities					<u>140,452</u>					<u>119,806</u>

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

----- Un-audited -----					
For the half year ended December 31, 2017			For the half year ended December 31, 2016		
South	North	Total	South	North	Total
----- Rs. 000 -----					

16.2.5 Segment revenue and results

Income						
from members	87,390	63,949	151,339	78,965	57,948	136,913
from students	117,093	273,592	390,685	130,776	214,817	345,593
other general services - unallocated	-	-	21,132	-	-	13,613
			<u>563,156</u>			<u>496,119</u>
Allocated expenditure - Members and students	(110,605)	(179,613)	(290,218)	(111,186)	(144,576)	(255,762)
Unallocated expenditure - General services			(121,246)			(104,013)
			<u>(411,464)</u>			<u>(359,775)</u>
Income from investments and surplus on re-measurement of available for sale investments			<u>22,277</u>			<u>36,308</u>
Excess of income over expenditure			<u><u>173,969</u></u>			<u><u>172,652</u></u>

16.2.6 Expenditure

Salaries, allowances and other benefits	145,966	35,006	180,972	99,997	26,661	126,658
Examination charges	41,879	21,913	63,792	32,896	19,114	52,010
Depreciation	10,902	4,324	15,226	11,059	4,899	15,958
Traveling and related expenses	8,553	6,121	14,674	8,667	6,590	15,257
Study packs and other publications	8,902	12,044	20,946	13,216	14,741	27,957
Utilities	8,041	4,574	12,615	7,359	5,097	12,456
Postage and telephone	7,440	2,238	9,678	5,877	2,904	8,781
Repairs and maintenance	9,932	8,206	18,138	7,776	7,441	15,217
Printing and stationery	6,758	1,102	7,860	7,591	766	8,357
Rent, rates and taxes	3,121	5,651	8,772	2,786	5,565	8,351
Advertisement and exhibitions	3,110	5,038	8,148	3,475	8,866	12,341
Amortisation of intangible assets	1,103	-	1,103	4,651	-	4,651
Financial assistance to students	204	3,440	3,644	322	3,428	3,750
Financial assistance to members/families	5,033	5,060	10,093	6,986	5,288	12,274
Gold medals and award ceremony	1,407	-	1,407	1,638	-	1,638
Edhi CA talent program	1,803	2,269	4,072	431	1,252	1,683
Vehicles maintenance and running cost	3,097	338	3,435	2,676	264	2,940
Legal and professional charges	3,678	153	3,831	1,819	260	2,079
Others	20,005	3,053	23,058	23,683	3,734	27,417
Expenditure - as and where incurred	<u>290,934</u>	<u>120,530</u>	<u>411,464</u>	<u>242,905</u>	<u>116,870</u>	<u>359,775</u>
Inter-segment allocation / transfer to unallocated	(180,329)	59,083	(121,246)	(131,719)	27,706	(104,013)
Allocated expenditure - Members and students	<u>110,605</u>	<u>179,613</u>	<u>290,218</u>	<u>111,186</u>	<u>144,576</u>	<u>255,762</u>
Unallocated expenditure - General services			<u>121,246</u>			<u>104,013</u>
Total expenditure			<u><u>411,464</u></u>			<u><u>359,775</u></u>

----- Un-audited -----			----- Audited -----		
As at December 31, 2017			As at June 30, 2017		
South	North	Total	South	North	Total
----- Rs. 000 -----					

16.2.7 Other Information

Segments assets employed	200,531	536,715	737,246	190,031	243,412	433,443
Unallocated assets			675,205			784,393
Total assets			<u><u>1,412,451</u></u>			<u><u>1,217,836</u></u>
Segments liabilities employed	97,528	5,738	103,266	69,885	11,834	81,719
Unallocated liabilities			37,186			38,087
Total liabilities			<u><u>140,452</u></u>			<u><u>119,806</u></u>

Segment assets primarily consist of property, plant and equipment, loans, advances, receivables and stock of study packs, publications and souvenirs. Segment liabilities comprise of creditors, accrued expenses and other liabilities.

17. SEASONALITY

The Institutes' surplus is subject to periodical fluctuation due to the fact that most of the membership subscription is received in the early part of the financial year.

18. CORRESPONDING FIGURE

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

19. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorised this condensed interim financial information for issue on February 22, 2018.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT