



The Institute of Chartered Accountants of Pakistan

CONDENSED INTERIM FINANCIAL STATEMENTS

**FOR THE NINE MONTHS ENDED MARCH 31, 2014
(UN-AUDITED)**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2014**

		March 31 2014 Un-audited	June 30, 2013 Audited
	Note	----- Rupees in '000 -----	
NON CURRENT ASSETS			
Property, plant and equipment	5	205,943	183,561
Intangible assets	6	19,628	3,875
Long term investments	7	75,955	81,853
Loans, advances and deposits		6,185	5,721
		307,711	275,010
CURRENT ASSETS			
Stock of study packs, publications and souvenirs		30,955	6,778
Short term investments	8	363,556	314,621
Loans, advances, prepayments and other receivables		19,033	11,829
Cash and bank balances		30,267	28,336
		443,811	361,564
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		58,301	24,236
Fees received in advance		17,557	33,171
		75,858	57,407
NET CURRENT ASSETS		367,953	304,157
CONTINGENCIES AND COMMITMENTS			
	9	675,664	579,167
REPRESENTED BY:			
General Fund		490,630	405,888
Specific Fund		3,433	3,292
Endowment Funds		69,621	70,283
Regional Committees		35,696	33,053
Benevolent Fund		76,284	66,651
		675,664	579,167

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

SECRETARY

PRESIDENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	Note	Quarter Ended		Nine Months Ended	
		March 31 2014	March 31 2013	March 31 2014	March 31 2013
		---- Rupees in '000 ----		---- Rupees in '000 ----	
Income					
Members' subscription		6,325	4,563	97,805	85,651
Examination and other fees		82,513	72,394	231,283	210,447
Education and training fees		8,988	7,757	49,835	39,910
Publications		2,549	2,738	6,398	6,118
Other operating income	10	6,484	4,532	11,095	5,981
		106,859	91,984	396,416	348,107
Expenditure					
Salaries, allowances and other benefits	11	44,440	36,629	134,529	109,199
Examination charges		18,707	18,497	47,093	48,960
Depreciation		6,505	5,446	18,050	15,594
Traveling and related expenses		5,809	3,348	16,123	14,651
Study packs and other publications		5,937	3,525	10,364	8,171
Utilities		3,729	3,283	13,990	12,848
Postage and telephone		3,306	2,568	8,110	7,479
Repairs and maintenance		4,974	3,168	13,362	11,414
Printing and stationery		2,635	1,950	7,467	6,458
Rent, rates and taxes		2,582	1,546	7,529	4,687
Advertisement and exhibitions		2,538	2,392	8,095	3,852
Amortisation of intangible assets		2,251	81	2,374	239
Financial assistance to students		2,989	1,999	4,991	3,917
Financial assistance to members/families		2,496	2,199	6,662	6,315
Vehicles maintenance and running cost		1,984	1,628	6,084	4,773
Legal and professional charges		1,448	1,403	4,688	3,986
Others	12	9,269	5,300	23,297	18,503
		121,599	94,962	332,808	281,046
(Deficit) / excess of income over expenditure before finance income		(14,740)	(2,978)	63,608	67,061
Finance income		10,873	11,263	33,188	33,418
(Deficit) / excess of income over expenditure for the period		(3,867)	8,285	96,796	100,479
Other comprehensive income					
(Deficit) / surplus on re-measurement of investments - available for sale		(314)	115	(299)	321
Total comprehensive excess of income over expenditure for the period		(4,181)	8,400	96,497	100,800
Attributable to					
- General Fund		(3,529)	8,883	84,742	91,544
- Specific Fund		(33)	80	141	103
- Endowment Funds		(1,463)	70	(662)	387
- Regional Committees		873	(812)	2,643	1,794
- Benevolent Fund		(29)	179	9,633	6,972
		(4,181)	8,400	96,497	100,800

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

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**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014**

	Note	March 31 2014	March 31 2013
		----- Rupees in '000 -----	
Cash flows from operating activities			
Cash received:			
Membership		85,494	75,616
Examinations		230,050	205,948
Training		49,835	39,910
Publications		6,191	5,307
Facilities and miscellaneous		9,097	9,969
		380,667	336,750
Cash paid:			
Employees		134,890	109,261
Professional bodies		1,930	1,664
Property tax		860	889
Suppliers and vendors		174,004	115,614
		311,684	227,428
Net cash generated from operating activities		68,983	109,322
Cash flows from investing activities			
Investments - net		(91,087)	(21,606)
Fixed capital expenditure		(43,271)	(25,170)
Purchase of intangible assets		(15,751)	(55)
Proceeds from sale of operating fixed assets		2,284	1,779
Income received from investments		41,934	21,005
Loans and deposits recovered		967	1,115
Loans and deposits paid		(1,430)	(393)
Net cash used in investing activities		(106,354)	(23,325)
Net (decrease)/increase in cash and cash equivalents		(37,371)	85,997
Cash and cash equivalents at the beginning of the period		191,839	17,328
Cash and cash equivalents at the end of the period	13	154,468	103,325

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

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

General Fund	Specific Fund	Endowment Funds			Regional Committees				Benevolent Fund			Total	
		Prize Fund	Students' Endowment Fund	Libraries Development Fund	Sub Total	Southern		Nothern	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	-
Transferred from comprehensive income	91,544	103	119	268	387	1,435	5	354	1,794	6,651	-	6,651	100,479
Surplus on re-measurement of investments	-	-	-	-	-	-	-	-	-	321	-	321	321
	91,544	103	119	268	387	1,435	5	354	1,794	6,972	-	6,972	100,800
Balance as at March 31, 2013	430,414	3,320	62,710	6,181	68,891	20,298	125	12,135	32,558	64,923	839	65,762	600,945
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
Transferred from comprehensive income	84,742	141	(936)	274	(662)	1,484	7	1,152	2,643	9,932	-	9,932	96,796
Deficit on re-measurement of investments	-	-	-	-	-	-	-	-	-	(299)	-	(299)	(299)
	84,742	141	(936)	274	(662)	1,484	7	1,152	2,643	9,633	-	9,633	96,497
Balance as at March 31, 2014	490,630	3,433	63,097	6,524	69,621	22,224	134	13,338	35,696	75,445	839	76,284	675,664

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

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**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014**

1 THE INSTITUTE AND ITS OPERATIONS

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

Regional Committees

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

Endowment Funds

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

Benevolent Fund

Benevolent Fund (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 dependants of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is contributed by the members in the form of annual subscription.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Institute for the nine months period ended March 31, 2014 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 nine months ended March 31, 2013.

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 these condensed interim financial statements have been rounded-off to the nearest Rupees in thousand.

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, except as disclosed in note 3.3 below.

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.

3.3 The Institute has changed the amortisation method of Computer Software from reducing balance to straight line over the period of three years. This will result in more accurate allocation of expense to the accounting period in which intangible assets are utilised. The changes in accounting estimates has been applied prospectively in the financial statements as per the requirements of IAS 8. Had there been no changes in estimate, the carrying value of software would have been higher by Rs. 0.44 million.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. Estimates and judgments 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 these condensed interim financial statements, the significant judgments 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, except as disclosed in note 3.3 above.

5	PROPERTY, PLANT AND EQUIPMENT	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
	Operating fixed assets	5.1	198,384	180,215
	Leasehold land - Preedy Street, Karachi	5.2	18	18
	Capital work in progress		7,541	3,328
			205,943	183,561
5.1	Operating fixed assets			
	Opening net book value		180,214	167,846
	Additions during the period	5.1.1	39,057	35,873
			219,271	203,719
	Less:			
	Disposals and adjustment during the period	5.1.2	(2,837)	(2,043)
	Depreciation charge for the period		(18,050)	(21,462)
			(20,887)	(23,505)
	Closing net book value		198,384	180,214

5.1.1 Additions during the period / year are as follows:

Buildings on leasehold land	2,104	2,117
Buildings on freehold land	1,898	-
Generator	3,048	5,634
Electric fittings, air conditioners and appliances	6,483	2,456
Furniture and fixtures	5,372	4,953
Vehicles	9,093	11,112
Office equipment	11,059	9,457
Library books	-	144
	39,057	35,873

5.1.2 Disposals during the period / year are as follows:

at net book value

- Building on leasehold land	(470)	-
- Building on freehold land	(32)	-
- Generator	-	(832)
- Electric fittings, air conditioners and appliances	(147)	(212)
- Furniture and fixtures	(167)	(366)
- Vehicles	(1,831)	(212)
- Office equipment	(190)	(421)
	(2,837)	(2,043)

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	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
	- Development cost of Study Packs	6.1	21,129	-
	- Computer softwares		3,486	3,329
	- Capital work in progress		-	3,160
			24,615	6,489
	Less: Accumulated amortisation		(4,987)	(2,614)
			<u>19,628</u>	<u>3,875</u>

6.1 This represents cost incurred on development and review of new study materials and are being amortised over a period of three years commencing from January 01, 2014.

7	LONG TERM INVESTMENTS	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
	Specific Fund		-	1,400
	Endowment Funds		-	11,000
	Southern Regional Committee	7.1	19,363	17,604
	Benevolent Fund	7.2	56,592	51,849
			<u>75,955</u>	<u>81,853</u>

7.1 Southern Regional Committee

Certificate of Islamic Investments				
	Accumulated Fund	7.1.1	19,228	17,477
	H.J. Irani Memorial Fund	7.1.2	135	127
			<u>19,363</u>	<u>17,604</u>

7.1.1 These represent Certificates of Islamic Investments, placed with 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 8.74% and 9.00% (June 30, 2013: 8.89% and 9.78%) per annum and are maturing on various dates latest by July, 2018. Accrued profit aggregating Rs. 1.69 million (June 30, 2013: Rs. 1.44 million) is included in the carrying value.

7.1.2 This represents a Certificate of Islamic Investment, placed with 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%) 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.

7.2	Benevolent Fund	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
	Defence Saving Certificates	7.2.1	3,713	3,390
	Special Saving Certificates	7.2.2	52,879	48,459
			<u>56,592</u>	<u>51,849</u>

7.2.1 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. 1.71 million (June 30, 2013: Rs. 1.39 million) is included in the carrying value.

7.2.2 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. 10.04 million (June 30, 2013: Rs. 5.61 million) is included in the carrying value.

8	SHORT TERM INVESTMENTS	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
	General Fund	8.1	267,778	246,832
	Specific Fund	8.2	3,248	1,867
	Endowment Funds	8.3	63,039	42,564
	Southern Regional Committee	8.4	804	819
	Northern Regional Committee	8.5	9,746	9,000
	Benevolent Fund	8.6	18,941	13,539
			<u>363,556</u>	<u>314,621</u>

8.1 General Fund

Held to maturity

Term Deposit Receipts	8.1.1	267,778	198,137
Special Saving Certificates		-	48,695
		<u>267,778</u>	<u>246,832</u>

8.1.1 This represents investment in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 254.21 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 January 2015. Accrued profit aggregating Rs. 13.57 million (June 30, 2013: Rs. 13.93 million) is included in the carrying value.

8.2	Specific Fund	Note	March 31	June 30,
			2014	2013
			Un-audited	Audited
			----- Rupees in '000 -----	
Held to maturity				
	Term Deposit Receipts	8.2.1	3,248	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. 0.05 million (June 30, 2013: Rs. 0.07 million) is included in the carrying value.

		March 31 2014 Un-audited	June 30, 2013 Audited
		----- Rupees in '000 -----	
8.3	Endowment Funds		
	Students' Endowment Fund		
	Held to maturity		
	Term Deposit Receipts	8.3.1 57,835	39,403
	Libraries Development Fund		
	Held to maturity		
	Term Deposit Receipts	8.3.2 5,204	3,161
		63,039	42,564

8.3.1 This represents investments in Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 56.29 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 January 2015. Accrued profit aggregating Rs. 1.56 million (June 30, 2013: Rs. 2.11 million) is included in the carrying value.

8.3.2 This represents investment in a Term Deposit Receipts (TDRs) placed with banks, having an aggregate face value of Rs. 5.00 million (June 30, 2013: Rs. 3.0 million). These TDRs carry profit at the rates ranging between of 8.75% to 12.70% (June 30, 2013: 9.70% and 12.70%) per annum and is maturing on various dates upto August, 2014. Accrued profit aggregating Rs. 0.20 million (June 30, 2013: Rs. 0.16) is included in the carrying value.

		March 31 2014 Un-audited	June 30, 2013 Audited
		----- Rupees in '000 -----	
8.4	Southern Regional Committee		
	Certificate of Islamic Investments		
	Accumulated Fund	8.4.1 804	819

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 rate of 7.82% and 7.99% (June 30, 2013: 7.72% and 9.10%) per annum and is maturing in March 2015. Accrued profit aggregating Rs. 0.004 million (June 30, 2013: Rs. 0.02 million) is included in the carrying value.

		March 31 2014 Un-audited	June 30, 2013 Audited
		----- Rupees in '000 -----	
8.5	Northern Regional Committee		
	Islamic certificates	8.5.1 9,746	9,000

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. 0.75 million (June 30, 2013: Rs. Nil) is included in the carrying value.

		March 31 2014 Un-audited	June 30, 2013 Audited
	Note	----- Rupees in '000 -----	
8.6 Benevolent Fund			
Investments in listed securities - Equity shares	8.6.1	3,431	3,730
Investments in government securities	8.6.2	15,510	9,809
		18,941	13,539
8.6.1 Investments in listed securities - Equity shares			
<i>Hub Power Co. Ltd.</i>			
As on July 01		2,466	1,676
(Deficit) / surplus on re-measurement		(339)	790
Market value of 40,000 ordinary shares @ Rs. 53.17 [2013: Rs. 61.65]		2,127	2,466
<i>Fauji Fertilizer Co. Ltd.</i>			
As on July 01		1,264	1,306
Surplus / (deficit) on re-measurement		40	(42)
Market value of 11,767 shares @ Rs. 110.84 [2013: Rs. 107.43]		1,304	1,264
		3,431	3,730

8.6.2 This represents investment in Treasury bills, having face value of Rs. 15.39 million (June 30, 2013: Rs. 9.79 million). This has been placed for term of three months and six months and are maturing upto September 2014. These carry profit at the rates ranging between 9.91% and 9.98% (June 30, 2013: 8.91% and 9.30%) per annum. Accrued profit aggregating Rs. 0.12 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 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. The judgment has now been suspended by the Honorable Supreme Court of Pakistan, therefore, no provision has been made in these financial statements 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 Honorable Lahore High Court against the aforementioned order in addition to appeal filed before Competition Appellate Tribunal. The Honorable 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 favorable outcome of the legal proceedings, therefore no provision has been made in these financial statements relating to the above-referred penalty.

9.3 Commitments in respect of capital expenditure as at reporting date amounted to Rs. 27.85 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. 7.87 million (June 30, 2013: Rs. 20.22 million).

	Note	Quarter Ended		Nine Months Ended	
		March 31 2014 Un-audited	March 31 2013 Un-audited	March 31 2014 Un-audited	March 31 2013 Un-audited
		---- Rupees in '000 ----		---- Rupees in '000 ----	
10 OTHER OPERATING INCOME					
Income derived from rental of facilities		541	738	1,953	2,596
Reversal of provision for doubtful students' loan		-	-	-	10
Gain on sale of fixed assets - net		295	237	88	237
Net income from CFO conferences	10.1	3,912	1,083	3,912	1,083
Surplus on Directors' Training Programs	10.2	1,523	2,046	4,633	1,524
Miscellaneous income		213	428	509	531
		6,484	4,532	11,095	5,981
10.1 Net income from CFO conferences					
Income from sponsorship and others		15,257	11,467	15,257	11,467
Less: expenses incurred on Conferences		(8,494)	(7,832)	(8,494)	(7,832)
		6,763	3,635	6,763	3,635
Less: expenses incurred on Golf tournaments		(2,851)	(2,552)	(2,851)	(2,552)
		3,912	1,083	3,912	1,083
10.2 Net income from Directors' training programme					
Fee received for training		4,337	5,581	11,605	5,581
Less: expenses incurred on training		(2,814)	(3,535)	(6,972)	(4,057)
		1,523	2,046	4,633	1,524
11 SALARIES, ALLOWANCES AND OTHER BENEFITS					
Salaries and allowances		41,881	34,467	126,743	102,683
Employees' health insurance		483	370	1,465	1,135
Defined contribution plan - Provident fund		2,076	1,792	6,321	5,381
		44,440	36,629	134,529	109,199
12 OTHERS					
Fees to professional bodies		782	574	1,930	1,664
Consultancy charges		632	-	632	121
Auditors' remuneration		260	2	381	165
Meetings and related expenses	12.1	607	255	1,332	696
Books and publications		84	125	295	424
Conveyance		74	85	189	196
Staff refreshment expenses		555	560	1,651	1,615
Bank charges		577	306	2,161	1,727
Zakat		-	125	875	1,292
Insurance		609	389	1,581	1,127
Gold medals and award ceremony		1,413	-	2,160	1,814
Entrance test conducting charges		17	15	112	61
Registered Accounting Education Tutor's appraisal cost		-	5	-	5
Staff training		804	349	1,350	731
Online Education and Research Facility (PERN-2)		583	544	1,735	1,621
Chartered Accountants talent program		753	-	753	-
Honoraria to article writer		147	142	312	241
Sports and recreation		12	53	485	137
Bad debts		-	-	114	-
Fixed assets written off		170	-	170	-
Net deficit from seminar & conferences	12.2	280	1,050	2,824	2,747
Sundry expenses		910	721	2,255	2,119
		9,269	5,300	23,297	18,503

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

12.2 **Net deficit from seminar & conferences**

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

	Quarter Ended		Nine Months Ended	
	March 31 2014	March 31 2013	March 31 2014	March 31 2013
	Un-audited	Un-audited	Un-audited	Un-audited
	---- Rupees in '000 ----		---- Rupees in '000 ----	
Contributions from members, sponsors and others	4,104	1,280	5,623	4,000
Less: expenses incurred	(4,384)	(2,330)	(8,447)	(6,747)
	(280)	(1,050)	(2,824)	(2,747)

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:

	March 31 2014	March 31 2013
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Cash and bank balances	30,267	12,837
Short term investments realizable within three months	124,201	90,488
	154,468	103,325

14 TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	Mar-31, 2014	Mar-31, 2013
		----- Rupees in '000 -----	
(i) Staff retirement benefit plans :	Contribution paid to Provident Fund	6,321	5,381
(ii) Key management personnel :			
- Secretary/COO & Directors	- Managerial remuneration	25,072	15,256
	- Reimbursement of expenses	462	108
- Members of the Council	- Membership fee received	416	368
	- Reimbursement of expenses	2,774	5,377

14.2 Period/year end balances

Relationship with the Institute	Nature of transactions	Mar-31, 2014	June 30, 2013
		----- Rupees in '000 -----	
Key management personnel :			
- Secretary/COO & Directors	Loans, advances, prepayments and other receivables	229	414
	Creditors, accrued expenses and other liabilities	-	108
- Members of the Council	Loans, advances, prepayments and other receivables	47	29
	Creditors, accrued expenses and other liabilities	57	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:

15.1 Geographical segments:

The Institute has determined following two main geographical segments:

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

Basis 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.

15.2 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.

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.

15.1.1 GEOGRAPHICAL SEGMENT RESULT
Income

- from members
- from students
- others

Total income

Less: Expenditure - note 15.1.3

Finance Income and Surplus on re-measurement of

investments available for sale

Excess of Income over expenditure

March 2014			March 2013		
South	North	Total	South	North	Total
----- Rs. '000 -----					
57,705	40,100	97,805	50,533	35,118	85,651
92,768	188,350	281,118	90,128	160,229	250,357
6,472	11,021	17,493	4,597	7,502	12,099
156,945	239,471	396,416	145,258	202,849	348,107
122,334	210,474	332,808	117,312	163,734	281,046
34,611	28,997	63,608	27,946	39,115	67,061
		32,889			33,739
		96,497			100,800

15.1.2 Other Information

Segments assets employed

Unallocated assets

Total assets

Segments liabilities employed

Total liabilities

Capital expenditure incurred during the period / year

March 2014			June 2013		
South	North	Total	South	North	Total
----- Rs. '000 -----					
106,339	175,405	281,744	89,977	121,788	211,765
		469,778			424,809
		751,522			636,574
28,068	47,790	75,858	23,537	33,870	57,407
		75,858			57,407
14,451	24,606	39,057	13,991	21,882	35,873

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.

15.1.3

Expenditure	March 2014			March 2013		
	South	North	Total	South	North	Total
----- Rs. '000 -----						
Salary, allowance, and other benefits	49,775	84,754	134,529	44,771	64,428	109,199
Examination charges	15,540	31,553	47,093	17,626	31,334	48,960
Depreciation	6,678	11,372	18,050	6,394	9,200	15,594
Traveling & related expenses	5,965	10,158	16,123	6,007	8,644	14,651
Study packs and other publications	4,057	6,307	10,364	5,932	2,239	8,171
Utilities	5,176	8,814	13,990	5,268	7,580	12,848
Postage and telephone	3,000	5,110	8,110	3,066	4,413	7,479
Repair and maintenance	4,943	8,419	13,362	4,680	6,734	11,414
Printing and stationery	2,762	4,705	7,467	2,647	3,811	6,458
Rent, rates and taxes	2,785	4,744	7,529	1,969	2,718	4,687
Advertisement and exhibitions	2,995	5,100	8,095	1,687	2,165	3,852
Amortisation of intangible assets	878	1,496	2,374	99	140	239
Financial assistance to students	787	4,204	4,991	1,410	2,507	3,917
Financial assistance to members/families	3,579	3,083	6,662	3,726	2,589	6,315
Vehicle maintenance and running cost	2,251	3,833	6,084	1,957	2,816	4,773
Legal & professional charges	1,734	2,954	4,688	1,634	2,352	3,986
Fees to international professional bodies	1,138	792	1,930	982	682	1,664
Consultancy charges	233	399	632	50	71	121
Auditors' remuneration	225	156	381	97	68	165
Meetings and related expenses	785	547	1,332	285	411	696
Books & publications	109	186	295	174	250	424
Conveyance	70	119	189	80	116	196
Staff refreshment expenses	610	1,041	1,651	662	953	1,615
Bank charges	799	1,362	2,161	707	1,020	1,727
Zakat	323	552	875	529	763	1,292
Insurance	584	997	1,581	462	665	1,127
Gold medals & award ceremony	852	1,308	2,160	1,292	522	1,814
Entrance tests conducting charges	37	75	112	-	61	61
Registered Accounting Education Tutor's appraisal cost	-	-	-	5	-	5
Staff training	499	851	1,350	300	431	731
Online Education & Research Facility (PERN 2)	641	1,094	1,735	665	956	1,621
Chartered Accountants talent program	248	505	753	-	-	-
Honoraria to article writer	115	197	312	99	142	241
Sports & recreation	179	306	485	56	81	137
Bad debts	42	72	114	-	-	-
Written off fixed assets	62	108	170	-	-	-
Net deficit from seminar & conferences	1,044	1,780	2,824	1,125	1,622	2,747
Sundry expenses	834	1,421	2,255	869	1,250	2,119
Total expenditure	122,334	210,474	332,808	117,312	163,734	281,046

15.2.1 SERVICE SEGMENT RESULT

	March 2014					March 2013				
	Exam	Education	Membership	G. Services	Total	Exam	Education	Membership	G. Services	Total
	----- Rs. '000 -----									
Income										
- from members	-	-	97,805	-	97,805	-	-	85,651	-	85,651
- from students	231,282	49,836	-	-	281,118	210,447	39,910	-	-	250,357
- others	-	-	-	17,493	17,493	-	-	-	12,099	12,099
Total income	231,282	49,836	97,805	17,493	396,416	210,447	39,910	85,651	12,099	348,107
Less: Expenditure - note 15.2.3	115,613	33,356	79,175	104,664	332,808	110,362	23,509	60,081	87,094	281,046
	115,669	16,480	18,630	(87,171)	63,608	100,085	16,401	25,570	(74,995)	67,061
Finance Income and Surplus on re-measurement of investments available for sale					32,889					33,739
Excess of Income over expenditure					96,497					100,800

15.2.2 Other Information

	March 2014					June 2013				
	Exam	Education	Membership	G. Services	Total	Exam	Education	Membership	G. Services	Total
	----- Rs. '000 -----									
Segments assets employed	50,911	53,244	42,889	134,700	281,744	44,960	21,746	29,903	115,156	211,765
Unallocated assets					469,778					424,809
Total assets					751,522					636,574
Segments liabilities employed	24,329	2,707	10,124	38,698	75,858	19,292	2,178	21,478	14,459	57,407
Unallocated liabilities					-					-
Total liabilities					75,858					57,407
Capital expenditure incurred during the period / year	6,189	5,671	6,637	20,560	39,057	3,647	2,297	7,032	22,897	35,873

15.2.3

Expenditure	March 2014					March 2013				
	Exam	Education	Membership	G.Services	Total	Exam	Education	Membership	G.Services	Total
	----- Rs. '000 -----									
Salary, allowance, and other benefits	41,291	10,110	36,380	46,748	134,529	35,942	8,882	24,251	40,124	109,199
Examination charges	47,093	-	-	-	47,093	48,960	-	-	-	48,960
Depreciation	4,874	1,986	2,527	8,663	18,050	4,678	1,248	1,871	7,797	15,594
Traveling & related expenses	1,793	886	12,997	447	16,123	1,629	805	11,810	407	14,651
Study packs and other publications	-	-	-	10,364	10,364	-	-	-	8,171	8,171
Utilities	3,778	1,539	1,958	6,715	13,990	3,854	1,028	1,542	6,424	12,848
Postage and telephone	2,189	893	1,136	3,892	8,110	2,244	598	897	3,740	7,479
Repair and maintenance	3,608	1,470	1,871	6,413	13,362	3,424	913	1,370	5,707	11,414
Printing and stationery	1,823	1,172	1,406	3,066	7,467	2,009	906	768	2,775	6,458
Rent, rates and taxes	31	12	42	7,444	7,529	28	2	35	4,622	4,687
Advertisement and exhibitions	12	7,321	183	579	8,095	3	3,261	177	411	3,852
Amortisation of intangible assets	662	262	381	1,069	2,374	72	19	29	119	239
Financial assistance to students	-	4,991	-	-	4,991	-	3,917	-	-	3,917
Financial assistance to members/families	-	-	6,662	-	6,662	-	-	6,315	-	6,315
Vehicle maintenance and running cost	1,839	720	1,903	1,622	6,084	1,443	565	1,493	1,272	4,773
Legal & professional charges	36	-	4,425	227	4,688	36	325	3,232	393	3,986
Fees to international professional bodies	-	-	1,930	-	1,930	-	-	1,664	-	1,664
Consultancy charges	-	-	-	632	632	-	-	-	121	121
Auditors' remuneration	102	41	53	185	381	50	13	20	82	165
Meetings and related expenses	-	-	-	1,332	1,332	-	-	-	696	696
Books & publications	24	11	68	192	295	61	14	90	259	424
Conveyance	-	-	-	189	189	27	8	4	157	196
Staff refreshment expenses	663	86	56	846	1,651	501	161	194	759	1,615
Bank charges	1,260	271	533	97	2,161	1,044	198	425	60	1,727
Zakat	511	111	216	37	875	782	148	318	44	1,292
Insurance	446	138	346	651	1,581	318	99	247	463	1,127
Gold medals & award ceremony	2,160	-	-	-	2,160	1,814	-	-	-	1,814
Entrance tests conducting charges	112	-	-	-	112	61	-	-	-	61
Registered Accounting Education Tutor's appraisal cost	-	-	-	-	-	-	5	-	-	5
Staff training	97	89	651	513	1,350	219	83	117	312	731
Online Education & Research Facility (PERN 2)	469	191	243	832	1,735	486	130	195	810	1,621
Chartered Accountants talent program	-	753	-	-	753	-	-	-	-	-
Honoraria to article writer	-	-	-	312	312	-	-	-	241	241
Sports & recreation	131	54	68	232	485	41	11	16	69	137
Bad debts	-	-	-	114	114	-	-	-	-	-
Written off fixed assets	-	-	-	170	170	-	-	-	-	-
Net deficit from seminar & conferences	-	-	2,824	-	2,824	-	-	2,747	-	2,747
Sundry expenses	609	249	316	1,081	2,255	636	170	254	1,059	2,119
Total expenditure	115,613	33,356	79,175	104,664	332,808	110,362	23,509	60,081	87,094	281,046

16 CORRESPONDING FIGURE

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

Balance Sheet		June 30, 2013	
		<u>Rupees in '000</u>	
From:	To:		
Property, plant and equipment	Intangibles		3,160
Statement of Comprehensive Income		For quarter ended	For nine months ended
		Mar. 31, 2013	Mar. 31, 2013
From:	To:	<u>Rupees in '000</u>	<u>Rupees in '000</u>
Annual general meeting	Meetings and related expenses	-	145
Entertainment (meeting expenses)	Meetings and related expenses	255	551
Bank charges	Zakat	125	1,292
Other Income	Net deficit from seminar & conferences	1,050	2,747

17 DATE OF AUTHORIZATION FOR ISSUE

The Council of the Institute authorized these condensed interim financial statements for issue on May 09, 2014.

SECRETARY

PRESIDENT