





## **FUTURE READY ICAP**

Combining todays actions and knowledge to create a better future





### Responsibility for the Report

As the Council of the Institute, we acknowledge our responsibility for ensuring integrity of our Annual Report that also contains Integrated Report of the Institute as an integral part thereof. The Council and management reasonably believe that our Annual Report, in context with our vision, mission, external and internal operating environment, strategy and our business model, communicates all matters that have, or could have, material effect on our ability to create value. The Council and management have applied their collective wisdom to prepare and present information in the Annual Report.

### Reporting boundary

The Institute of Chartered Accountants of Pakistan is the reporting entity. The section on Governance includes a comprehensive view of the Institute's structure and management, which serves the foundation for inclusion of risks, opportunities and outcomes associated with its constituents in the report.



### Reporting approach

The annual report contains (a) Governance Statement; (b) Integrated Report 2019; (c) Reports of Boards and Committees (d) Financials 2019; and (e) Other Information. The Integrated Report of the Institute has been prepared in accordance with the International Integrated Reporting Framework (<IR> Framework) issued by International Integrated Reporting Council.

The Guiding Principles of the <IR> Framework have been applied individually and collectively for preparing and presenting the Integrated Report; accordingly, judgement has been used in applying them, particularly when there is an apparent conflict between them. For example, we aimed to keep balance between conciseness and other Guiding Principles of the <IR> Framework, in particular, completeness and comparability. In achieving conciseness, internal cross-references have been used to meet diverse interests of our stakeholders. We have also avoided generic disclosures that are not specific to the Institute and the profession.



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## Notice of Annual General Meeting

The 58th Annual General Meeting of The Institute of Chartered Accountants of Pakistan (ICAP) will be held on October 25, 2019 at 6:30 p.m. at ICAP House, Lahore.

### Agenda

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

### **Ordinary Business**

- 1. Confirmation of the minutes of the 57th Annual General Meeting.
- 2. Consideration and adoption of the Report of the Council and the Financial Statements of the Institute with Independent Auditors' Report thereon for the year ended June 30, 2019.
- Appointment of auditors for the year ending June 30, 2020 and fixation of their remuneration. The present auditors, Syed Aftab Hameed and Muhammad Shabbir Kasbati, being eligible, have offered themselves for re-appointment.
- 4. Any other business with the permission of the Chair.

Syed Masood Akhtar, FCA Secretary

Karachi: October 10, 2019

# GOVERNANCE STATEMENT

## Governance Statement

### ICAP's Approach to Governance

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

### Commitment to Good Governance

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

### Council

The governance of the Institute vests with the Council under the provisions of CAO and CA Bye-laws. The Council having a four-year term comprises 19 members. Four members are nominated by the Federal government and 15 members are elected from two regions, North and South. The former comprises the Capital and

provinces of Khyber Pakhtunkhwa and Punjab while the latter, includes the provinces of Sindh and Baluchistan.

The Council provides strategic direction to the Institute, formulates policies on education, training and examination of students, membership of the Institute and other governance and regulatory matters. It reviews and approves operational plans and budgets. The Council also approves the examination results and decides the disciplinary cases referred to it by the Investigation Committee. The Council has developed significant policies along with the vision and mission statements to enable the Institute to carry out its function effectively and It has also established efficiently. appropriate arrangements to ensure that it has access to all relevant information, advice and necessary resources to enable it to carry out its role effectively. In order to formalise and strengthen the Institute's decision-making process, all issues of significance are placed before the Council either by the respective committees or the management for its information, consideration and decision.

The Council recognises that good governance is a pre-requisite for the effective and efficient functioning of the Institute. Accordingly, it has set clear outcomes and performance expectations for itself, its committees and the management of the Institute. The Council members do not receive any remuneration, but are reimbursed for travel and subsistence costs incurred for the purpose of the Institute's business in accordance with defined policy.

### Code of Conduct for Council and Committee Members

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

The Code contains an elaborated conflict of interest policy that lays down the circumstances or

considerations when a person may have actual or potential conflict of interest, and provides the procedure for disclosing such interests. Each Council member has to declare interests (if any) which might lead to conflict and is required to update the declaration at least annually by signing Annual Declaration. Such interests may include, but not limited to, membership of formal bodies or groups, partnerships, directorships or beneficial in companies, professional or social interests relationships with individuals or organisations who have business dealings with the Institute. The members of the Council are also asked to identify and declare any potential conflict of interest in any of the agenda items at each meeting. The member declaring such a conflict deals with the matters of participation in the discussions, deliberations and decisions in accordance with the guidelines given under the policy. The policy has also been extended to be followed by the members of Standing and all other committees.

### **Orientation of Council Members**

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

### **Council Meetings**

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

Please see Council Attendance on page 134

### **Committees of the Council**

While the Council has the ultimate responsibility for the control and management of the Institute, in order to streamline the process, it has delegated certain powers and duties to its committees. These committees include standing committees comprising members of the Council, other members of the Institute outside the Council from practice and from industry, non-member specialists and senior management personnel. Terms of Reference (ToR) of each committee are approved by the Council and committees are required to operate within their respective ToRs. The existence of these committees does not absolve the Council from its responsibilities in all matters relating to the Institute. The Council has established the following committees:

### **Standing Committees**

### **Executive Committee**

This Committee comprises the president, vice presidents and not less than three Council members. The Committee is chaired by the president and is responsible for overall supervision of the administrative and financial management of the Institute. Its responsibilities also include identification of the key risks relating to the Institute in meeting its objectives and undertaking measures necessary to mitigate those risks. It is also responsible for human resource matters, membership related matters and the development of annual and long-term plans and review of the annual and quarterly performance and financial statements of the Institute.

Following are the sub-committees of the Executive Committee:

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

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

### **Examination Committee**

The Committee deals with all policies related to the conduct of examinations and declaration of result. These include fixing the dates of submission of examination fee and examination forms, dates and mode of declaration of result, appointment of subject specialists, examiners and invigilators, defining the code of conduct for the students, staff of examination department, moderators, subject specialists, paper setters, markers and invigilators, and formulating policy regarding use of study material during examinations (if any), etc. The Committee is also responsible to take all necessary steps to improve the policies and procedures in accordance with international best practices and to make the system transparent and

efficient. It also advises the Council and Education & Training Committee on policy matters related to examination curriculum and study material.

### **Investigation Committee**

The Investigation Committee comprises of six Council members including the president, three independent members, and a retired High Court judge. This Committee conducts inquiry on matters of professional misconduct by the members and students of the Institute. The Committee is mainly responsible for determining the facts of the cases referred to it. The final decision on the alleged misconduct rests with the Council.

### **Advisory and Technical Committees**

These committees advise to the Council and Executive Committee, and undertake specific tasks as delegated by the Council from time to time, and include Audit Committee, e.g. Members Affairs Committee, Education & Training Committee, Continuing Professional Development (CPD) Committee, Technical Committees including committees relating to ethics, auditing, fiscal laws, corporate laws, finance and economics.

### **Boards**

The Council has constituted three Boards: Accounting Standards Board, Quality Assurance Board and Digital Assurance and Accounting Board.

### **Accounting Standards Board**

This board was established with a view to further strengthen the quality of financial accounting and reporting in Pakistan. It has representation of the Securities and Exchange Commission of Pakistan, Ministry of Finance, ICMAP, State Bank of Pakistan, Pakistan Stock Exchange, Auditor General of Pakistan, Higher Education Commission, Council, industry and practicing firms.

### **Quality Assurance Board**

The board independently undertake the implementation of the framework of the Quality Control Review (QCR) program. The Board comprises of 9 members. ICAP and SECP has three nominees each, whereas State Bank of Pakistan and Pakistan Stock Exchange have two and one nominee respectively.

### **Digital Assurance and Accounting Board**

The board has been formed to monitor the digital technologies and the trends impacting the profession and practice of Accounting. The Board has 24 members representing the Council, RAETs, firms, other

committees, Securities Exchange Commission of Pakistan, State Bank of Pakistan, Institute of Cost and Management Accountants of Pakistan and IT experts.

Please see Boards' & Committees attendance on page 149

### **Regional Committees**

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

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

### **Office Bearers**

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

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

### Secretary

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

# INTEGRATED REPORT 2019

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### The Institute

The accountancy profession aims to add value to businesses, economy, clients and the employers. Following the principles of integrity, transparency and accountability, the profession safeguards public interest and ensures and supports ethical practices and good corporate governance.

In the same spirit, the Institute of Chartered Accountants of Pakistan, established under Chartered Accountants Ordinance, 1961 is leading the profession of accountancy in Pakistan and also serving national and international economies and businesses through its members (Page No. 8, Governance Statement).

Our members have presence in almost all sectors both locally and internationally, working in 44 countries around the world. After going through educational, practical and examination rigor, they are able to help businesses make informed strategic decisions, manage key risks, adapt technological changes and innovate with an ultimate goal to create value for all stakeholders including shareholders, customers, suppliers, creditors and society at large.

The Institute has always been mindful of the fact that by creating an independent statutory body, society has reposed a trust in the accountancy profession. To come up to the expectations of the society, the Institute works in multiple dimensions; instilling professional excellence, building ethical culture, ensuring accountability of members, engaging stakeholders, working with the regulators and advocating the profession.

For achieving professional excellence, one of the key projects currently in progress is the development of New Education Scheme 2021. Its aim is to ensure that our members have relevant skillset to continue to lead finance and business professionals and have global recognition. (Page No. 37, Performance)

To provide technical support to its members, the Institute continues to work on areas that strengthen conventional learning areas of our members by providing timely guidance, awareness and training in key areas, such as first year review of new statutory auditor's report formats in Pakistan, adoption of IESBA's Restructured Code of

Ethics for Professional Accountants, conducting seminars, workshops and publishing Industry Specific Guidelines.

The Institute offered a number of Directors Training Programs and Orientations which trained directors and senior management of corporate entities in the area of corporate governance.

ICAP recognises that ethical culture and accountability are the key pillars of building trust which is why it takes steps to spread awareness about ethics through different platforms. One such effort is the Ethics Dilemma App that aims to assist members in managing ethical dilemmas that arise while making important business and professional decisions. The Institute has put in place a fair and effective quality assurance and investigation process to protect public interest, increase public trust in the profession and to maintain proper standard of professional conduct of its members (Page No. 40, Performance).

The Institute believes in collaboration and collective strength that helps conducive environment for sustainable growth of the profession, business and economy. The Institute is able to collaborate and engage effectively with its key stakeholders, including members, government, other regulators, professional bodies, universities, training organizations, education delivery partners and students. (Page No. 34, Stakeholders and Value Creation).

### Our Community

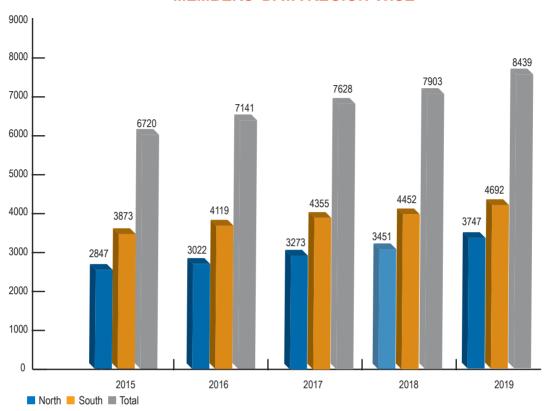
Membership statistics highlights during 2018-19: Our membership is growing at a gradual pace. Membership of the Institute as on June 30, 2019 was 8439 (7903 on June 30, 2018) out of which 1801 (1785 in June 30, 2018) members were overseas which accounts for 21 percent of the total membership. The net increase in membership is 6.78 percent as compared to last year.

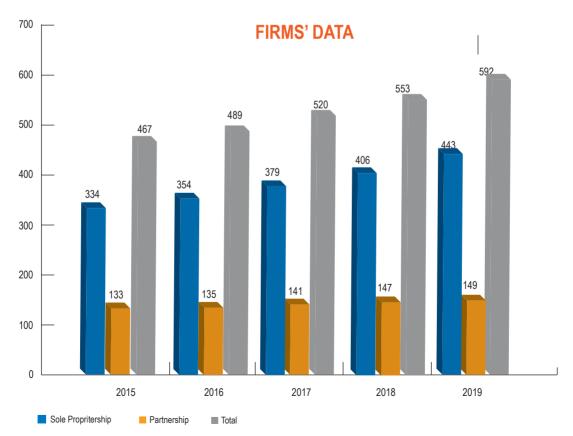
Out of the total membership, 71 percent are employed in commerce and industry, financial institutions, government departments, education, and 29 percent are in public practice or employed in public practice.

The membership comprises of 3340 Fellow members and 5099 Associate members.

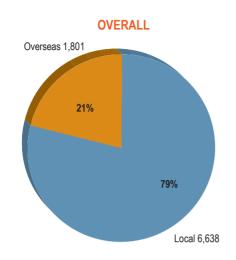
WHO WE ARE ANNUAL REPORT 2019

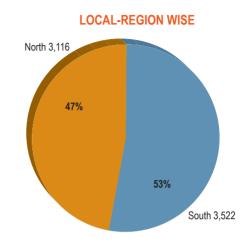
### **MEMBERS' DATA REGION-WISE**



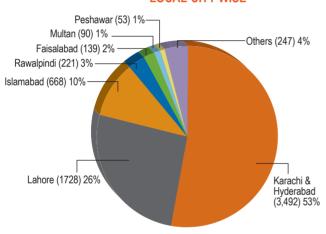


### **MEMBERS' DATA**

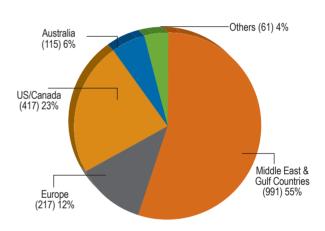




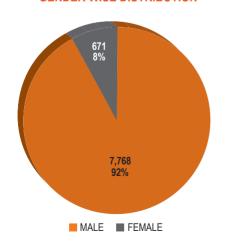
**LOCAL-CITY WISE** 



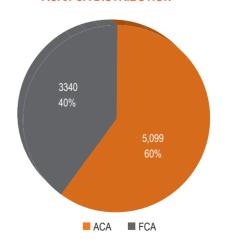
**OVERSEAS MEMBERS** 



**GENDER WISE DISTRIBUTION** 



**ACA/FCA DISTRIBUTION** 



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### **Job Sector Information of Members**

	June 30, 2019		
	Associates	Fellows	Total
Pakistan			
Public Practice	229	665	894
Employed in Practice	1106	90	1196
Automotive	48	15	63
Cement / Ceramics / Glass	38	26	64
Chemicals/ Paints	27	20	47
Commerce and Industry	218	104	322
Construction and Real Estate	63	23	86
Consumer Goods	85	19	104
Education	70	56	126
Electronics and Electrical Goods	21	8	29
Engineering	50	35	85
Fertilizer / Agriculture	45	33	78
Financial Institutions / Banks	307	183	490
Financial / Management Consulting	76	41	117
Food / Beverages / Tourism	97	32	129
Government	45	27	72
Healthcare and Pharmaceutical	120	62	182
Information & Communication Technology	119	59	178
NGOs / Social Services	36	13	49
Oil and Gas	112	102	214
Power Generation and Distribution	94	49	143
Shipping and Marine	18	7	25
Sugar and Allied	20	16	36
Textile / Fashion and Apparels	157	72	229
Transport / Logistics / Courier Services	46	21	67
Print and Digital Media / Event Management	34	26	60
Miscellaneous	830	425	1255
Senior Members (Retired)	13	285	298
Sub Total	4124	2514	6638
Outside Pakistan			
Public Practice	2	20	22
Employed in Practice	253	81	334
Other than Public Practice	718	660	1378
Senior Members	2	65	67
Sub Total	975	826	1801
Total	5099	3340	8439

### We remember

The Institute shares the loss and deeply empathises with the pain of the families of our members who passed away during the year:

### Name

Abdur Rahman Mir	(R-No. 0361)
Agha Jamshed	(R-No. 1285)
Asrar-Ul-Majeed Khan	(R-No. 0447)
Awais Saqib	(R-No. 7068)
Bilal Ahmed Khan	(R-No. 4771)
Carlyle Fredrick Miranda	(R-No. 2667)
Ehsan-Ur-Rehman Shaikh	(R-No. 0905)
Fakhar Majid	(R-No. 0180)
Fazal Husain Saifee	(R-No. 0653)
Inayat Ullah Sandhu	(R-No. 0176)
Khalid Anwer	(R-No. 0501)
Khalid Qadeer Qureshi	(R-No. 0742);
Khalil-Ur-Rahman	(R-No. 1258)
M. Afzal Munif	(R-No. 0096)
Maad	(R-No. 10181)
Masood Akhtar Mufti	(R-No. 0164)
Mohammad Sadiq Qureshi	(R-No. 0856)
Najmul Islam Chaudhri	(R-No. 0563)
Salman Mujtaba	(R-No. 9558)

# We Want to Be

### VISION

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

### **MISSION**

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

### CORE VALUES

### Integrity and Independence

Integrity, independence and adherence to ethical standards are the hallmark of the Institute's culture. These values are promoted at all levels, be it the employees, the members, students, the Council and any other stakeholder.

### **Professional Excellence**

At the Institute we truly believe in the adage 'Excellence is doing ordinary things extraordinarily well'. We aspire for professional excellence in all spheres of the Institute's activities, be it education & training, examinations, members' development, standards' setting & adoption, quality control mechanism or the process of investigation.

### **Transparency**

The Institute is open about all its activities, practices and policies as transparency is the key to good governance and is essential for building trust among the stakeholders and in enhancing the organisation's effectiveness.

### **Innovation**

ICAP recognises that sustained development can only be ensured if we adapt with the change including technological developments. ICAP always takes initiatives to respond to changing dynamics of the profession, keeping it relevant for sustainable growth.

### **Equity and Fairness**

There is unanimity of view at the Institute that merit and merit alone would remain the criteria for decision making at all levels and spheres. In ICAP, every stakeholder's views are heard and respected and there is zero tolerance for disrespect, harassment and injustice.

### **Team Culture**

At the Institute, we believe in working together to create synergy and succeed. Close collaboration between all the stakeholders is an important part of ICAP's culture.

### Accountability

The Institute considers itself accountable and ensures ethical responsibility in its dealings with all its stakeholders. Furthermore, the Institute safeguards public interest.

### Strategic Focus 2017-21

What distinguishes our era from the previous ones is the extraordinary pace of change. Modern technology is becoming disruptive, but this disruption supports creativity for those who are willing to adapt. Keeping this in view and looking at the challenges the profession is likely to face and in line with the focus of International Federation of Accountants (IFAC), the Institute embarks upon a strategic theme Future Ready that capitalises the opportunities offered by the era of change.

The Institute has devised its medium term strategy identifying key performance areas that create value for stakeholders. The strategic focus is articulated as:

"A premier accountancy body recognised internationally regulating the accountancy profession in Pakistan, producing quality professionals with world class competencies and creating value for its members, profession, business and society."

### Strategic Planning 2017-21

Strategic goals and priorities focus on the following performance areas stem out from our mission:

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

For each performance area, key stakeholders are identified and considered for service delivery. Key priorities within each performance area include:

### **Qualification and Professional Development**

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

### **Member Support and Regulation**

■ Take steps to persuade and encourage practicing members for voluntary practice review and introduce practice review program for quality review of firms and audit engagements in compliance with the requirements of IFAC.

- Make Quality Control Review (QCR) program more transparent, effective and efficient; ensuring and demonstrating higher quality of audits performed by practicing members to enhance public trust.
- Play active role in creating opportunities and capacity building for members in practice by assisting them in acquiring technology to modernise their core business processes.
- Support expeditious completion of the Investigation proceedings by Investigation Committee.
- Continue effective compliance with IFAC Statement of Membership Obligations (SMO) by adopting and implementing International Standards on Auditing (ISAs), accounting (IFRSs), education (IESs), ethics (IESBA Code of Ethics for Professional Accountants) and fulfilling the requirements of quality assurance, investigation and discipline.
- Expedite setting up of Independent Board of Discipline as envisaged in the proposed CA Ordinance.

### **Governance and Management**

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

### **Promotion and Advocacy**

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



## Future Ready ICAP

The history has seen revolutionary changes in the past, particularly during the three industrial revolutions, that impacted the way organisations operationally function and deliver or create value for themselves and their stakeholders. The fourth industrial revolution is marked with exceptional improvement in efficiency in our lives at homes and at workplaces due to technological development. Interestingly, technology is the biggest disruption for conventional businesses and professional skill set and at the same time is the only true future-proofing for those who embrace and adapt it.

Having said that, we cannot ignore another dimension of future – the trust gap that is building up on some unfortunate and unexpected incidents of big corporate and professional scandals and failures.

With this background, being Future Ready in the context of profession and the Institute means:

- Enhanced public trust,
- Highly qualified, adaptive and agile membership committed to the highest standards of professionalism along with robust and well-trained student base acclimatised to the employers' changing expectations,
- Advocacy of the Institute as a strategic think-tank for the nation, and
- Greater international mobility.

To ensure that all this is delivered seamlessly, we need an equally vigilant governance mechanism and supportive operational structure for the Institute.

### Enhancing trust in the Institute as the premier regulatory body

One of the most significant changes the audit profession witnessed during the last two decades was the replacement of audit profession's self-regulatory model with an independent oversight system, and Pakistan is no exception to this trend. Our response to this trend was to play due role in formation of Audit Oversight Board (AOB). The Framework of Quality Assurance Board has recently been improved.

The Council has adopted the revised Code of Ethics issued by International Federation of Accountants (IFAC), which aims to address the expectations from Chartered Accountants. Realising the importance of Ethics, the PAIB Committee aptly launched Ethics Dilemma App which aims to assist Members in managing ethical dilemmas at workplace.

The President of Pakistan, Dr. Arif Alvi, in a meeting with me, vice presidents Iftikhar Taj and M. Sharif Tabani and Council members Riaz A. Rehman Chamdia and Siraj Ahmad, commended the role of ICAP in establishing and regulating the profession in the country.



Interestingly, technology is the biggest disruption for conventional businesses and professional skill sets and at the same time is the only true future-proofing for those who embrace and adopt it.



### Supporting the professional development of Members

The modern business environment poses various challenges for us and we have to ensure that our members are equipped with the right mindset and tools to adapt to the changing environment. Regional Committees of the Institute conducted seminars, workshops and sessions covering various relevant topics, many of which were also made available for online participants. Technical committees issued timely guidance to keep members abreast of latest technical issues. The Pakistan Accountant, a leading publication in business sector, enriched its readers with diversified issues. Digital Assurance and Accounting Board (DAAB) has become operational. It would be a vital link in creating a future ready profession by engaging with relevant ICAP committees, standard-setters, governments, regulators, industry and other accounting bodies externally.

### Preparing the future leaders - students development

Another Future Ready initiative is development of New Education Scheme 2021 aiming to ensure that our professionals are ready with relevant skillset in the context of evolving expectations of employers and are globally recognised at par with other international bodies.

This year we placed special focus on engagement with our Training Organisations. Our teams visited a number of Training Organisations to obtain firsthand feedback from our training partners regarding their experience and expectations with Institute's trainees.

The Institute continued to attract high achievers through Edhi CA Talent Program and Endowment Fund.

PRESIDENT'S REVIEW ANNUAL REPORT 2019

### Engaging members on contemporary issues

The Professional Accountants in Business (PAIB) Committee completed 10 years of the Institute's flagship annual CFO Conferences, held in Karachi and Islamabad. National Finance Olympiad, a competition for young talent was held in Pakistan and United Arab Emirates. CA Women's Committee is playing a significant role for achieving objective of gender parity. It also held various events to mobilise CA women including Annual CA Women's Day in Karachi, Lahore and Islamabad.

Since fiscal laws are a contemporary area of interest, ICAP's Fiscal Law Committee held Post-Budget National Conference simultaneously in Karachi, Lahore and Islamabad. ICAP also engaged all five revenue boards, the World Bank and the business community and played a leadership role in effectively presenting its budget proposals and removing anomalies in the budget through FBR's Anomaly Committee.

### Supporting international mobility

Overseas Coordination Committee of the Institute and the President had regular interaction with Overseas Chapters. Moreover, ICAP representatives had meetings with the heads and chief executives of Chartered Accountants Australia & New Zealand (CA ANZ), Institute of Chartered Accountants in England and Wales (ICAEW), Chartered Professional Accountants (CPA) Canada and secretary general of Saudi Organisation for Certified Public Accountants (SOCPA) to explore areas of mutual interest.

### Advocacy as accountancy leader - enhancing the perception

The Institute remained committed to serving the national interest by advocating the objectives of Securities and Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP) and Audit Oversight Board (AOB).

I and vice president Iftikhar Taj had a meeting with Javaid Jehangir, Auditor General of Pakistan (AGP). It was agreed that in the face of current and future challenges, it is imperative to renew the nature of collaboration and identify further potential areas of mutual interests. Auditor General of Pakistan expressed keen interest in collaboration with ICAP to provide training to fresh officers from AGP.

We made conscious efforts to interact with IFAC and other international and regional organisations, Government machinery, World Bank, regulators such as SECP and FBR through regular invitations to ICAP events, coordination committees, joint projects and one-on-one meetings.

### Strengthening the inner core – governance of the Institute

Retaining and attracting the best professional talent for the Institute is essential. Trainings, interaction with office bearers, social and festive gatherings, etc. are regular activities to enhance employee engagement.

ICAP takes pride in being the frontrunner for fostering an innovative and enabling culture that facilitates gender diversity, women empowerment and effective participation from people with special needs. On operational front, to improve user experience, IT department has revamped the Institute's website making it more comprehensive and user-friendly.

### Our members

The Institute held ceremonies in Karachi and Lahore to pay our tribute to the esteemed Golden Jubilee members. Likewise, to welcome new members into the folds of ICAP fraternity, members' induction ceremonies were held in Karachi, Islamabad and Lahore.

ICAP believes in standing by its members in their difficult times. Benevolent Fund of the Institute provided financial assistance and grants to financially distressed members as well as families of the deceased members to enable them to have a respectable living, support education of their dependent children, and to meet their medical needs. The Institute also revised Directive 3.04 relating to concession of annual membership fee to enhance its scope. Moreover, the retired members who were paying concessional fee were converted to life members without payment of any further fee.

The Institute has witnessed some significant initiatives and achievements the past year and will continue to progress at a steady pace in future.

Jafar Husain, FCA

# Year at a lance

# Education and examination

- Wide-ranged and diversified approach adopted for revision of the Education Scheme.
- The Scheme was announced after completing due process of internal deliberation. Implementation of the scheme is subject to amendment in byelaws with approval from the Federal Government and issuance of various directives.
- Over 11000 examination scripts were marked through e-marking software.
- Subject specialist of two groups of competencies were appointed.



- 116 seminars, workshops and sessions covering 514 CPD hours were offered through Regional Committees and overseas chapters.
- 195 professionals and business leaders were certified under 12 Directors Training Programs offered in 5 cities.
- Written responses were issued on 12 queries and through Helpline 155 queries have been responded.
- 31 technical articles were published in the Pakistan Accountant.
- Digital Assurance and Accounting Board and Practicing Members Committee were formed to address specific needs of professional development in the areas of technology and practice.
- National Finance Olympiad, a professional development initiative, was held in December 2018.
- Members' grooming sessions held.
- 34 mentors provided personalised guidance to members and affiliates under ICAP Mentorship Program.



- Institute's reach-out efforts resulted in increasing trend in quality of intake of fresh students.
- 570 meritorious students from less privileged segment of the society were provided financial support of Rs.6.78 million.
- 170 students among the top twenty position holders of all higher secondary boards were provided merit scholarship under Edhi-CA Talent Program.



- Financial assistance of Rs. 23.15 million was extended to thirty-one families including 6 living members.
- 308 participants joined the Group Term Life Insurance Scheme available through the Fund.
- Net enrollment in the Group Health Care Scheme at the close of financial year was recorded at 1691 participants. Claims of Rs. 23.68 million were settled by the insurers.



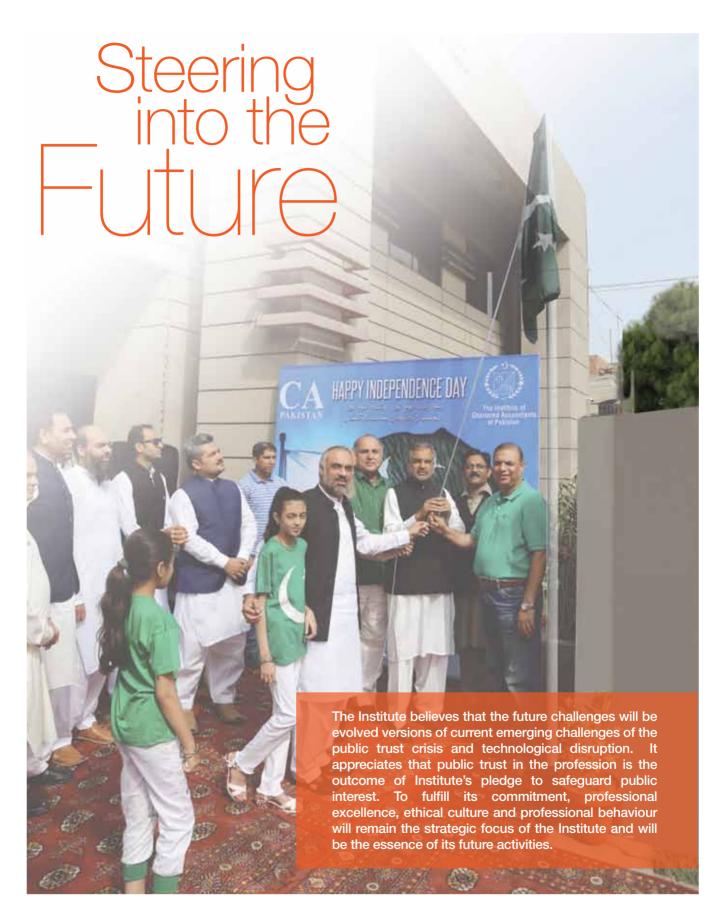
- Improvements were made in the QCR Program. Major changes were (a) increased independence of Quality Assurance Board and (b) reduced cycle of QCR review.
- Review of 22 firms was concluded for quality control assurance.



- The Investigation Committee finalised its conclusions on 48 cases; 39 cases were dropped by the Committee and 9 cases were referred to the Council for decision.
- The Council concluded 24 cases, out of which 11 cases were closed whereas disciplinary action was taken in 13 cases.



- The Institute enhanced its working relationship with Securities and Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP) and Audit Oversight Board (AOB).
- IFRS 14 Regulatory Deferral Account Balances and IFRS 17 Insurance Contracts were recommended to the SECP for adoption.
- Report on 'Digital Financial Reporting in Pakistan' was submitted to the SECP.
- The Institute actively interacted with Financial Monitoring Unit and Financial Action Task Force Mutual Evaluation team. Going forward, the Institute will continue its coordination and efforts to ensure effective implementation of national action plan of Pakistan to improve anti-money laundering and combating the financing of terrorism regime.
- ICAP issued Anti-Money Laundering and Counter Financing of Terrorism A Guide for Accountants in October 2018.
- Accounting Standards Board gave a presentation at the AGP Policy Board on gaps between current accounting practices in public sector and accrual accounting.
- The Institute has joined the Initiative on Promoting Accounting Standards Cooperation among Participating Countries of the Belt and Road Initiative: on invitation of the Ministry of Finance of the People's Republic of China.
- Key Events: CFO Conference, International Women's Day celebrations, Post-Budget National Conference, Members' Convocation Ceremonies, Open House sessions with students and trainees, Conference on TechKnowledgee - Exploring Future, National Tax Conference and International Tax Conference.
- Visits and meetings: Meetings with Secretary General of Saudi Organisation of Certified Public Accountants (SOCPA), Chairman Higher Education Commission, SECP, Chairman AOB, overseas members.
- Representations on forums: The Institute actively participated in international and local forums: IFAC, PAIB, CAPA, CAW, SAFA, AOSSG, AAOIFI, FBR's Anomaly Committee, working group of Ministry of Finance on AML/CFT policy framework.
- Communication: The Pakistan Accountant, Newsletter, Council's Highlights, President's Communication, Audit Bulletin and Budget proposals.
- Overseas Chapter of ICAP Members Australia was established.



# How We Create Value

The Institute draws on financial, manufactured, intellectual, human, social and relationship capitals as value drivers and, through its operational activities, converts them into services and products that create impact on:

- Institute's unique leadership position in accounting profession;
- Betterment of business environment of the country;
- Human resource development;
- Financial stability of the Institute;
- Satisfaction of its members;
- Satisfaction of employers and clients served by its members; and
- Quality and quantum of its intellectual resources.

Institute's purpose, articulated in its vision and mission statements, remains the core focus of its activities keeping in sight the external environment including economic, technological and regulatory challenges. (Page No. 32, External Environment)

The governance structure of the Institute supports, ensures and navigates the Institute to create value over time.

It may be noted that the natural capital is not significant enough in the operations of the Institute to be included in this report. However, impact of natural capital is part of Other Information contained in the Annual Report. (Page No. 60, Sustainability)

### Value \_ Drivers

### Financial

- Membership fees
- Students registration and examinations fees
- o Directors training program fees
- Conferences and other events registration fees
- o Return on investments
- Financial reserves

#### Manufactured

- o Own and rented offices
- Members' lounges
- Members and students libraries
- Event and examination halls
- IT systems and connectivity through internet

### Intellectual

- Public practice licensing authority
- Mandate to award Quality Assurance rating to practicing members
- Professional development and support contents
- Study support material
- Licensed and developed software
- Member input and expertise
- Thought leadership

### Human

- Council members
- Secretary and Head of Departments
- Managerial staff

### Social and relationship

- o Members relationship
- Students relationship
- Education providers relationship
- Training Organization relationship
- Certified directors relationship
- Suppliers relationships
- Regulators relationships
- Government relationship

Vision and Mission Governance

Risk and opportunities

### Strategic Focus - Future Ready ICAP

### Operational Activities

### **Qualification and Professional Development**

- Provide study support to students
- Conduct examinations of and award membership to successful students.
- Provide technical guidance through CPD events, technical opinions and releases,

### Member Support and Regulation

- O Admit, renew and restore membership
- o Grant and renewal of certificate of practice
- Quality review of practicing members
- Adopt internationally accepted standards relevant to accounting profession for members' practice and compliance
- o Investigate professional misconduct of members

### **Governance and Management**

- o Hold elections of the Council as per prescribed process.
- Develop infrastructure and resources to run the operations of the Institute
- Develop employees through training and on the job supervision

### **Promotion and Advocacy**

Input

- Connect with prospective students
- Engage with members and students
- Engage with business leaders and regulators
- Provide thought leadership and speak out in public interest
- Participate and connect with regional and international forums
- Provide social media for connectivity
- · Provide networking forums

### Output

- Infrastructured and other facilities well maintained
- Increased revenue from growing number of members, students and others
- Improved members' guides and tools, improved software, updated study support material
- Increased number of trained staff
- Effective directives and policies to respond to changing environment
- Improved relationships with stakeholders

### Outcome

#### Financial

 Enhanced financial stability to operate and capacity to transform into other capitals

### Manufactured

 Enhanced quality of services to members, students and other stakeholders who use the Institute's manufactured capital

### Intellectual

Expanded quantity and quality of pool of intellectual capital

#### Human

 Enhanced capacity to take decision, face challenges, solve problems and serve stakeholders

### Social and relationship

 Valuable feedback, learning and brand registration to pursue vision and mission

Performance Outlook

### Value Created

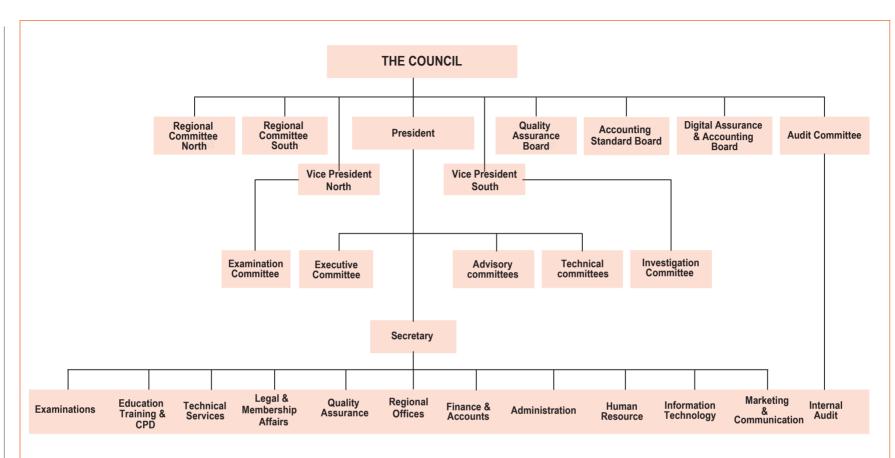
### For the Institute

- o Trusted as benchmark of professional excellence and supporter of public interest
- Representation on global forums
- Improved positioning as partner of government in economic growth
- Improved global recognition for CA qualification
- Strong financial position

### For Others

- o Continued acceptability and demand of members in employers market
- Members services sought and recognized by government and regulators
- Enhanced quality and quantum of study support for students
- Commercial benefits to education and training providers.
- Continued supply of accounting experts to businesses

# Value Creation Mode



### Council

Council is the governing body of the Institute. It comprises of nineteen members elected for four years' period; fifteen are ICAP members and four are nominated by the federal government. (Page No. 8, Governance Statement)

### Office Bearers

President and the two vice presidents constitute office bearers who oversee the implementation of the directions of the Council and its standing committees. (Page No. 8, Governance Statement)

### Secretary

The secretary is the administrative head of the Institute and provides leadership to the executive team. He is responsible for managing the operations of the Institute. (Page No. 8, Governance Statement)

ANNUAL REPORT 2019 GOVERNANCE

### The Council



Front Row (L to R): Syed Najmul Hussain, Khalid Rahman, Iftikhar Taj, Jafar Husain, M. Sharif Tabani, Hina Usmani and Abdul Husain A. Basrai. Back Row (L to R): Rana Muhammad Usman Khan, Siraj Ahmad, Muhammad Ali Latif, Saifullah, Farrukh Rehman, Sami Ullah Musa, Muhammad Awais, Ashfaq Yousuf Tola, Riaz A. Rehman Chamdia and Khalilullah Shaikh.

### **President**

Jafar Husain, FCA

### **Vice Presidents**

Iftikhar Taj, FCA M. Sharif Tabani, FCA

### **Members**

### **Elected Members**

Ashfaq Yousuf Tola, FCA
Farrukh Rehman, FCA
Hina Usmani, FCA
Khalid Rahman, FCA
Khalilullah Shaikh, FCA
Muhammad Ali Latif, FCA
Muhammad Awais, FCA
Rana Muhammad Usman Khan, FCA
Riaz A. Rehman Chamdia, FCA
Saifullah, FCA
Sami Ullah Musa, FCA
Syed Najmul Hussain, FCA

### **Government Nominees**

Aamir Khan Chairman Securities & Exchange Commission of Pakistan (SECP)

Abdul Husain A. Basrai, FCA Siraj Ahmad, FCA

Syed Mohammad Shabbar Zaidi, FCA Chairman Federal Board of Revenue (FBR) GOVERNANCE ANNUAL REPORT 2019

### Secretary and Head of Departments



Front Row (L to R): Shahma Zahid, Omair Jamal, Syed Masood Akhtar, Farzana Munaf and Tahera Arshad.

Back Row (L to R): Sohail Akram, Arsalan Rabbani, Irfan Ghaziani, Irfan Azam, Lt. Col. (R) Usamah Waheed, Tl(M) and Amir Munsif Khan.

### Secretary

Syed Masood Akhtar, FCA

Executive Director Legal & Membership Affairs Farzana Munaf, FCA

Senior Director Education & Training

Omair Jamal, FCA

Senior Director Quality Assurance

Shahid Hussain, FCA

Director Examinations

Irfan Ghaziani, FCA

Director Technical Services Sohail Akram, FCA

Chief Financial Officer

Tahera Arshad, FCA

Head of Internal Audit

Irfan Azam, FCA

Head of Marketing & Communication

Arsalan Rabbani

Head of IT

Amir Munsif Khan

Head of HR

Shahma Zahid

Head of Administration

Lt. Col. (R) Usamah Waheed, TI(M)

## How Governance Contributes in Value Creation

The Institute's foundation is set on a strong governance structure to achieve its vision. It is a balanced combination of adequate direction and supportive approach of the Council that provides flexibility to work in sync with senior management of the Institute and proactively respond to the dynamic external environment. Council members create value using their intellectual leadership, influences on different segments, exposure and financial acumen.

Intellectual leadership

It is the thought leadership of the qualified and experienced Council members and senior management that brings insightful ideas on board to turn them into reality.

### Influence

The Institute capitalises on relationship of its Council members and senior management with the government, regulators and industry to (a) understand the evolving

environment and emerging needs of all market segments (b) advocate and promote the Institute's vision, and (c) enhance public trust in the profession. Members of the Council offer their services for national causes, particularly, economic development of the country.

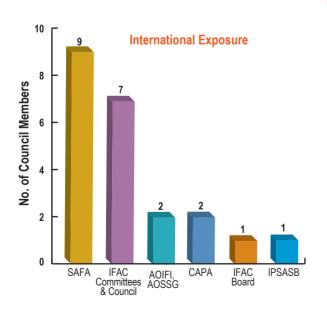
### **Exposure**

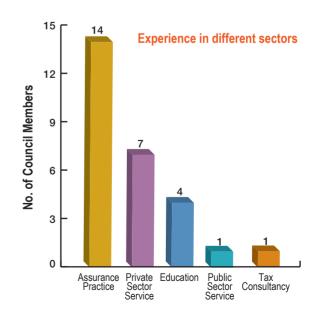
Council members and senior management of the Institute gain valuable exposure by interacting with international counterparts, experts and professionals whenever they represent the Institute on global forums, such as, on IFAC, CAPA, SAFA, etc. This exposure enables the Institute to understand international trends and the manner in which other institutes respond or view them.

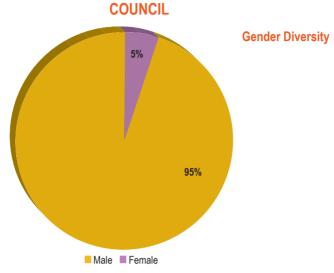
### Financial acumen

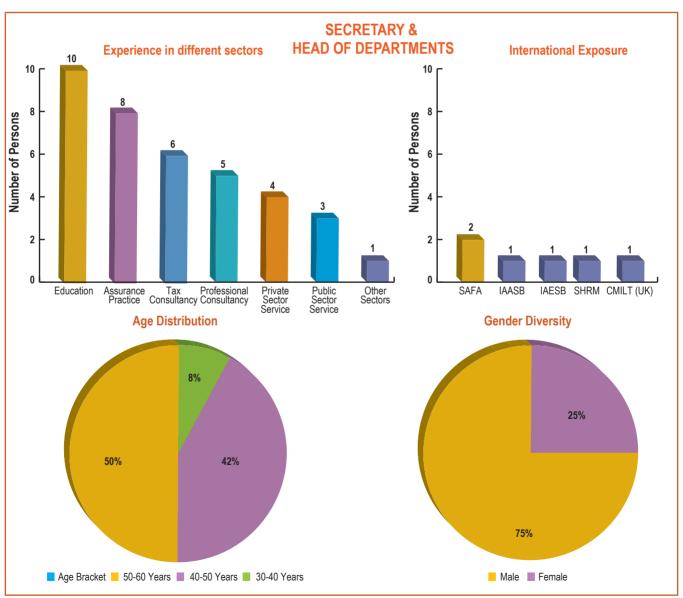
The Council understands the existing and projected quality and quantum of Institute's resources which assists them in allocating resources in line with the strategic priorities.

### COUNCIL









# External Environment in which we Operate

Strategic Focus - Future Ready ICAP is a proactive response of challenges emerging as a result of public expectations from the profession, particularly, in terms of ethical and professional conduct and technological disruption.

### **External Key Trends**

### Institute's alignment to sustain and grow

### Growing demand for improved credibility of audit profession

Users of financial statements now recognise the effectiveness of audit quality assurance by member body along with independent oversight, preferably under the mandate of corporate regulator.

Audit Oversight Board was established by SECP and is fully supported by the Institute.

Quality Assurance Board of the Institute has a strong working relationship with AOB.

### **Technology**

Technology such as artificial intelligence and machine learning, cloud computing, robotic process automation, big data, internet of things etc. are increasingly becoming an integral part of business processes. This is consequently enhancing the significance of innovation in operations and products, cyber security and human resource development.

Technology was one of the focus areas when revising the education scheme.

Institute's operations are also gearing up for optimum use of technology, such as, e-marking, online registration, mobile applications, etc.

Digital Assurance and Accounting Board is another step towards dedicated focus of the Institute on technology.

### **Economic challenges**

Pakistan is facing a crisis like economic situation, mainly due to slowdown in the growth of the agriculture sector, contraction in large scale manufacturing, higher energy prices due to sharp exchange rate depreciation, unfavorable balance of trade and payment and reduced revenue collection against the targets. The midterm outlook is marked with inflation, unemployment, reduced private consumption, reduced development spending and further depreciation of exchange rate. However, efforts of government to work on fundamentals are expected to change the situation in the long run.

Economic crisis at home triggers increased global mobility of members. International recognition and arrangement with foreign universities for top up degrees help the members to gain better position in international market

As an important part of national think tank the Institute contributes by working with the government to combat the challenges, particularly advocating reforms in national tax regime and corporate regulatory frameworks.

### **External Key Trends**

### **Public sector**

There is an increased desire in public sector for financial discipline and efficiency in Pakistan. The first step to fulfil such desire is high quality and reliable financial information and analysis. Trend of public sector governance through limited companies has increased in Pakistan, consequently creating demand for accountants and financial managers to attain public sector-specific skill set.

### Institute's alignment to sustain and grow

The Institute holds technical conferences on public financial management in collaboration with Government to assess the specific needs of public sector.

There is a close interaction with public sector and government organisations to gear up institutional support at appropriate time.

The Accounting Standards Board of the Institute has been actively advocating accrual accounting for the public sector through close interaction with the Auditor General of Pakistan.

### **Documentation of economy**

In line with the international trend, Pakistan has also placed its focus on documented economy. Even for small and medium sized enterprises, doing business with informal records would not be easy in near future. This would create high demand for services of different tiers of professional accountants.

The Institute, in addition to its prime qualification CA Pakistan, introduced mid-tier certifications within the qualification framework including Professional Accounting Affiliate.

### **Global mobility**

Significant number of members, particularly new entrants, find an array of attractive opportunities in the global market.

Content and structure of CA qualification is compatible with international standards and requirements

International recognition and arrangement with other global institutes and foreign universities help the members to gain better position in international market.

### **Career decision**

Students make their career decisions after getting higher secondary school certificate. The number of students appearing in higher secondary exams offered by local boards and Cambridge Assessment International Education are increasing.

The Institute, with the support of Registered Accounting Education Tutors and Universities, provide opportunity to students after completing their HSC to pursue professional examinations of the Institute.

Certificate in Accounting and Finance (CAF) is offered in all major cities of Pakistan that bridges the knowledge gap of such group of students.

### **Private sector**

The changing realities in business world are demanding new approach and orientation for doing business. Entrepreneurs and business executives have either re-aligned or are in the process of re-aligning their approach of doing business. The main drivers of such re-alignment are technology and increased impact of macro environmental factors on businesses.

Education Scheme 2021 has given special emphasis on skill set that relates to business strategy and management.

### Global demand for adoption of international standards

Increased importance of international standard setting and adoption to serve multi-capital and multi-national interest requires professional bodies to support the vision of IFAC.

Accounting Standards Board was established to have improved institutional focus and to strengthen the quality of financial accounting and reporting in Pakistan.

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# Matters that affect Value Creation

The Institute reasonably ensures disclosure of all the information about matters which are material in terms of their ability to affect value creation over short, medium and long term, including both positive and negative aspects. These matters may have direct implication for the Institute or may affect the capital owned by others.

In the process of applying judgment in determining information to be disclosed, the Institute considers different perspectives, both internal and external, and is assisted by feedback from key stakeholders.

## Risks and opportunities

Negative and positive impacts on the ability of the Institute to create value over time are classified as risks and opportunities, respectively. The management team, based on their own analysis of external and internal environments as well as feedback from the key

stakeholders, conducted brainstorming sessions:

- to identify relevant matters by considering their effect on the Institute's strategy, governance, performance and prospects
- to evaluate the importance of each matter by using likelihood and impact matrix
- to prioritise the matters based on their magnitude
- to determine as to what disclosure of information about the material matters meets the primary purpose of integrated reporting of the Institute

The Council and management jointly finalised the priority list of material matters. Against each matter that may have significant negative impact on the value creation ability of the Institute, we identified mitigating factors and opportunities to improve the capacity of the Institute to create value. The most significant matters are presented as follows:

Plans to implement comprehensive Business Continuity Plan

	Positioning and Brand	
Risk Failure to meet the public expectations from the Institute to ensure high quality services by members.	<ul> <li>Impact</li> <li>Loss of reputation.</li> <li>Reduction of ICAP's role as a regulator.</li> <li>Threat to public interest.</li> </ul>	Mitigation/ Opportunity  Continued human resource development and talent acquisition  Connected regularly with AOB and SECP to obtain their feedback and findings on audit services.  Improved QCR Framework  Finalised plans to establish the Department of Practice Review & Support Program  Initiated plans to bring improvements in practicing license regime  Plans to bring changes in legal framework to strengthen the regulatory mandate of the Institute
Members' professional negligence, misconduct and failure to provide services according to the needs of the businesses.	Erosion of public trust on members and CA qualification.     Unemployment or underemployment of members.	Qualification is awarded through valid and reliable examinations.     Timely technical updates and support.     Mandatory CPD for members.     Improvement in qualification keeping in view feedback from business community.     Effective QCR and investigation mechanism     Plans to bring top up certification to provide maximum learning opportunities.
Activities of unregulated and unchartered bodies.	Lack of public oversight on assurance and accounting services provided by unregulated and unchartered bodies.      Failure to safeguard public interest by highlighting the unregulated institution given unrecognised qualification	Continued engagement with Government and relevant regulators Legal recourse wherever appropriate Improved focus on professional excellence and ethical conduct of members to sustain the market position
	Operation and institutional capac	city
Risk	Impact	Mitigation/ Opportunity
Risk  Failure to hire, retain and develop appropriate human resources.	<ul> <li>Poor quality services.</li> <li>Reduced capacity to develop and improve intellectual capital.</li> </ul>	Mitigation/ Opportunity     Regular review of HR policies and HR innovations keeping in view market trends.     On the job and certified trainings on the basis of need analysis.     Work on Institutionalisation of knowledge capital developed in-house or through outsourcing.     Work on more effective and across-the-board succession planning.
Failure to hire, retain and develop appropriate human	Poor quality services.     Reduced capacity to develop and improve	<ul> <li>Regular review of HR policies and HR innovations keeping in view market trends.</li> <li>On the job and certified trainings on the basis of need analysis.</li> <li>Work on Institutionalisation of knowledge capital developed in-house or through outsourcing.</li> <li>Work on more effective and across-the-board</li> </ul>
Failure to hire, retain and develop appropriate human resources.  Breach of controls on examinations process including paper setting, conduct, security of scripts, marking and	Poor quality services. Reduced capacity to develop and improve intellectual capital.  Loss of reputation. Decline in public trust on ICAP's assessment	Regular review of HR policies and HR innovations keeping in view market trends. On the job and certified trainings on the basis of need analysis. Work on Institutionalisation of knowledge capital developed in-house or through outsourcing. Work on more effective and across-the-board succession planning.  Special criteria and vigilance over induction, training, performance and retaining of staff holding sensitive positions. Conducting all processes relating to examination papers within the controlled environment of Examination Department. Comprehensive policies on conflict of interest and their implementation.
Failure to hire, retain and develop appropriate human resources.  Breach of controls on examinations process including paper setting, conduct, security of scripts, marking and compilation of results.  Dissemination of incorrect technical pronouncement,	Poor quality services.     Reduced capacity to develop and improve intellectual capital.      Loss of reputation.     Decline in public trust on ICAP's assessment mechanism.      Loss of reputation.     Decline in public trust on ICAP's intellectual capital.	<ul> <li>Regular review of HR policies and HR innovations keeping in view market trends.</li> <li>On the job and certified trainings on the basis of need analysis.</li> <li>Work on Institutionalisation of knowledge capital developed in-house or through outsourcing.</li> <li>Work on more effective and across-the-board succession planning.</li> <li>Special criteria and vigilance over induction, training, performance and retaining of staff holding sensitive positions.</li> <li>Conducting all processes relating to examination papers within the controlled environment of Examination Department.</li> <li>Comprehensive policies on conflict of interest and their implementation.</li> <li>Frequent review of systems and procedures.</li> <li>Special criteria over induction, training, performance and retaining of staff holding technical positions.</li> <li>Extensive consultation at the Accounting Standards Board, Advisory Group, and technical committees consisting of experienced professionals.</li> <li>Regular interaction with IFAC and standard setting</li> </ul>

## Performance

The Institute reports its performance in line with key performance areas included in the Strategic Planning 2017-21 (Page No. 18):

## **Qualification and Professional Development**

## Value for students

Revision of education scheme: Education Scheme 2021 is an integral component of the Council's strategy to retain the status of CA Qualification as the top national accounting qualification as well as to compete with the best international accounting qualifications.

The following activities were carried out in the revision exercise:

- Literature review International Education Standards (IFAC–2017), Developing a future ready profession (IFAC -May 2017), A vision for the finance professional and the finance function (IFAC May 2018) and technical papers published by other renowned organizations.
- Surveys Finance Functions and PAIBs in 2025 (PAIB Committee ICAP - November 2016), CA Qualification – 2021 (September 2018).
- Data analysis Analysis of success factors and performance of students coming from various streams.
- Deliberation with stakeholders Brainstorming Session (May 2018), Focus Group Session with SMP Committee (November 2018), Focus Group Session with Training Organisations and Registered Accounting Education Tutors (November and December 2018), Brainstorming session with a group of industry professionals.

After due deliberations, the structure of Education Scheme 2021 was approved by the Council in its 316th meeting held on July 25-26, 2019 and shared with members, students and general public.

## Launch of Multi Subject Assessment (MSA) Workbooks:

The Institute launched the workbooks for preparation of two MSA level examinations as follows:

- MSA-1 Financial Reporting and Assurance Professional Competence
- MSA-2 Management Professional Competence

Revisions in Syllabus and Study Material: Major revisions were introduced in the syllabus of financial accounting subjects. Fresh edition of study material of 9 subjects were introduced.

Approval of New TOs and RAETs: To increase training and education delivery facilities eleven new Training Organisations in practice and three new Registered Accounting Education Tutors were approved.

Examinations held: This year over 57000 students appeared in various CA examinations (2017-18: 51000 students).

e-Marking: Institute has signed an agreement for e-marking with a UK based organisation to provide a platform for on-screen marking of answer scripts.

E-marking is being implemented in a phased manner with effect from Spring 2019 examinations.

Over 11000 examination scripts were marked through e-marking software.

Summer Examinations were held a week after the normal dates due to Eid Holidays. However, because of e-marking, Examination Department completed the marking process earlier than expected and resultantly results were announced as per scheduled date.

Open book examinations: Open book policy has been extended to the Advanced Taxation paper from Summer 2019, to help and encourage the students to focus more on conceptual understanding of the laws and regulations.

Appointment of subject specialists: In order to better supervise the entire examination process of each subject, starting from appointment of paper setter to declaration of result, subjects of CA program have been divided into broad groups. Subject specialists for each group are being appointed. Subject specialists of Accounting and Business Management groups have been appointed.

ANNUAL REPORT 2019 PERFORMANCE

Defining the testing level in the examination papers: To achieve transparency and wider testing of syllabus, testing levels are being introduced for each subject. Initially, it has been implemented on all accounting related subjects of CAF and CFAP with effect from September 2019 examinations.

Recognition: The Institute accomplished another milestone of internationalization of CA-Qualification with the arrangement of Top-up Degree of BSc International/Professional Accounting with the University of Northampton, UK which has agreed to offer it to our CAF qualified students.

Counselling of CAF Students for Selection of Training Organisations (TOs): ICAP held 9 sessions with CAF students; 5 in Lahore and 4 in Karachi in collaboration with RAETs wherein students were counselled about the significance of training and guidance on selection of TOs.

Training Induction Fairs: CAF qualified students and 51 TOs including 11 Training Organisations outside Practice (TOoP) participated in Trainees' Induction Fairs held at ICAP offices in Karachi, Lahore and Islamabad.

TOs Monitoring and engagement: Directorate visited 54 TOs, 31 in Islamabad, Lahore, Faisalabad, Peshawar and 23 in Karachi.

An Awareness Session for Students on Tax Day Celebrations: Punjab Revenue Authority (PRA) celebrated Tax day to create awareness in businesses, students and masses. The Institute also organised an exclusive session for students and professionals in collaboration with PRA in Lahore which was attended by more than 180 students and members.

## Value for members and other professionals

Revision of the CPD Directive 8.01: The Directive 8.01 – CPD is being revisited with the objectives (a) to align it with International Education Standards (IES), and (b) to step up the effectiveness of the Directive in the light of IES - 7 CPD and IES - 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements.

Participation in Committees: The Institute provided opportunities to its members to participate in various committees of the Council. Over 270 members acquired valuable learning and skill development experience while

working with peers coming from different background. This experience is an effective pathway for leadership positions in the careers of our members.

Directors' Training Programs: The programs are regularly offered in Karachi, Lahore, Islamabad, Faisalabad and Peshawar to assist professional development of members and other corporate directors for effective performance at the governance level.

The Pakistan Accountant: The Pakistan Accountant (TPA), the flagship quarterly magazine of ICAP, has been informing its stakeholders, since 1961, about leading developments in the accountancy profession and business and finance world. Besides TPA's traditional articles on auditing, accounting, taxation, economy, etc., interviews with ICAP past presidents, senior CAs and women CAs and top management from industry are also planned. Honorarium and advertisement rates for TPA were revised on the recommendation of the Publication Committee.

National Finance Olympiad 2018: Pakistan's first ever finance competition, NFO recognises worthy talented individuals and in the process, updates the knowledge and application of Accounting, Finance and Governance standards and refines their strategic thinking and presentation skills. Last year, 40 teams from industry, firms and educational institutes across Pakistan participated in the competition. Professionals Academy of Commerce (PAC) claimed victory while EY Ford Rhodes and The Lone Rangers (Dubai) became the first and second runner-ups, respectively.

Industry-Specific Guidelines: PAIB Committee developed and published industry-specific guidelines on pharmaceutical industry, exploration and production sector, textile industry and power sector of Pakistan.

Soft Skills Series: A workshop was held in March 2019 by a renowned international speaker, Danny Khursigara, executive coach, TEDx presenter and award winning author on 'Winning Through Change'.

Ethics Dilemma App: Ethics Dilemma App was launched at ICAP CFO Conference 2019. The app aims to assist members to seek support of peers and other members in managing ethical dilemmas while making important business and accounting decisions.

CPD events: During the year, 116 programs were conducted by the regional committees and the overseas

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chapters of ICAP members. All mega events also contributed in professional development of members.

Events of Regional Committees: Regional committees provided a variety of events and opportunities to members and students to learn, interact and have fun, such as members' grooming sessions, family get together, international students conferences, students' connects and annual dinners. These committees also maintained the libraries for members and students in all cities where ICAP has its offices. The reports of Regional Committees, as included in this Annual Report, provide more details on their performance during the year.

Mentoring sessions: Regular sessions were held in major cities with women trainees for addressing their day-to-day issues as well as to provide adequate guidance for their professional growth. Similar networking sessions were held with fresh qualified women.

CA Toastmasters Clubs: Members are encouraged and facilitated to form Toastmasters Clubs. Currently, four clubs are working in Lahore, Islamabad, Faisalabad and Karachi. These Clubs provide learning experience through which members develop communication and leadership skills leading to increased self-confidence, professional and personal growth.

Recognition: The University of Northampton, UK offered a Top-up Degree of MSc Accounting and Finance to members of the Institute. Now our Members can pursue MSc. Accounting & Finance Top-up by doing a Dissertation & Research Methods on-line.

## Performance Indicators

Qualification and Professional Development

- Over 270 members participated in different committees during the year.
- The salient features of Education Scheme 2021 are publicly available for information to all key stakeholders around one and half year in advance, before the planned effective date.
- Comments of the external stakeholders such as RAETs and External Reviewers reveal significant improvement in the quality of paper setting and wider testing of syllabus.
- Written feedback given to 54 TOs and response obtained thereon by the Institute.
- The draft of Revised Directive CPD 8.01 is ready for the deliberation of the Council three months before the proposed applicable date.
- 12 Directors' Training Programs were held certifying 58 members and 137 non-members during 2018-19 (2017-18: 49 members and 38 non-members certified).
- Enhanced learning and guidance opportunities made available to members, students and other professionals.
- Teams participating in NFO since 2015 claim that they went through an extraordinary learning experience that helped them refine their presentation skills and strategic thinking eventually gaining recognition in the corporate sector of Pakistan.
- Members gained insight about the latest professional issues.
- Over 30 members enrolled for MSc program of University of Northampton, UK.

## Members Support and Regulation

## Value for members

ICAP Mentorship Program: ICAP Mentorship Program, launched in February 2017, is working in full swing for ICAP members and affiliates. The program, initially launched for members only, opened doors for affiliates in February 2018. It also includes nine overseas mentors from Bahrain, Canada, KSA, UAE and UK, to facilitate overseas members and affiliates.

Guidance, support & updates: Taking cognisance of our practicing members' needs, members are kept abreast with the developments in audit and assurance. The following guidance and response were developed, adopted and issued:

- Joint Audit Guide.
- IFAC's Guide to Using ISAs in the Audits of Small and Medium Sized Entities.
- Quarterly Audit Bulletin.
- Response to technical queries.

Members' particulars update drive: The Institute values the association with its members. Accordingly, it initiated members' particulars update drive so that the members do not miss important emails and notifications from the Institute to ensure mutual connectivity.

Access to membership service desk: Membership department facilitates its members via one-window

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membership service desk in respect of issuance of letter of good standing, attestation of ACA/FCA certificates, visa and immigration letters, verification for employers and other third parties.

One Click Engagement Drive: The response of the drive has been very encouraging and more than 1500 members have updated their CPD hours using the one click email.

Individual Summary in email: To facilitate members, an individual summary was sent advising their current status shortfall, If any, and the total CPD hours required for being compliant.

Cold Calls to Members: Calls were made randomly to inquire if members were aware of the shortfall and how the Institute may help them.

CPD Survey: To understand the needs of the members and their expectations, a CPD Survey was launched in the second week of May 2019. The results of the Survey provided guidance about the changes needed in the Directive and reduced the expectation gap. The results will be used to improve the existing mechanism.

Benevolent Fund: During the year, the Fund extended financial assistance to members and their families and made available Group Term Life Insurance Scheme and Group Health Care Scheme to members. The detailed report of the Fund is included in this report.

## Serving the public interest

Quality Assurance: During the period under review, QCRs of 22 audit firms were concluded. This required a review of 69 statutory audit engagements at 33 locations spread over Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Sialkot.

Investigation cases: Investigation Committee, after deliberations and review of the merits of complaints, finalised its conclusions on 48 cases during the year. Out of which, 39 were dropped by the Committee and 9 were referred to the Council for decision. The Council disposed of 24 cases during the year, out of which 11 were closed whereas action was taken on 13 cases.

Annual Report of Investigation Committee: The Annual Report 2018 was shared with the members in February 2019. It provides an overview of the cases of professional misconduct, explains the process of investigation and discusses some of the key nature of irregularities which have been committed by the practicing members.

Implementation of Revised Auditor's Report in Pakistan: In pursuance of the revised auditor's reporting standard ISA 700 issued by the International Auditing and Assurance Standards Board (IAASB) in January 2015, the SECP issued the revised auditor's report via SRO 558 (I) 2018 dated April 26, 2018. The first year implementation experience of the revised auditor's report in Pakistan was analysied. The analysis includes the Key Audit Matters issued by the auditors of companies of 34 sectors listed on Pakistan Stock Exchange during the year 2018-19. Further, a sample of Key Audit Matters of 67 companies from 30 sectors issued by the auditors on different subjects in their audit reports were compiled by Auditing Standards & Ethics Committee as reference material for the benefit of stakeholders.

IFAC independent Board's Consultation: Feedback was sent on the following exposure drafts to IAASB and IESBA:

- 'ISA 315 (Revised), "Identifying and Assessing the Risks of Material Misstatement"
- ISQC 1 & ISQC 2 "Quality Management at the Firm and Engagement Level, including Engagement Quality Reviews"
- ISA 220 (Revised), "Quality Management for an Audit of Financial Statements"
- Proposed International Standard on Related Services 4400 (Revised), "Agreed-Upon Procedures Engagements"
- "Proposed Revisions to Part 4B of the Code"

### **Performance Indicators**

Members Support and Regulation

- As of June 30, 2019, the number of audit firms included in the list of firms with 'satisfactory QCR rating' was 122 which is same as in the last year.
- Annual Report of Investigation Committee made available on timely basis
- The Institute has 34 mentors; 25 from Pakistan and 9 from overseas with around 109 registered mentees. Karachi: 51; Lahore: 28; Islamabad: 4; Multan: 1; Gujranwala: 1; KSA: 13; Bahrain: 1; UAE: 6; Sri Lanka: 1; Canada: 1; Oman:1; and UK: 1.
- Expansion in members' guidance pool
- Improved convenience for members seeking services from the Institute
- Improved public trust on the profession
- Contribution towards international initiatives shaping the profession
- Members and their families under financial hardships received financial support.

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## **Governance and Management**

## Financial viability of the Institute

Revenue	Total Comprehensive Income	Total Assets	Accumulated Fund	
Rs. 1.125	Rs. 191	Rs. 1.608	Rs. 1.43	
Billion	Million	Billion	Billion	

Overview: Our total comprehensive income for the current year stood at Rs 191 million showing an increase of 34.5% as compared to previous year. Year on year, we have seen the revenues increasing from Rs 533 million in 2014 to Rs 1.125 billion in 2019. Pakistan, being a volume based market, has high competition levels resulting increase in the number of students. The major source of the increase in our revenues is the increase in the number of students and members. Our growth in revenues have provided us with the financial base to direct our resources on our future capital intensive strategic projects which include our Practice Review and Support Department, our ambition relating to the complete automation of our examination process and our laser sharp focus on improving the delivery of our services.

Fund Position: Our fund position has been showing a consistent level of growth every year. The financial year 2018-2019 showed a 15% growth in the overall fund position. The fund position of the Institute provides it with a strong financial base and sustainability to walk through the future with its pure focus on identifying and creating top human capital and value through its centre of professional development.

Assets and Liabilities: The Property and Equipment remained more or less at the same levels in comparison to prior financial year. The long term assets showed a decline because of conversion of fixed term investments from long term to short term. Major contributors to the increase in current assets were stock of study packs and short term investments.

## Value for human capital

Talent Acquisition: Consistently creating and delivering value depends on human capital which ICAP values as an important asset. Our aim is to bring talented people on

board, nurture their talent and facilitate them in delivering their targets.

Learning & Development: ICAP provides training to employees at all levels to nurture their talent and knowledge. The Institute believes that motivating and training employees will contribute significantly to enhance their skill set and success of the Institute. We provided training to 177 employees; 80 attended training on leadership, 78 employees attended public workshops and 19 attended customised training on MS Office.

Training Session for Staff: A training session on Developing Transformational Leadership was held in Lahore and Islamabad where staff from Peshawar, Abbottabad and Mirpur also joined. Similar session was also held in Karachi.

Team Building Group Activity: The Institute organised a team building group activity for staff 'One Team, One Vision and One CA Pakistan' to build a stronger bridge across stations and departments.

Diversity & Inclusion: ICAP believes that diversity strengthens the organisation, brings new perspectives, assists in driving innovation and ultimately leads to better decision making. Our employment policy strives for a diverse workforce and aims to find the candidates best suited for an open position. The recruitment is based on their qualification, relevant experience, skills, suitability for the position and their individual potential for a successful future at ICAP in line with the Institute's strategy and objectives. ICAP is committed to providing equal employment opportunities and has 25% representation of women, 3% minorities and 2% employees with special needs in its workforce.

Employee Engagement Initiatives: Multiple employee engagement initiatives were taken during the year to create a workforce that is motivated and engaged. TED talk sessions and employee feedback sessions were held to improve employees' communication and provide them an enabling environment to learn from each other.

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## Value for users of manufactured capital

IT Strategy: Critical areas to focus on immediate basis to improve the existing systems and develop new projects include:

- ERP built or buy
- Facilitation center CRM for students and members
- Data Center Comparison (Cloud, In-House or Hybrid)
- Revamping of website, portals and applications
- Develop members and students job placement portals

New ICAP's website: ICAP's website being the most important platform for engagement with our members, students and prospective students was revamped to improve the outlook and enhance the user experience.

Development of ICAP Job Portal: ICAP job portal is being improved to match to the market and international standards and now contains internal and external employment opportunities.

IT Support and Application Development: Apart from working on the initiatives of the committee, the IT department continues to offer robust support to all departments in their tasks.

- o Active support to PAIB Committee in CFO Conference, National Finance Olympiad, Mentorship Program, Career Driver Program.
- o Development of mobile applications CFO, Ethics, Publications and Women Committee.
- o Ensuring live streaming and offering support to ICAP webinars.
- o Continued network and hardware support to all departments.

Video and audio conferencing: Simple, modern and trusted meeting platform were used to conduct meetings effectively with video, audio and web conferencing from anywhere on any device.

### **Performance Indicators**

Governance and Management

- 18% growth in revenue as against 15% increase in expenditure.
- Improved retention ratio in 2018-19
- Improved satisfaction of web users
- Saving in travel cost due to optimum use of video and audio connectivity

## **Promotion and Advocacy**

During the year, various activities were conducted to build on the public trust that the Institute has enjoys and to reach out with the stakeholders.

## Value for members and other professionals

ICAP CFO Conference 2019: Held in March on '5 Steps to Greatness; Rising to your True Potential – CFO & Beyond'. Over 1300 business and finance leaders attended the conferences in Karachi and Islamabad collectively. Moreover, 1200 viewers watched the Karachi conference and 900 joined the Islamabad conference from 22 countries via live streaming.

Meet Your Representatives Sessions: As a part of Council's initiative to meet members of different cities.

ICAP organised Meet Your Representatives sessions at ICAP Faisalabad, Peshawar, Lahore and Islamabad to brief members about the activities of the Institute and seek feedback and suggestions.

Golden Jubilee Members' Recognition Ceremony: Golden Jubilee Members' Recognition Ceremony was arranged in Karachi and Lahore in honour of members for their continuous and mutually beneficial relationship with the Institute spanning over a period of 50 years.

Members' Convocation Ceremonies: Members' Convocation Ceremonies were held in Karachi, Lahore and Islamabad to honour the feat of passing CA examinations and joining the fraternity as a member.

Annual International CA Women's Day: The CA Women's Committee organised the CA Women's Day 2019 at

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three major cities, Lahore, Karachi and Islamabad. President of Pakistan and Governor of Punjab were the chief guests at the mega events. At these occasions, the Committee is privileged to introduce CA Women Awards in three different categories for honoring women members contribution in the CA profession.

CA Women Annual Meet Up: Meet ups were arranged in Karachi, Islamabad and Lahore to reach out to the newly qualified women chartered accountants, thus providing networking opportunities where they can discuss challenges and obtain guidance.

CA Women's Committee's engagement with professional firms: Separate meetings with managing partners /country heads of Big 4 firms were held to discuss avenues for more women participation and to inculcate enabling environment including development of onsite day care centers, identification of flexible working opportunities and transportation mechanism. Future actions were identified with respective human resource teams for incorporating gender sensitive policies to promote gender equality and improved retention at the professional firms.

## Engagement with World Bank Public Sector Specialists:

The CA Women's Committee engaged with the World Bank public sector specialists for making ways for identification of appropriate opportunities for CA women, who could play a pivotal role through their participation in conducting train the trainer programs, capacity building workshops, developing training manuals for the Controller General of Accounts and Auditors General of Pakistan offices and other public-sector organizations.

CA Women's Directory: The CA Women's Committee published second edition of CA Women Directory 2019 in soft and printed forms for the benefit of the interested corporates.

Prominent CA women achievements are highlighted through newsletters, gender specific work opportunities are circulated and connectivity is maintained through updated CA women portal at http://www.icapcawc.com for effective and timely service delivery for the benefit of women members.

Newsletter: The Newsletter, which keeps members, students and staff informed about various ICAP conferences, seminars, workshops and other events and activities, is uploaded on the website and is also printed for distribution. International and local updates are new additions in the Technical section.

Overseas Chapters of ICAP members: Currently, there are 7 overseas chapters of ICAP members functioning in Bahrain, Canada, Qatar, Saudi Arabia, UAE, UK; a newly formed chapter in Australia, and a Coordination Committee for ICAP Members (CCIM) in USA.

Formation of New Overseas Chapter: The Australia Chapter of ICAP Members was formed in November 2018 and the first Managing Committee of the Chapter was elected in March 2019.

Cooperation between SOCPA and ICAP: President ICAP, Jafar Husain, visited Saudi Arabia on invitation of Dr. Ahmed Al Meghames, Secretary General of Saudi Organisation for Certified Public Accountants (SOCPA) in April 2019. They discussed areas of collaboration between the two Institutes including technical areas, examinations, future of accounting profession and matters of relevance to Pakistani CAs in Saudi Arabia.

Events/Activities Organised by Overseas Chapters of ICAP Members: KSA Chapter: 6 programs; UAE Chapter: 13 programs; Canada Chapter: 10 programs; Bahrain Chapter: 1 program; Qatar Chapter: 2 programs; UK Chapter: 3 programs and Australia Chapter: 4 programs.

## Value for students

Students' Endowment Fund: The Institute assisted 570 CA students from less privileged segment of the society by giving financial support of Rs. 6.78 million.

Edhi-CA Talent Scheme: 170 top performing students of Intermediate Exams of all Intermediate Boards of Pakistan are currently pursuing CA qualification under the program. An amount of the 9.27 millions was provided to students.

Counselling Sessions for CAF Students: Paper specific counselling sessions on Business Law, Introduction to Economics & Finance, and Cost & Management Accounting were held in Karachi, Lahore, and Islamabad to assist students in understanding examiners' expectations and improve accordingly.

CA Brand image building: RAETs branding throughout South and North was increased, RAETs in Mirpur, Abbottabad, Sukkur, Hyderabad were standardised through updated branding to ensure necessary brand visibility of CA Pakistan. As part of creating a consistent brand image, steps were taken to standardise CA Pakistan branding across all events in ICAP, in terms of

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events layout, branding collateral and CA Pakistan logo placement. This included branding efforts in flagship events such as National Finance Olympiad and CFO Conference, to ensure that a consistent branding structure is followed at all times.

Student Outreach and Placement: ICAP Participated in all major expos and education fairs during the year to attract a wider pool of talent of students. Counselling sessions for students were increased with 356 sessions in North and 178 in South. Open House sessions were held for student of Agha Khan Board, Punjab Group of Colleges and Commecs College Karachi. Meetings with corporate officials in leadership position were held.

Digital Presence: A series of webcast sessions were initiated on Facebook, bringing in senior members, and students to answer questions about CA enrollment, trainings, admission criteria and the CA experience, allowing students to understand the profession in a better manner. The digital presence of the CA Pakistan social media page was focused throughout the year.

## Serving the public interest and thought leadership

Contribution in fiscal laws and policies: The Institute took a number of Public interest initiatives, including:

- For the purpose of resolving issues raised on the Finance Bill 2019 by different stakeholders across the country, FBR formed Anomaly Committee (Technical), under the Chairmanship of Ashfaq Tola, Council member and Chairman Committee on Fiscal Laws. Majority of the members of The Anomaly Committee were ICAP members.
- ICAP delegation led by Ashfaq Yousuf Tola, held meetings with the FBR Coordination Committee on May 2-3, 2019 and discussed ICAP recommendations for the Budget 2019-20. ICAP President Jafar Husain presented ICAP Budget Proposals 2019-20 to FBR Chairman.
- Ashfaq Tola presented ICAP Budget Proposals 2019-20 to Dr. Abdul Hafeez Shaikh, advisor to prime minister on Finance, Revenue and Economic Affairs.
- The Committee has taken up with the Provincial Tax Authorities issues faced by the members especially, sales tax on services provided by chartered accountants.

- At regional level, ICAP representation by Ashfaq Yousuf Tola, who is also member of SAFA Committee to study fiscal regimes and other statutory requirements of business in South Asian Association for Regional Cooperation (SAARC) countries, was proactive.
- The KSA Chapter organised a CPD event on Foreign Asset Declaration Act 2018 (Tax Amnesty) and its Impact on Non-Residents on July 14, 2018 which was attended by a large audience comprising senior professionals based in Jeddah. Ashfaq Yousuf Tola made a comprehensive presentation covering history of previous schemes as well as their comparison to the new scheme, combined facts and figures with the important factors which necessitated the Tax Amnesty Scheme.
- The KSA Chapter organised a seminar in Riyadh on State of Pakistan Economy and Non-Resident Taxation on November 17, 2018. Ashfaq Yousuf Tola who is also a member of the Tax Reforms Implementation Committee, in his presentation, spoke about the challenges facing the Pakistan economy and how the same had been successfully managed in the past and what present solutions and reforms are being rolled out. He presented historical figures on overall expenditure, revenue, deficit and debt journey and brought various challenges and solutions together to create a picture of a positive momentum on the way forward.

National Budget: ICAP delegation held meetings with FBR Coordination Committee and discussed ICAP recommendations for the Federal Budget 2019-20. A press conference was held in Islamabad to share key recommendations presented to FBR and inform the media that ICAP Committee on Fiscal Laws formulates tax proposals for federal and provincial budgets each year, aimed to assist government, build an innovative and responsive taxation system, broaden the tax culture, improve revenue collections, increase tax payers' confidence, ensure voluntary tax compliance, improve monitoring and eventually lead towards an all-inclusive, sustained economic growth. A supplement booklet comprising key recommendations covered in the ICAP detailed proposals was distributed to the media.

Post Budget Conference 2019: The Institute organised a nation-wide Post Budget Conference in collaboration

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with the Southern Regional Committee (SRC) and Northern Regional Committee (NRC). It was attended by more than 1500 participants, packed to full capacity throughout the day, from three locations viz. Karachi, Lahore and Islamabad, through Live streaming provided by media partner AAJ News. A large number of professionals associated with ICAP and other professional bodies benefited from this unique Event, inter connecting on a real-time basis.

Best Corporate and Sustainability Report 2018: The Institute organised Best Corporate and Sustainability Report 2018 Awards jointly with Institute of Cost and Management Accountant of Pakistan (ICMAP) on August 20, 2019. More than 40 awards were presented to best performing companies. From amongst the BCR winners, nominations have been sent for SAFA Awards competition.

ICAP Conference 2019: TechKnowledgee - Exploring Future: NRC organised a Conference covering the key topics including Digital Disruption, Industry 4.0, Electronic Payments, Robotics Process Automation; Data Analytics; Artificial Intelligence and The Internet of Things, and its impact on businesses, governments, and professionals in Pakistan.

International Tax Conference: For the first time in the ICAP's history, Committee on Fiscal Laws, in line with its initiative for awareness programs related to fiscal laws, organised a full day conference in collaboration with the World Bank at Islamabad and Lahore.

National Tax Conference: The Committee taking cognisance of various taxation issues hindering growth of the economy, organised a full day National Tax Conference - Taxation A Pathway to Prosperity in Islamabad, bringing FBR and Provincial Tax Authorities on a single platform to discuss harmonization of tax laws in the country.

Annual Business Research Conference of Lahore School of Economics: ICAP participated in the 7th Annual Business Research Conference of Lahore School of Economics themed 'Managing Business in Pakistan (Current Business Environment of Pakistan: Opportunities and Challenges)'.

Our global impact: The Institute is an active supporter and participant on global forums, such as, International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), South Asian Federation of Accountants (SAFA), Confederation of Asian and Pacific Accountants (CAPA), CA Worldwide (CAW), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Asian-Oceanian Standard-Setters Group (AOSSG).

Khalilullah Shaikh, Council member, as a Member of the IFAC PAIB Committee, was among the 11 governance experts selected globally to contribute to the joint publication by IIA and IFAC, United, Connected and Aligned: How the Distinct Roles of Internal Audit and the Finance Function Drive Good Governance.

## **Performance Indicators**

Promotion and Advocacy

- Endowment Fund has enabled 116 students to complete their journey and join as members by the end of 2018-19.
- Under Edhi-CA Talent Program 56 students have reached to final stage of the qualification.
- Out of total 1889 students (2017-18: 1170) passed CAF stage in Spring and Autumn 2018 attempts, 1778 (2017-18: 1133) inducted in TOs.
- Members were provided with networking opportunities. Members and finance leaders appreciated for the rich content and quality of local and international speakers.
- e-Bulletins of the CA Women's Committee issued.
- Extended reach of the Institute outside Pakistan.
- Improved relationship of the Institute with foreign professional bodies.
- Recognition of the Institute as responsible national body.
- Average footfall was around 3000 students per expo.
- Increased number of followers on the webpage from 148,000 to 292,000 during the year.
- Our on page query management was improved in the second half of the year.

## Acknowledgement

### The Council would like to:

- place on record its sincere gratitude to all members in general and those who served in various committees of the Institute in particular for their support, dedication and help they extended in policy formation and technical matters.
- thank the Federal Government, Federal Finance Ministry, the Securities & Exchange Commission of Pakistan, the Federal Board of Revenue, the State Bank of Pakistan, Auditor General of Pakistan Office, Pakistan Stock Exchange and other government organisations for their continued support in promoting professional cause and public interest.
- express its appreciation for the work done by Syed Aftab Hameed, and Muhammad Shabbir Kasbati, in their capacity as the auditors of the Institute.
- gratefully acknowledge the active role played by Audit Committee, Accounting Standards Board, Audit Oversight Board, Quality Assurance Board and Benevolent Fund Management Committee in their respective areas.
- acknowledge the contributions made by the respective Regional Committees and Managing Committees of Overseas Chapters of ICAP Members in strengthening the image of the Institute and for their whole-hearted support.

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

By the order of the Council.

## Jafar Husain, FCA

President, The Institute of Chartered Accountants of Pakistan

Karachi: October 10, 2019

## REPORTS OF BOARDS & COMMITTEES

## Accounting Standards Board

Another successful year of the Accounting Standards Board (ASB) of The Institute of Chartered Accountants of Pakistan (ICAP) has been completed. It is a pleasure for me to share the progress report of the ASB highlighting the activities undertaken and a summary of the key achievements during the year July 1, 2018 to June 30, 2019.

The report summarises progress during the year on key projects undertaken by ASB. This year being the first year of application of the big three standards IFRS 9, IFRS 15 and IFRS 16 the focus has also been on addressing the implementation challenges and providing the necessary guidance for the same.

## Adoption of Standards

The Board continued its work on adoption of standards during the year the standards considered were IFRS 14 Regulatory Deferral Account Balances and IFRS 17 Insurance Contracts. ASB carried out and completed the consultation and recommendation process on adoption of IFRS 14. For implementation of IFRS 17, the ASB has shared its recommendations on proposed changes in insurance law with the Securities & Exchange Commission of Pakistan (SECP).

## Implementation Support

The Department of Technical Services (DTS) on direction of ASB developed the illustrative financial statements and disclosure checklist for public interest companies for facilitating members in understanding and applying the presentation and disclosure requirements of IFRS and the Companies Act 2017. For a detailed review of these documents prior to publication, ASB formed a Working Group (WG) comprising of young members working with various accountancy firms. DTS is currently in the process of finalising the documents in line with the WG recommendations.

## Engagement with SECP in Addressing Implementation Challenges

During the year, the Board also remained actively engaged with the SECP in addressing the implementation challenges and providing guidance to the stakeholders on the newly adopted standards i.e., IFRS 9 *Financial Instruments: Recognition and Measurement* and IFRS 16 Leases. The Board received requests from SECP seeking its opinion on the applications for exemption from IFRS 16 and IFRS 9 by various sectors. After due deliberation by the Board response was submitted to the SECP.

## Advocacy of IPSAS for the Public Sector

The Board also made progress in the advocacy of International Public Sector Accounting Standards (IPSAS) for public sector accounting and financial reporting. During the year the chairman ASB attended the AGP's Policy Board meeting and gave a presentation on the gap analysis between existing accounting practice in public sector and accrual accounting. Consequently, the Policy Board formed a committee to further deliberate the implementation of accrual accounting in the public sector. Furthermore, AGP has recently commenced the work on the project for implementation of accrual accounting in public sector which is being funded by the World Bank.

## Digital Financial Reporting - XBRL Project

The Board recognising the way investors and others consumers of financial information will evolve as technology becomes increasingly pervasive in financial reporting, had last year initiated the project on Digital Financial Reporting - XBRL.

Significant development has been made during the year. Adnan Afaq, chairman XBRL Taskforce and Sohail Malik, director Technical Services, attended the two day XBRL International Conference held in Dubai on November 13 and 14, 2018 where they met the CEO of XBRL International and also gained first-hand insights on the implementation experience of various countries.

Further, the chairman along with the XBRL Task Force chairman and director Technical Services met with the senior leadership of SECP to deliberate the way forward on the implementation of XBRL in Pakistan. The ASB is in the process of submitting its final report developed in response to the SECP's enquiries on XBRL implementation.

## Review and Revision of Accounting Technical Releases

The DTS on directions of the Board started the comprehensive exercise of reviewing the existing Technical Releases (TRs) and would be presenting its proposals from time to time in the Board meetings. During the year, the proposals on two TRs i.e. TR-5: IASB Standards – Council's Statement on Applicability and TR-6: Fixed Assets Inventory and Records were presented for the Board's consideration.

## Accounting Guidance on Business Combinations under Common Control

IFRS 3 Business Combinations scopes out Business Combinations under Common Control (BCUCC) and in the absence of specific requirements (under IFRS as well as local guidance) has led to some diversity in practice. On the advice of ASB, the DTS had drafted and presented a draft guide/standard to provide guidance to the stakeholders on developing an appropriate accounting policy for BCUCC. The draft guide/standard is currently under the final review of the ASB chairman, thereafter it will be shared for comments with the SECP and general membership.

## Initiative on Promoting Accounting Standards Cooperation among Participating Countries of the Belt & Road Initiative

The Institute on the invitation of the Ministry of Finance of the People's Republic of China joined the Initiative on Promoting Accounting Standards Cooperation among participating countries of the Belt & Road Initiative (BRI Countries).

The Initiative aims to promote cooperation and communication on accounting standards among BRI countries.

## Seminar on 'The New Outlook IFRS 9, IFRS 16 and Emerging Trends'

A full day seminar titled 'The New Outlook IFRS 9, IFRS 16 and Emerging Trends' was organised in coordination with the Southern Regional Committee. The seminar featured speakers from practice and industry who presented the key insights on practical implementation of IFRS 9 and IFRS 16. The seminar also featured a separate awareness session on Digital Financial Reporting conducted by Adnan Afaq, chairman ASB XBRL Taskforce.

The highlight of the seminar was participation of representatives of International Accounting Standards Board (IASB) through video-conferencing. The IASB Board Member, Chungwoo Suh conducted a session on IASB Updates which was followed by a Q&A session with Henry Rees, director Implementation and Adoption Activities.

## ASB Work Plan for 2019 -21

The Board also finalised its wok plan for 2019-21 with focus on primarily the following broad areas:

- Significant projects/initiatives to be carried forward;
- Improvement projects;
- Implementation support;
- Research projects; and
- Communication/conference.

## Thank You

I would like to thank my fellow Board members, the Advisory Group and Working Group members, our dedicated staff and all our stakeholders for helping us in achieving our milestones and targets for this year. Our achievements would not have been possible without their help, and on behalf of the Board, I wish to place on record appreciation for their commitment and effective contribution.

## Farrukh Rehman, FCA

Chairman Accounting Standards Board

## Quality Assurance Board

It gives us great pleasure to present the report of the Quality Assurance Board (the Board) for the year 2019. The objectives of the Quality Control Review (QCR) Programme are to enhance the quality of audit reports and credibility of the accountancy profession in the public interest.

Effective Quality Control processes play a very critical role in ensuring implementation of the required standards in performing professional engagements by the audit firms and also help in building the confidence of users in the services provided by the Chartered Accountant firms.

The Board with the assistance of the Quality Assurance Department has been continuously striving to improve quality of audit and assurance service in Pakistan.

Audit Oversight Board (AOB) was established under part IXC of the Securities and Exchange Commission of Pakistan (SECP) Act, 1997 in August, 2016.

During the year under review, the AOB carried out review of functioning of the Quality Assurance Board and Quality Assurance Department formed under the Framework of QCR Program 2015 issued by the Institute. The AOB after having carried out an independent review of the existing QCR Framework 2015 and in exercise of its powers pursuant to Section 36K of the SECP Act, 1997 read with Regulation 3 of the AOB (Operations) Regulations, 2018, revised the framework for QCR programme. The revised QCR Framework, 2019 was approved by the Council of the Institute and is now applicable with effect from June 15, 2019.

The Quality Assurance Board and the Quality Assurance Department are committed to work closely with AOB and endeavours to incorporate serious suggestions by AOB for improvement of the QCR process in its methodologies with the objective of safeguarding the prestige of the Accounting profession.

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

should now be addressed more seriously by the audit firms and which usually are a subject of a separate detailed report of the Board.

## QCR of Audit Engagements

During the period under review, QCRs of 22 audit firms were concluded. This required a review of 69 statutory audit engagements at 33 locations spread over Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Sialkot.

Of the 22 audit firms whose QCRs were completed during the year, 20 firms were concluded as 'satisfactory' while the remaining two were concluded as being 'unsatisfactory'. During this period, two new firms offered their working papers for the QCR, out of which, one was concluded "satisfactory" and the other "unsatisfactory".

As of June 30, 2019, there were 55 audit firms whose QCRs have been completed. Their reports are being compiled and will be presented in the upcoming meetings of the Quality Assurance Board for its approval.

As of June 30, 2019, the number of audit firms included in the list of firms with 'satisfactory QCR rating' was 122 which is same as in the last year.

## Firms Review under International Standard on Quality Control (ISQC) 1

During this year, 67 firms were reviewed under ISQC-1. A system of quality control is established to ensure quality within the firm which entails compliance with the ethical requirements, acceptance and continuance of client relationships and the quality of the human resources. Leadership responsibilities include establishing a sound system of quality control and ensuring its effective implementation at all times.

Out of the above 67 firms, reports of 55 firms are being compiled and will be submitted to the Board for its approval.

## Acknowledgement

I am thankful to all those audit firms and their personnel who have co-ordinated and co-operated with our reviewers throughout the respective QCR processes. The Board recognises that it would have not been able to discharge its functions without the effective and timely input by the Quality Assurance Department's personnel which it greatly appreciates.

### Farid ud Din Ahmed, FCA

Chairman Quality Assurance Board

## **Audit Committee**

Audit Committee is pleased to present this report for the financial year ended June 30, 2019.

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

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

The Committee met four times during the year ended June 30, 2019. Summary reports of its proceedings and activities were submitted to the Council.

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

The Internal and External Auditors have unrestricted access to the Audit Committee throughout the year.

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

Major tasks undertaken by the Audit Committee during the year are as follows:

## (i) Review of Financial Statements of the Institute

The Audit Committee reviewed the interim and annual financial statements of the Institute and obtained feedback thereon from the Chief Financial Officer (CFO), secretary ICAP, External and Internal Auditors of the Institute.

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

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

## (ii) External Audit

As per requirements of its Terms of Reference, the Audit Committee held meetings with the External Auditors in absence of the secretary ICAP, the CFO and the head of Internal Audit in order to obtain their feedback regarding the co-operation and assistance extended to them during the audit assignments.

In light of provisions of Bye Law 127 of the Chartered Accountants Bye Laws 1983, the Audit Committee recommended to the Council the re-appointment of external auditors for the year 2019-20. Such recommendation was based on evaluation of the performance of external auditors based on various attributes during the audit of financial statements of the Institute. The Audit Committee has recommended to the Council the re-appointment of Mr. Mohammed Shabbir Kasbati and Syed Aftab Hameed as external auditors of the Institute for the year ending June 30, 2020.

## (iii) Internal Control and Risk Management

Effectiveness of the internal controls and risk management process was evaluated by the Audit Committee. In line with its annual work plan, the Committee reviewed controls over activities and operations of various funds of the

Institute, employee benefits, human resources, procurement processes, mechanism for reporting implementation of SMO (Statement of Membership Obligations) requirements of the International Federation of Accountants (IFAC) etc., and reported its findings and recommendations for implementation and compliance. Significant findings were escalated to the Council in order to ensure improvement in internal controls and effective compliance of highlighted areas.

## (iv) Internal Audit

The Audit Committee approved the annual work plan of Internal Audit and reviewed the resulting output including adequacy and timeliness of reports, findings and management responses thereto. The Internal Audit department ensures consistent follow-up with the concerned departments in order to ensure timely implementation of the Audit Committee recommendations. Major issues arising in this regard are reported to the Council for its consideration. As a result of vigorous follow-up mechanism, a number of recommendations of the Audit Committee have been addressed by the management.

## (v) Whistle Blowing Complaints

As part of its Terms of Reference, the Audit Committee is responsible for monitoring the effectiveness and compliance of Whistle Blowing Policy of the Institute. All the complaints and actions taken on the complaints are reviewed/considered by the Audit Committee and reported to the Council.

Some changes in the Whistle Blowing Policy are under consideration for improvement and in line with the international practices in order to make the Whistle Blowing mechanism more transparent and effective.

## (vi) Meeting of the Chairman Audit Committee with the President ICAP

The chairman Audit Committee meets with the president at least once in a year. Through this process, the Committee expects improvement in the overall governance, compliance and internal control structure of the Institute. One such meeting was held in June, 2019 during which various matters relating to human resources, strategic planning, policies and procedures, etc., came under discussion and reported to the Audit Committee.

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

Zafar Igbal Sobani, FCA

Chairman Audit Committee

## Northern Regional Committee

Northern Regional Committee (NRC) decided to maintain its focus on members, students and people connected with the Institute i.e. both inside and outside the Institute.

## Continuing Professional Development (CPD); the core of excellence

NRC was cognizant of the matter that to remain relevant, our members need to be kept well-informed and equipped with the appropriate skill set. In consideration of foregoing, the CPD model designed by NRC comprised of three pillars: 1. Conferences, 2. Seminars and 3. Webinars. Each of the aforesaid activity was further devolved at location and content component and this resulted in highest ever CPD offering in recent times. As for the in person CPD activities/seminars, the year saw a highest ever offering and consumption of CPD hours in recent years which reflected the relevance and connectivity of NRC with the membership as to understand and recognise what is needed by membership is correspondingly being offered. All the stations including Peshawar, Faisalabad, Multan, Rawalpindi/Islamabad and Lahore successfully conducted the CPD events.

## Conference: the mega event

This year, NRC conducted Techknowlogee Conference which attracted more than 400 delegates and covered an array of wide spectrum topics.

## Foreign speakers; bringing global perspective

During the year, NRC also conducted four different events with foreign speakers to complement our quest to bring the global outreach at footsteps of our membership.

## E-learning and Webinars; way forward to remain relevant

The webinar model was also aligned during the year to meet the membership needs. During the year, pricing mechanism was modified by offering free live webinars to the membership and offering concessions over bundles of recorded webinars. The same was reciprocated by the membership with registration for around 40,000 CPD hours. These sessions attracted registration from members in Pakistan and abroad including USA, UK, UAE, Australia, Bahrain, Qatar, New Zealand, etc.

### Libraries: the knowledge hub

Libraries play a pivotal role in building a nation and NRC remained vigilant in bridging this link with stakeholders. The facilities at various locations including administrative factors and updates to books were followed and in sum total a foot fall of 100,000 is worked out as to be a cautious and conservative estimate which in itself is a big success in bringing and bridging the stake holders with the knowledge hub i.e. their own Institute. Further, NRC also outlined the need of improving facilities in all libraries, setting up a library in Rawalpindi and also shared its plan on setting up a new library in Lahore.

## Convocations; the proud moments

Like previous year, two convocations were held during the year one at Islamabad to honour the new members of KPK, AJK, GB, federal capital and adjoining areas and another convocation at Lahore to welcome our members from Central, Southern Punjab and other parts of Northern Region. Both the events attracted a large number of audience. Live streaming at social media was also provided.

## Our Families; our souls

To bring the families and professional fraternity more close, NRC organised classic events at Charsadda, Islamabad, Multan, Lahore and Gujranwala whilst event at Faisalabad is planned in near future. In addition, a night cricket tournament and family gala was also held at Multan. All the events were marked with wide range location based activities including mushaira, book reading, magic shows, lucky draws, live music performance by renowned singers and sumptuous food to meet the culinary delight.

## Our students; the torch bearers of our future

NRC strongly believes in investing in future torch bearers of the profession. In this respect, NRC hosted an international student conference in Lahore where students from other cities and Sri Lanka also participated. Further, NRC also

hosted grooming seminars at Islamabad, Lahore, Peshawar to welcome entrants to CA training and guide them how they can manage work requirements, maintain focus on exams, be pivotal in firm-client relationship, maintain the dressing etiquette, improve upon communication skills, etc. NRC in support of CASA-N arranged various academic and sporting activities at Peshawar, Multan, Faisalabad, Gujranwala, Lahore and Islamabad. Further, new sports activities are added every year. This year, a complete parallel league for the female students was witnessed. Further, the first ever national CA student's sports mega event was organised.

## Members Development and grooming sessions - skills that matter with competence

NRC also hosted seminars for members' development and grooming which included softer skills, dressing, interview handling, CV writing, practice management, career counselling discussions as whether to pursue practice or a job and which sector/specialty to stretch wings in.

### Team work

Activities of various working group of the institute: NRC always believed in team spirit and standing for the cause of the Institute. Thus, be it any event of CA Women committee, marketing department, job fares, presentation skills contests, finance Olympiads, CA Toastmaster meetings, students counselling session or independence day events, NRC was there to hold high the flag of the Institute.

## NRC Finances - for finance professionals

The financial results of NRC clearly reflect that how much centric our members have been in our thoughts and activities. Whilst the year on year contribution from Institute per member remain same for NRC but we managed to manage a breakeven/minor surplus consequent to some support of our members and substantially through generosity of our sponsors; who believed in our cause.

## Gratitude - the power and blessings of thankfulness

For acknowledgement first, last and all around we bow in gratitude to Almighty as it could only be possible with his will, blessings and mercy. Our heart goes out to our parents as it is for their prayers that have landed us roles of responsibility and we have tried to make them proud. It is for sure that all your NRC members are grateful to their respected siblings, spouse and children for managing so many matters at their own simply as to provide us the space we need in our lives to manage our service delivery in role as NRC. The support from all our families is one thing that we expect our fraternity to be cognizant of.

The administrative and technical support of all ICAP staff, especially NRC dedicated resources who have all helped us to hold high the flag of our Institute. Our work relies on voluntary support from an experienced and committed team of our members in Lahore, Faisalabad, Multan, Gujranwala, Rawalpindi/Islamabad, Peshawar, etc. and we are all praises for their support. Indeed, we are indebted for the support extended by the President ICAP, Vice Presidents and worthy council members.

On a personal note, my inspiration and strength always emanated from my fellow NRC members including Ali Saif Cheema, FCA secretary NRC, Rafqat Hussain, FCA, Asad Feroz, FCA, Shahid Khattak, FCA and Farooq Hameed, FCA. All the NRC members have travelled thousands and thousands of miles to reach out to all stake holders and live the spirit of NRC. My fellow NRC members; I salute you!

## Future - Sky is the limit

For the future, I assure you that NRC aims to bring even more quality events for your connectivity and involvement with the Institute and for bridging you with the future. For all this, we bow and seek Almighty's continued blessings, strength and support. I assure you that for NRC, the job is not over as yet and we are passionate to unleash any limitations and help our stakeholders explore new horizons. For this, our inspiration comes from what Rumi said, "Sell your cleverness and buy bewilderment. Cleverness is mere opinion. Bewilderment brings intuitive knowledge."

## JehanZeb Amin, FCA

Chairman Northern Regional Committee

## Southern Regional Committee

The Southern Regional Committee (SRC) of The Institute of Chartered Accountants of Pakistan (ICAP) is responsible to provide its members with a platform for Continuing Professional Development (CPD) for professional updates and enhancement of soft skills, management of the library and coordinate with Chartered Accountants Students' Association (CASA).

On behalf of the SRC, I am pleased to apprise you that the current year included numerous CPD activities and also two social events for the members.

## **CPD** Activities

This year, SRC organised 25 seminars, workshops and webinars spread over 116 CPD Hours, covering topics such as Audit, Accounting, International Financial Reporting Standards (IFRS), Strategy, Microsoft Excel, Internal Audit, Communication, Negotiation, Code of Ethics and Taxation. The programmes were attended primarily by members and also non-members.

### Social Events

The Annual Dinner, previously an only-members social-networking event was extended for the spouses of the members as well. This year, it was clubbed with a musical evening titled Annual Dinner and Ghazal Evening and was attended by a vast audience; ranging from senior professionals to the recently qualified chartered accountants. A Family Fun Fest get together was organised in January 2019 at Chunky Monkey.

## Certificates' Distribution Ceremony

The bi-annual Certificates' Distribution Ceremony for the newly qualified chartered accountants is also organised by SRC. The theme for the ceremony held in January was "Unlock your potential". On the advice of the Council, the format of the ceremony held in June 2019 was changed and it was re-named as Members' Convocation Ceremony themed "A New Dawn".

## Chartered Accountants Students' Association, South

The SRC also oversees the affairs of the Chartered Accountants Students' Association, South (CASA-S) and the library. A role of mentoring and guidance is provided to the elected members and opportunities for learning and development are created for the student body. Exam-based seminars and workshops were organised for the finalists to provide them with an opportunity for better revision and examination techniques. A Sports League was also organised in which the finalists of each sport competed at the national level.

## Finance and Accounts

The financial statements reflect a deficit of Rs. 041 million for the current year. During the year, Rs. 3.45 million was received from ICAP on account of Members' subscription fee. 14.99 million was collected from members for CPD activities. 12.55 million was spent on CPD activities. 4.27 million was spent on social events. From this year onwards, the investment of SRC of PKR 23 million has been made in the name of ICAP and will be managed on the behalf of the SRC; however, the beneficiary of the investment will still be SRC.

## Acknowledgement

On behalf of SRC, I would like to thank the current president, past presidents, Council members and fellow members for their guidance, support and patronage. SRC is also thankful to the ICAP secretary and the team at the SRC office for the support provided by them to the SRC. It has been a pleasure for the SRC to serve the members and we look forward to continue to do more with the same spirit with which all our colleagues have been doing so for the development and welfare of our members.

### Abdul Rab, FCA

Chairman Southern Regional Committee

## Benevolent Fund Committee

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

Financial Assistance: During the year under report, the Fund extended financial assistance of Rs. 23.15 million to thirty-one families including 6 living members. Financial assistance of the preceding year amounted to Rs. 19.89 million provided to twenty-eight families including 6 living members. The amount included Rs. 3 million paid to two critically ill members as one-time assistance. Average monthly assistance per family amounted to Rs. 62,000 during the year under report in comparison to Rs. 59,000 per family per month in the preceding year.

Group Term Life Insurance Scheme: The scheme provides term life insurance/takaful cover in case of loss of life and additional cover equal to sum insured (double the sum insured) in case death occurs due to an accident or act of terrorism. Coverage of permanent disablement due to sickness or accident is also provided to the participants upto the age of 60 years. There is no requirement of medical examination up to the age of 64 years. Members of 65-69 years age group may also be considered for coverage subject to satisfactory underwriting after assessment of health questionnaire and (or) medical examination. Coverage is available under conventional as well as sharia compliant window takaful arrangement providing 'Family Takaful' facility based on 'Wakalah-Waqf' model.

During the term under report, 308 participants (including 291 members, 10 spouses and 7 employees) joined the scheme. 368 participants (including 354 members, 6 spouses and 8 employees) got enrolled in the policy during the preceding term. No claim was reported during the term under report. Two claims of Rs. 12 million were reported and paid by the insurers during the preceding term.

The Committee negotiated life insurance scheme for the term 2019-20 with IGI Insurance for members and their spouses. Coverage is available under conventional as well as takaful mode. The scheme provides insurance cover under conventional mode against premium of Rs. 2.94 per thousand rupees sum insured for age below 60 years and Rs. 3.70 per thousand rupees sum insured for age 60-64 years. Coverage under takaful mode is available against contribution of Rs. 3.78 per thousand rupees for age below 60 years and Rs. 16.50 per thousand rupees for age 60-64 years respectively. Participation in the scheme is not compulsory, however, members are encouraged to obtain the cover along with their spouses for protection of their family in case of unexpected events.

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

Group Health Care Scheme: Health insurance scheme provides hospitalization benefit, coverage of day-care treatments and specialized investigations. The policy also provides maternity benefit, upon option being exercised.

Net enrollment in the scheme at the close of financial year was recorded at 1,691 participants as compared to 2,119 persons enrolled during the previous term. Claims in excess of Rs. 23.68 million were settled by the insurers against overall premium of Rs. 19.70 million as compared to claims and premium of Rs. 24 million and Rs. 19.50 million respectively in the preceding year.

The policy for 2019-20 has been renewed with UBL Insurers for offering the lowest premium and comparatively better terms. Details of renewed policy were circulated to members through email and may also be viewed/downloaded from the website of the Institute by following the aforementioned link.

Future Outlook: Funds raised through members' subscription annually are not sufficient to cater for the ever growing needs of the families considering the increase in number of beneficiaries over the years and the impact of inflation. A large portion of income from investments, which ideally should be reinvested to augment the capacity of the Fund, is consumed to meet the deficit. Due to financial constraints it has been difficult for the Committee to provide the families with level of assistance that they really deserve. Presently, the scope of extending financial assistance has been kept strictly limited to members and their immediate families i.e. spouses and children. During the recent past, the Committee has come across cases where young unmarried members passed away leaving their dependent parents and younger siblings in financial distress. Their fathers were either retired or were on the verge of retirement hoping to get some relief after years of hardship. The Committee, due to limitations of the rules of the Fund with respect to scope and definition of family, could not provide any financial relief to parents or dependent siblings. The Committee will be presenting its recommendation to the Council for making amendments in Benevolent Fund's rules shortly.

Fund Raising: The committee has been exploring ways to strengthen the Fund's ability to reach out and help the families to the maximum possible extent. Managing partners of CA firms had been requested to contribute Rs. 1 lac per partner from the firm. The Committee thankfully acknowledges the contributions received from partners of the firms and members.

Acknowledgements: The Committee appreciates the continuous support of the President and the Council of the Institute. The Committee gratefully acknowledges the annual grant of Rs.2 million for the Fund. The Committee would also like to thank the members, management and staff of the Institute for their continued co-operation and support.

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

Imran Afzal, FCA

Chairman Benevolent Fund



## FINANCIALS 2019

SUSTAINABILITY • FINANCIAL ANALYSIS • FINANCIAL STATEMENTS

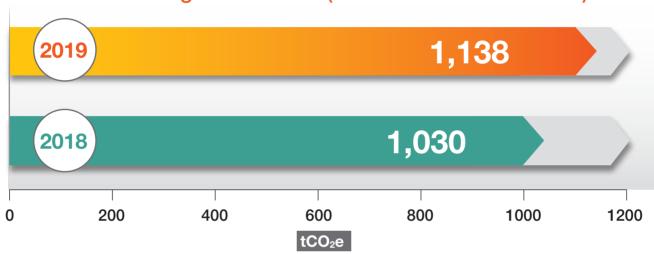
## Commentary

### **Environmental Impact:**

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

At year end, our carbon footprint was 1138 tonnes of carbon (tCO<sub>2</sub>e), a 10% increase compared to 2018. This increase was driven by increase in emissions from flights and electricity consumption.

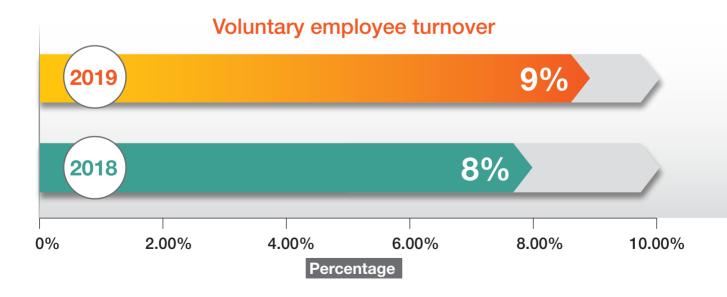
## Greenhouse gas emissions (tCO<sub>2</sub>e = tonnes of carbon)



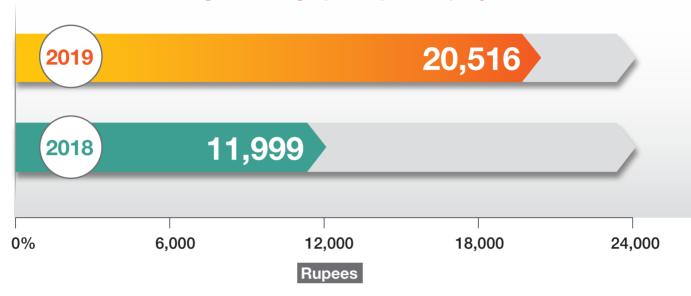
## Itemised emissions

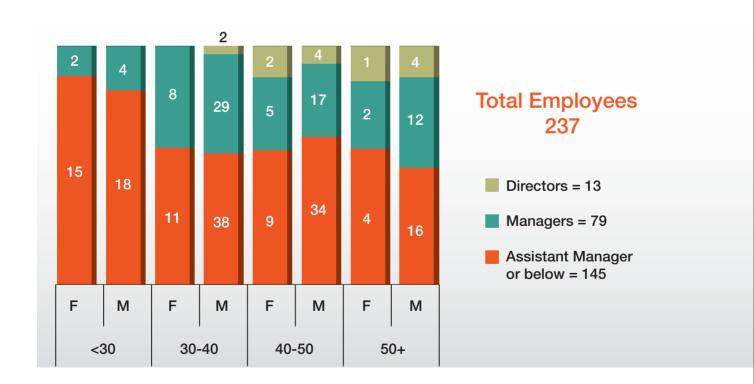
(tCO<sub>2</sub>e) Purchased electricity Travel - flights Paper consumption

2019	2018
547	495
579	524
12	11

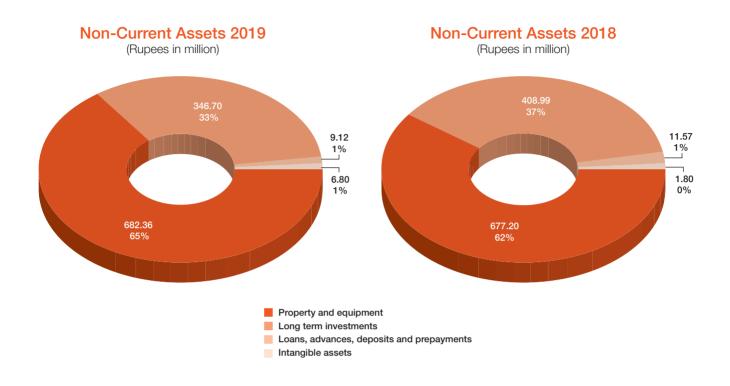


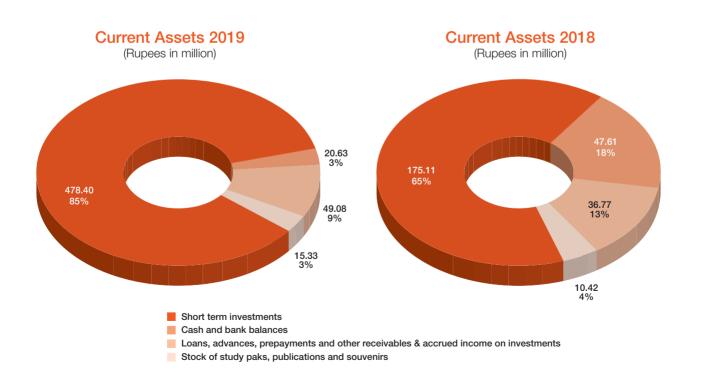
## Average training spend per employee



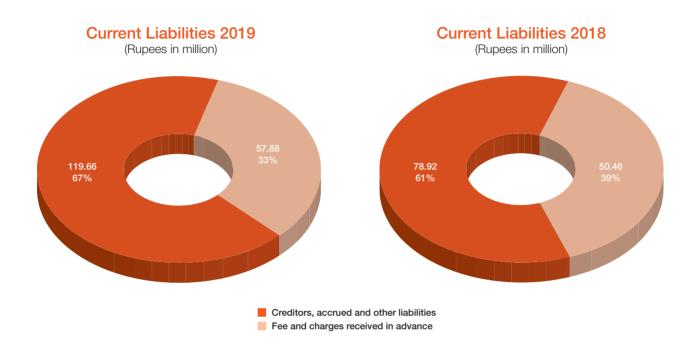


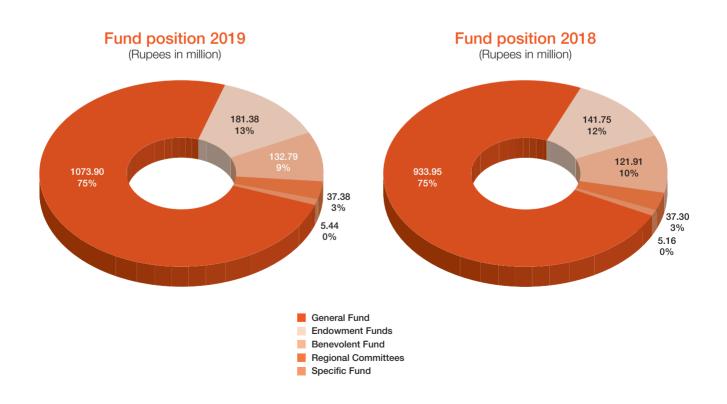
## **COMPOSITION OF FINANCIAL ITEMS**





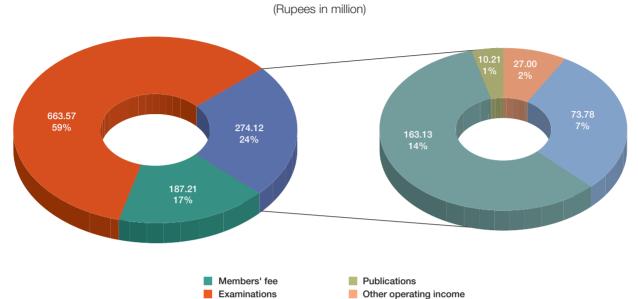
## **COMPOSITION OF FINANCIAL ITEMS**





## **COMPOSITION OF FINANCIAL ITEMS**

## Income 2019

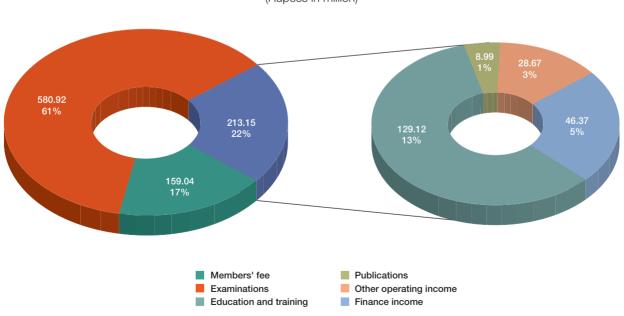


## Income 2018

Finance income

Education and training

(Rupees in million)



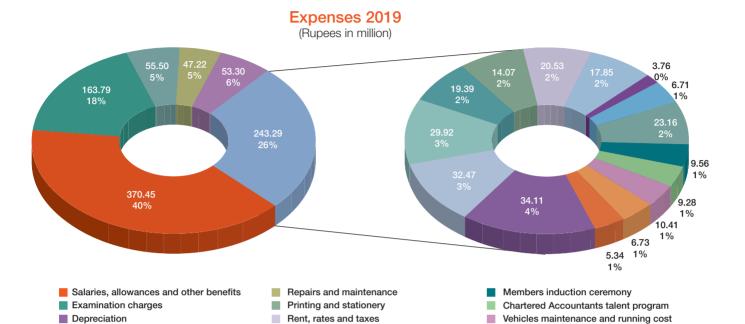
Traveling and related expenses

Network and communication

Utilities

Study packs and other publications

## **COMPOSITION OF FINANCIAL ITEMS**



## Expenses 2018

Advertisement and exhibition

Amortization of intangible assets

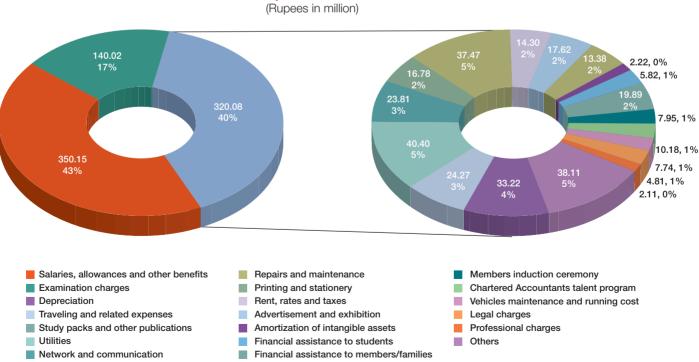
Financial assistance to students

Financial assistance to members/families

Legal charges

Others

Professional charges

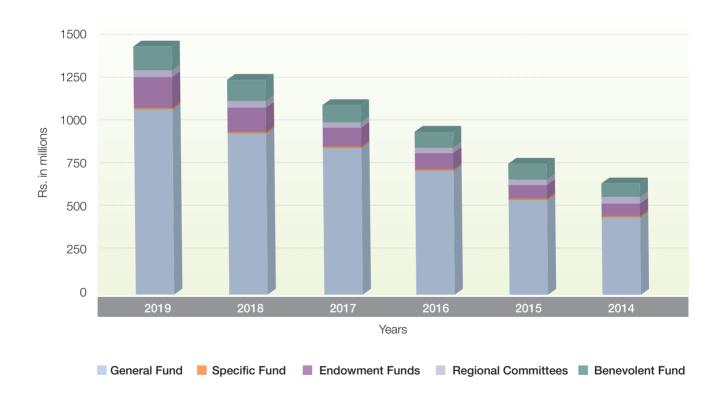


FINANCIAL ANALYSIS

## SIX YEARS SUMMARY

Fund position Rs. in million

Descriptions	2019	2018	2017	2016	2015	2014
General Fund	1074	934	842	718	555	452
Specific Fund	5	5	5	5	5	4
Endowment Funds	181	142	118	90	70	71
Regional Committees	37	37	33	37	38	36
Benevolent Fund	133	122	100	94	86	77
Total	1430	1240	1098	944	754	640



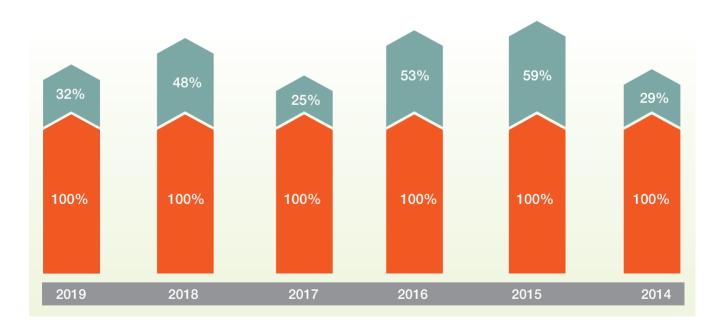
FINANCIAL ANALYSIS ANNUAL REPORT 2019

## SIX YEARS SUMMARY

Assets & Liabilities Rs. in million

Descriptions	2019	2018	2017	2016	2015	2014
Property and equipment	682	677	229	247	235	225
Long term assets	363	422	510	553	445	159
Current asset	563	270	479	305	179	359
Current liability	(178)	(129)	(120)	(161)	(105)	(103)
Net assets	1430	1240	1098	944	754	640

## **Current Assets 'vs' Current Liabilities**



■ Current assets
■ Current Liabilities

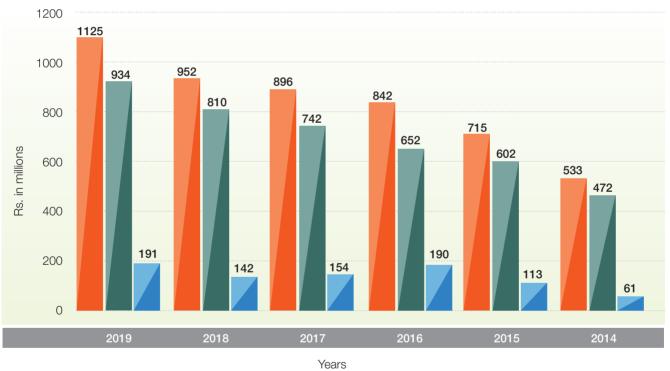
FINANCIAL ANALYSIS

## SIX YEARS SUMMARY

## **Income & Expenditure**

Rs. in million

Descriptions	2019	2018	2017	2016	2015	2014
Income	1125	952	896	842	715	533
Expenditure	934	810	742	652	602	472
Net Excess	191	142	154	190	113	61



Income Expenditure Net Excess FINANCIAL ANALYSIS ANNUAL REPORT 2019

## SIX YEARS SUMMARY

Cash Flows

Rs. in million

Descriptions	2019	2018	2017	2016	2015	2014
Cash & cash equivalent at the beginning of the year	116	368	167	96	200	192
Cash flows from operating activities	178	144	75	202	101	88
Cash flows from investing activities	162	(396)	126	(131)	(205)	(80)
Net changes in cash and cash equivalent	340	(252)	201	71	(104)	8
Cash & cash equivalent at the end of the year	456	116	368	167	96	200



Years

Cash flows from operating activities

Cash flows from investing activities

## **SIX YEARS SUMMARY**

Vertical Analysis Rupees in million

	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
ASSETS AND LIABILITIES												
Property and equipment	682	48%	677	55%	229	21%	247	26%	235	31%	225	35%
Other Long term assets	363	25%	422	34%	510	46%	553	59%	445	59%	159	25%
Current assets	563	39%	270	21%	479	44%	305	32%	179	24%	359	56%
Current liabilities	(178)	(12%)	(129)	(10%)	(120)	(11%)	(161)	(17%)	(105)	(14%)	(103)	(16%)
Net assets	1430	100%	1240	100%	1098	100%	944	100%	754	100%	640	100%
REPRESENTED BY												
General Fund	1074	75%	934	75%	842	77%	718	76%	555	74%	452	71%
Specific Funds	5	0%	5	0%	5	0%	5	0%	5	1%	4	1%
Endowment Funds	181	13%	142	12%	118	11%	90	10%	70	9%	71	11%
Regional Committees	37	3%	37	3%	33	3%	37	4%	38	5%	36	6%
Benevolent Fund	133	9%	122	10%	100	9%	94	10%	86	11%	77	11%
	1430	100%	1240	100%	1098	100%	944	100%	754	100%	640	100%
INCOME & EXPENDITURES												
Income	1125	100%	952	100%	896	100%	842	100%	715	100%	533	100%
Expenditures	934	83%	810	85%	742	83%	652	77%	602	84%	472	89%
Operating Surplus	191	17%	142	15%	154	17%	190	23%	113	16%	61	11%

# **SIX YEARS SUMMARY**

Horizontal Analysis

Rupees in million

	2019	Change over preceding	2018	Change over preceding	2017	Change over preceding	2016	Change over preceding	2015	Change over preceding	2014
ASSETS AND LIABILITIES		year (%)		year (%)		year (%)		year (%)		year (%)	
Property and equipment	682	1%	677	196%	229	(7%)	247	5%	235	4%	225
Other Long term assets	363	(14%)	422	(17%)	510	(8%)	553	24%	445	180%	159
Current assets	563	109%	270	(44%)	479	57%	305	70%	179	(50%)	359
Current liabilities	(178)	(38%)	(129)	(8%)	(120)	(25%)	(161)	(53%)	(105)	(2%)	(103)
Net assets	1430		1240		1098		944		754		640
REPRESENTED BY											
General Fund	1074	15%	934	11%	842	17%	718	29%	555	23%	452
Specific Funds	5	0%	5	0%	5	0%	5	0%	5	25%	4
Endowment Funds	181	27%	142	20%	118	31%	90	29%	70	(1%)	71
Regional Committees	37	0%	37	12%	33	(11%)	37	(3%)	38	6%	36
Benevolent Fund	133	9%	122	22%	100	6%	94	9%	86	12%	77
	1430		1240		1098		944		754		640
INCOME & EXPENDITURES											
Income	1125	18%	952	6%	896	6%	842	18%	715	34%	533
Expenditures	934	15%	810	9%	742	14%	652	8%	602	28%	472
Operating Surplus	191	35%	142	(8%)	154	(19%)	190	68%	113	85%	61

# **SIX YEARS SUMMARY**

Rupees in thousand

Category	2019	2018	2017	2016	2015	2014
OVERSEAS TRAVELLING						
International Federation of Accountants (IFAC)						
Members of the Council Members of the Committee Staff of the Institute	4,975 1,846 663 7,484	1,744 2,011 1,217 4,972	2,619 523 - 3,142	2,712 772 - 3,484	3,625 410 615 4,650	2,507 541 398 3,446
Confederation of Asian and Pacific Accountants (CAPA)	7,404	4,972	3,142	3,404	4,050	3,440
Members of the Council	472	639	755	910	2,240	726
South Asian Federation of Accountants (SAFA)						
Members of the Council Members of the Committee Staff of the Institute	1,877	1,557 268 117	2,346 182 855	727 126 555	1,392 - 143	2,163
Professional Accountants in Business (PAIB)	1,877	1,942	3,383	1,408	1,535	2,484
Members of the Council Staff of the Institute	1,792 - 1,792	320 - 320	477 - 477	1,126 - 1,126	1,071	358 143 501
Conference and Chapter activities	1,792	320	4//	1,120	1,071	501
Members of the Council Staff of the Institute	341	830 139 969	967 325 1,292		718 201 919	757 313 1,070
Others	341	909	1,292	-	919	1,070
Members of the Council Members of the Committee Staff of the Institute	1,818 746 242 2,806	1,340 81 307 1,728	1,977 57 196 2,230	2,675 - - 2,675	961 - 265 1,226	372 - 376 748
Sub Total	14,772	10,570	11,279	9,603	11,641	8,975
LOCAL TRAVELLING						
Members of the Council Members of the Committee Staff of the Institute Sub Total	10,192 1,910 5,600 17,702	6,483 3,155 4,059 13,697	5,622 1,383 4,086	5,628 1,236 3,141 10,005	3,920 957 3,684 8,561	5,403 786 4,301 10,490
	,	,	,	,	,	,
Grand Total	32,474	24,267	22,370	19,608	20,202	19,465

Muhammad Shabbir Kasbati Chartered Accountant

F-4/2, Mustafa Avenue, Clifton, Karachi – Pakistan. Syed Aftab Hameed Chartered Accountant Amin Building, 65 The Mall, Lahore – Pakistan.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

#### **Opinion**

We have audited the financial statements of the **Institute of Chartered Accountants of Pakistan** (the Institute), which comprises the statement of financial position as at June 30, 2019 and the statement of comprehensive income, statement of cash flows and the statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 2019, and of its financial performance and its cash flows and changes in funds for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP.

#### **Basis for Opinion**

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

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

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

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

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

#### Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether the material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events and conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
  whether the financial statement represents the underlying transactions and events in a manner that achieves fair
  presentation.

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

#### Other Matter

The annual financial statements of the Institute for the year ended June 30, 2018 were audited by Mr. Qasim Ebrahim Causer, Chartered Accountant and Syed Aftab Hameed, Chartered Accountant, whose audit report dated September 30, 2018 expressed an unmodified opinion on the aforementioned financial statements.

MUHAMMAD SHABBIR KASBATI CHARTERED ACCOUNTANT KARACHI SYED AFTAB HAMEED
CHARTERED ACCOUNTANT
LAHORE

DATED: August 31, 2019

# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019	2018
		· R	s. '000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	682,362	677,198
Intangible assets	6	6,798	1,797
Long term investments	7	346,695	408,988
Loans, advances, deposits and prepayments	8	9,122	11,565
		1,044,977	1,099,548
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	9	15,334	10,416
Short term investments	10	478,403	175,107
Loans, advances, prepayments and other receivables	11	39,486	27,999
Accrued income on investments	12	9,589	8,766
Cash and bank balances	13	20,627	47,608
		563,439_	269,896
TOTAL ASSETS		1,608,416	1,369,444
LIABILITIES			
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	14	119,654	78,921
Fee and charges received in advance	15	57,881	50,461
Ç		177,535	129,382
CONTINGENCIES AND COMMITMENTS	16		
NET ASSETS		1,430,881	1,240,062
REPRESENTED BY:			
ACCUMULATED FUNDS			
General Fund		1,073,899	933,945
Specific Fund		5,436	5,164
Endowment Funds		181,379	141,747
Regional Committees		37,382	37,295
Benevolent Fund		132,785_	121,911_
		1,430,881	1,240,062

The annexed notes from 1 to 36 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER** 

**SECRETARY** 

**PRESIDENT** 

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		· Rs. 'C	)00
Income  Members' subscription Examination and other fees Education and training fees Publications Miscellaneous	17 18 19 20 21	187,213 663,570 163,132 10,211 27,002 1,051,128	159,036 580,919 129,119 8,987 
Service / Operational expenditures		1,001,120	500,700
Salaries, allowances and other benefits Examination charges Depreciation Traveling and related expenses Study packs and other publications Utilities Network and communication Repairs and maintenance Printing and stationery Rent, rates and taxes Advertisement and marketing Amortisation of intangible assets Financial assistance to students Financial assistance to members and/or families Members induction ceremony Edhi CA talent program Vehicles maintenance and running cost Legal charges Professional charges Others	22 5.2 23 24 6 25	279,127 163,788 34,105 30,082 55,497 29,916 19,387 47,217 14,073 20,533 17,848 3,760 6,707 23,155 9,558 9,279 7,677 6,734 5,343 53,320	265,872 140,018 33,221 21,943 40,397 23,812 16,779 37,470 14,296 17,619 13,379 2,216 5,822 19,893 7,947 10,184 5,906 4,813 2,111 38,114
		837,106	721,812
Administrative / Managerial expenditures Salaries, allowances and other benefits Traveling and related expenses Vehicles maintenance and running cost	22	91,319 2,392 2,733	84,275 2,324 1,837 88,436
Total expenditure		96,444	810,248
Excess of income over expenditure before income from investments Income from investments  Excess of income over expenditure for the year  Other comprehensive income  Deficit on re-measurement of financial assets at fair value throug other comprehensive income  Total comprehensive income for the year	27	117,578 73,776 191,354 (535) 190,819	96,485 46,367 142,852 (820) 142,032
Attributable to: General Fund Specific Fund Endowment Funds Regional Committees Benevolent Fund		177,158 272 4,200 315 	116,062 91 1,136 3,856 20,887 142,032

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER SECRETARY PRESIDENT

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		R	s. '000
Cash flows from operating activities			
Cash received against:			
Members' subscription		198,168	158,442
Examination and other fees		661,600	593,095
Education and training fees		163,132	129,119
Sale of publications		9,960	9,410
Facilities and miscellaneous		16,764	28,832
		1,049,624	918,898
Cash paid against:			
Salaries, allowances and other benefits		365,927	336,502
Fees to professional bodies		7,817	7,624
Property tax		987	914
Suppliers and services		496,896	429,046
		871,627	774,086
Net cash generated from operating activities		177,997	144,812
Cash flows from investing activities			
Investments - net		(317,343)	(180,804)
Fixed capital expenditure		(43,655)	(332,411)
Purchase of intangible assets		(8,761)	(200)
Proceeds from sale of property and equipment		15,654	1,208
Income received from investments		80,277	47,448
Net cash used in investing activities		(273,828)	(464,759)
Net decrease in cash and cash equivalents		(95,831)	(319,947)
Investment realisable within three months		436,066	68,850
Cash and cash equivalents - at beginning of the year		116,458	367,555
Cash and cash equivalents - at end of the year	28	456,693	116,458
· · · · · · · · · · · · · · · · · · ·			

The annexed notes from 1 to 36 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

			Endowment Funds		Regional Committees			Benevolent Fund				
	General	Specific	Students'	Libraries		Southern	Northern			Special		
	Fund	Fund	Fund		Sub total		Accumulated	Sub total			Sub total	Total
				Fund		Fund	Fund		Fund	Fund		
						Rs. '0	00					
Balance as at July 01, 2017	842,095	5,073	109,210	8,189	117,399	26,979	6,460	33,439	99,185	839	100,024	1,098,030
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	-	1,000	-	1,000	-
Transferred to Students' Endowment Fund	(23,212)	-	23,212	-	23,212	-	-	-	-	-	-	-
Total comprehensive income for the												
year ended June 30, 2018												
Excess of income over expenditure for the year	116,062	91	752	384	1,136	1,709	2,147	3,856	21,707	-	21,707	142,852
Other comprehensive loss	-	-	-	-	-	-	-	-	(820)	-	(820)	(820)
	116,062	91	752	384	1,136	1,709	2,147	3,856	20,887	-	20,887	142,032
Balance as at June 30, 2018	933,945	5,164	133,174	8,573	141,747	28,688	8,607	37,295	121,072	839	121,911	1,240,062
Balance as at July 01, 2018	933,945	5,164	133,174	8,573	141,747	28,688	8,607	37,295	121,072	839	121,911	1,240,062
Fund balance reclassification	228	-	-	-	-	-	(228)	(228)	-	-	-	
	934,173	5,164	133,174	8,573	141,747	28,688	8,379	37,067	121,072	839	121,911	1,240,062
Transferred to Benevolent Fund	(2,000)	-	-	-	-	-	-	-	2,000	-	2,000	-
Transferred to Students' Endowment Fund	(35,432)	-	35,432	-	35,432	-	-	-	-	-	-	-
Total comprehensive income for the												
year ended June 30, 2019												
Excess / (deficit) of income over expenditure												
for the year	177,158	272	3,751	449	4,200	(415)	730	315	9,409	-	9,409	191,354
Other comprehensive income	-	-	-	-	-	-	-	-	(535)	-	(535)	(535)
	177,158	272	3,751	449	4,200	(415)	730	315	8,874	-	8,874	190,819
Balance as at June 30, 2019	1,073,899	5,436	172,357	9,022	181,379	28,273	9,109	37,382	131,946	839	132,785	1,430,881

The Council in its meeting held on June 09, 2018, decided to allocate Rs. 2 million from General Fund to Benevolent Fund.

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

The annexed notes from 1 to 36 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

#### THE INSTITUTE AND ITS OPERATIONS

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

#### **Regional Committees**

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

#### **Endowment Funds**

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

#### Benevolent Fund

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

#### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan under the Companies Act, 2017 and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-laws, 1983.

### 2.2 Functional and presentation currency

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

### 2.3 New standards, interpretations and amendments to published approved accounting standards.

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

The Institute has adopted IFRS 15 and IFRS 9 during the year. The impact of these standards is set out below:

#### **IFRS 9 Financial Instruments**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial

assets and hedge accounting. The Institute has applied IFRS 9 and the related consequential amendments to IFRS 7 Financial Instruments: Disclosures. The review and assessment of Institute's existing financial instruments revealed that the adoption of this standard has not resulted in a change in the measurement of its financial instruments. The application of IFRS 9 has also no impact on the cash flows of the Institute.

#### IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces the previous revenue standard: IAS 18 "Revenue", IAS 11 "Construction Contracts", and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management has undertaken a detailed assessment of the performance obligations associated with revenue streams and is of the view that application of IFRS 15 does not have a material impact on the current and prior year figures as well as the accounting policies applied for the recognition of revenue. Accordingly, no restatement of the information presented for prior year is required.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2018 are considered not to be relevant for the Institute's financial statements and hence have not been detailed here.

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

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. IFRS 16 is effective for annual period begining on or after January 1, 2019.

#### 3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value through other comprehensive income.
- 3.2 The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the Institute's accounting policies.

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

- (i) Estimate of useful lives and residual values of property and equipment and intangible assets [notes 4.1 and 4.2].
- (ii) Provision against interest free education loans [note 4.3].
- (iii) Realisable amounts of slow moving and obsolete stock of publications [note 4.6].
- (iv) Estimation of contingent liabilities [note 4.11 and 16].

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Property and equipment

#### 4.1.1 Operating fixed assets - tangible

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any, except for leasehold and freehold land which are stated at cost. Depreciation is charged on reducing balance method at the rates stated in note 5.2. Depreciation on additions is charged from the day on which the asset become available for use and on disposals, up to the day the asset is in use. No amortisation is provided on leasehold land as cost of renewing lease is nominal and realizable value is higher than cost.

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

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

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

#### 4.1.2 Capital work-in-progress

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

### 4.2 Intangible assets

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

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

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

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

#### 4.3 Interest free education loans

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

### 4.4 Financial instruments

The Institute has classified its financial instruments based on the requirements as set out in IFRS 9 – Financial Instruments. IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classification categories of financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39, stating categories as held to maturity, loans and receivables, available for sale and held for trading. Further, for impairment of financial assets, IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss (ECL)' model.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of IFRS 9.

- The determination of business model within which a financial asset is held.
- The designation and revocation of previous designations pertaining to financial assets and liabilities.
- Reclassification of investment in equity securities from short term to long term as elaborated further in note 7.6.1.

#### 4.4.1 Financial assets

#### (a) At Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

### (b) At Fair Value through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both the following conditions are met:

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

#### (c) At Fair Value through Profit or Loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

#### 4.4.1.1 Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given.

Subsequent to initial recognition, financial assets are classified at amortised cost using effective interest method, fair value through other comprehensive income with changes in fair value recognised in other comprehensive income and fair value through profit or loss with changes in fair value recognised in profit or loss.

#### 4.4.2 Financial liabilities

At the time of initial recognition, all financial liabilities are measured at fair value net off transaction cost that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortised cost.

### 4.4.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Institute has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 4.5 Impairment

#### 4.5.1 Impairment in financial assets

A financial asset is impaired if the credit risk on that financial asset has increased significantly since the initial recognition. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss (ECL) model. Loss allowance for expected credit losses on a finacial asset is recognised to account for impairment.

If a financial asset has low credit risk at the date of initial application of IFRS9, then the management has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

#### 4.5.2 Impairment in non-financial assets

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

#### 4.6 Stock of study packs, publications and souvenirs

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

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

#### 4.7 Loans, advances, prepayments and other receivables

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

#### 4.8 Cash and cash equivalents

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

#### 4.9 Employees benefits

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

#### a) Defined contribution plan (Provident Fund)

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

#### b) Compensated absences

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

#### 4.10 Creditors, accrued and other liabilities

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

#### 4.11 Contingencies and commitments

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

#### 4.12 Provisions

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

### 4.13 Revenue recognition

Income as presented in the statement of comprehensive income is the revenue as defined under IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. On evalution of the performance obligations associated with the stream of revenues, adoption of IFRS 15 does not trigger a change in the Institute's accounting policies with respect to its revenue which are enumerated below.

- Subscription income from members and students and admission fee from members is accounted for on receipt basis. Subscription receipts for periods beyond the current financial year are shown as advance fee.
- Practicing Certificate Fee is recognised in the period in which the practicing certificate is issued.
- Examination Fee is recognised in the period in which the examination was conducted.
- Examinee/Student registration fee is recognised in the period in which the Examinee/Student is registered.
- Fees received on account of training program is recognised in the period in which the training is provided.
- Income from sale of study pack and other publications is recognised on receipt basis.
- Profit on investments is accrued on the basis of effective yield of respective investments.
- Profit on savings account is recognised on accrual basis.

#### 4.14 Foreign currency transactions and translation

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

### 4.15 Segment reporting

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

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. Segment results that are reported to the Council of the Institute include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 4.16 Related party transactions

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

#### 4.17 Appropriation of funds

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

		Note	2019	2018
			R	s. '000
5.	PROPERTY AND EQUIPMENT			
	Land Operating fixed assets Capital work in progress - civil works	5.1 5.2 5.3	440,220 238,332 3,810 682,362	440,220 236,978 - 677,198

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

This also includes Rs. 440.202 million paid to Lahore Development Authority (LDA) in respect of piece of land, measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore, acquired through auction during the year 2017-18. The Lahore Development Authority (LDA) has demanded CVT of Rs. 8.8 million vide its letter DEM-I/LDA/1802511 dated July 28, 2018. The management is of the view that the CVT has been abolished effective July 1, 2017 and since the transaction date falls after July 1, 2017 the CVT is not payable on this transaction.

The management has challenged this demand in the Court of Law and is confident that the said levy is not payable by the Institute.

The title of the Land is not yet transferred in the name of the Institute due to the pendency of the CVT issue.

## 5.2 Operating fixed assets - tangible

	Leasehold land	Building on leasehold land	Freehold land	Building on freehold land	Generators	Electric fittings and appliances	Furniture and fixtures	Vehicles	Office equipment	Library books - Regional Committees	Total
As at June 30, 2017 Cost (note 5.2.1) Accumulated depreciation Net book value	1,601 - 1,601	108,052 (48,125) 59,927	4,040	30,014 (11,434) 18,580	16,233 (8,427) 7,806	65,704 (37,804) 27,900	57,977 (24,119) 33,858	52,825 (21,572) 31,253	99,004 (60,979) 38,025	1,999 (1,388) 611	437,449 (213,848) 223,601
Year ended June 30, 2018 Opening net book value Additions	1,601	59,927 3,007	4,040	18,580	7,806 3,110	27,900 2,921	33,858 5,018	31,253 25,739	38,025 9,726	611	223,601 49,521
Disposals: (note 5.2.2) Cost Accumulated depreciation								(4,153) 1,311	(358) 277		(4,511) 1,588
Depreciation for the year Closing net book value	1,601	(3,097) 59,837	4,040	(929) 17,651	(1,420) 9,496	(4,475) 26,346	(3,816) 35,060	(2,842) (8,562) 45,588	(81) (10,847) 36,823	(75) 536	(2,923) (33,221) 236,978
Year ended June 30, 2018 Cost (note 5.2.1) Accumulated depreciation Net book value	1,601 1,601	111,059 (51,222) 59,837	4,040	30,014 (12,363) 17.651	19,343 (9,847) 9,496	68,625 (42,279) 26,346	62,995 (27,935) 35,060	74,411 (28,823) 45,588	108,372 (71,549) 36,823	1,999 (1,463) 536	482,459 (245,481) 236,978
Year ended June 30, 2019 Opening net book value Additions	1,601	59,837 1,839	4,040	17,651	9,496	26,346 8,964	35,060 5.138	45,588 21,767	36,823 6,333	536	236,978 44,041
Disposals: (note 5.2.2) Cost Accumulated depreciation	- - -		- - -	- - -	- - -	(1,646) 1,445 (201)		(20,314) 12,556 (7,758)	(280) 159 (121)	- - -	(22,240) 14,160 (8,080)
Written off: (note 5.2.3) Cost Accumulated depreciation						(55) 32 (23)	(932) 807 (125)		(563) 359 (204)	(684) 534 (150)	(2,234) 1,732 (502)
Depreciation for the year Closing net book value	1,601	(3,050) 58,626	4,040	(883) 16,768	(1,424) 8,072	(4,245) 30,841	(3,734)	(10,817) 48,780	(9,775) 33,056	(177) 209	(34,105) 238,332
Year ended June 30, 2019 Cost (note 5.2.1) Accumulated depreciation Net book value	1,601 - 1,601	112,898 (54,272) 58,626	4,040 - 4,040	30,014 (13,246) 16,768	19,343 (11,271) 8,072	75,888 (45,047) 30,841	67,201 (30,862) 36,339	75,864 (27,084) 48,780	113,862 (80,806) 33,056	1,315 (1,106) 209	502,026 (263,694) 238,332
Annual rate of depreciation (% per annum)		5		5	15	15 - 20	10 - 20	20	<u>15 - 33</u>	33	

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

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

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Receivables from insurance company	Gain / (loss)	Mode of disposal	Particulars of buyers
			Rs.	'000				
Office equipments								
Laptop	69	52	17	17	-	-	As per Institute's policy	Miss. Badia Raza, Ex-employee *
Laptop	78	54	24	24	-	-	As per Institute's policy	Mr. Abdul Malik, Ex-employee *
Mobile	52	30	22	2	-	(20)	Trade in	FS Electronics
Mobile	81	23	58	58	-	-	As per Institute's policy	Mr. Abdul Malik, Ex-employee *
	280	159	121	101	-	(20)		
Electric fittings and appliances								
Air conditioners	1,646	1,445	201	224	-	23	Tender	M/s. Naveen Enterprise
Vehicles								
Honda City I VTEC	1,513	1,109	404	752	-	348	As per Institute's policy	Miss. Tahera Arshad - Employee *
Honda City I VTEC	1,529	1,101	428	1,107	-	679	As per Institute's policy	Mr. Syed Ajlal Haider Zaidi - Employee
Honda City I VTEC	1,538	1,041	497	1,287	-	790	Tender	Mr. Imran Ahmed
Honda Civic I-VTI Oriel Prosmatic 1.8	2,384	1,730	654	1,733	-	1,079	Tender	Mr. Imran Ahmed
Honda Civic I-VTI Prosmatic 1.8	2,205	1,269	936	1,927	-	991	Tender	Mr. Maaz Saleem
Toyota Corolla GLI	1,886	817	1,069	1,536	-	467	As per Institute's policy	Miss. Badia Raza, Ex-employee *
Toyota Corolla Altis	2,191	1,475	716	1,200	-	484	As per Institute's policy	Mr. Syed Masood Akhtar - Employee *
Suzuki Bolan	641	479	162	511	-	349	Tender	Mr. Imran Ahmed
Suzuki Cultus	1,050	599	451	843	-	392	Tender	Mr. Zahid Qadri
Suzuki Cultus	1,050	573	477	886	-	409	Tender	Mr. Imran Ahmed
Suzuki Cultus	1,030	713	317	560	-	243	As per Institute's policy	Mr. M Owais Mukati - Employee *
Suzuki Cultus VXR Euro II	1,099	550	549	1,014	-	465	Tender	Mr. Ahsan Ahmed
Suzuki Cultus VXR Euro II	1,099	550	549	982	-	433	Tender	Mr. Imran Ahmed
Suzuki Cultus VXR Euro II	1,099	550	549	991	-	442	Tender	Mr. Ahsan Ahmed
	20,314	12,556	7,758	15,329	-	7,571		
June 30, 2019	22,240	14,160	8,080	15,654	-	7,574		
June 30, 2018	4,511	1,588	2,923	1,209	2,150	436		

<sup>\*</sup> Key management personnel

## **5.2.3** The detail of operating fixed assets written-off during the year are as follows:

Particular of assets	Cost	Accumulated depreciation	Net book value	Written-off
General fund		Rs.	'000	
Office equipments - Mobile phones	147	37	110	110
Northern Regional Committee				
Electric fittings and appliances - Air conditioner	55	32	23	23
Furniture and fixtures - Book shelf - Chairs - Tables - Side racks	560 208 158 6 <b>932</b>	492 184 126 5 <b>807</b>	68 24 32 1	68 24 32 1
Office equipments - Desktop computers - Laptops - UPS - Tea dispenser	185 80 147 4 <b>416</b>	142 66 111 3 322	43 14 36 1 <b>94</b>	43 14 36 1 <b>94</b>
Library books	684	534	150	150
June 30, 2019	2,234	1,732	502	502
June 30, 2018		-	-	
			2019	2018
Capital work in progress - civil works			Rs. '000	,
Opening balance Additions (at cost) Transfer to property and equipment Closing balance			- 6,628 (2,818) 3,810	5,541 1,060 (6,601)

5.3

		Computer software licenses	Development cost of study pack	Total
6.	INTANGIBLE ASSETS		Rs. '000	
	As at June 30, 2017 Cost Accumulated amortisation Net book value	1,868 (929) 939	26,048 (23,174) 2,874	27,916 (24,103) 3,813
	Year ended June 30, 2018 Opening net book value Addition Amortisation charges Closing net book value	939 200 (572) 567	2,874 - (1,644) 1,230	3,813 200 (2,216) 1,797
	As at June 30, 2018 Cost Accumulated amortisation Net book value	2,068 (1,501) 567	26,048 (24,818) 1,230	28,116 (26,319) 1,797
	Year ended June 30, 2019 Opening net book value Addition Amortisation charges Closing net book value	567 293 (550) 310	1,230 8,468 (3,210) 6,488	1,797 8,761 (3,760) 6,798
	As at June 30, 2019			
	Cost Accumulated amortisation Net book value	2,361 (2,051) 310	34,516 (28,028) 6,488	36,877 (30,079) 6,798
	Annual rate of amortisation (% per annum)	33%	33%	

6.1 Intangible assets as at June 30, 2019 include items having an aggregate cost of Rs. 1.87 million (2018: Rs. 0.26 million) that have been fully amortised and are still in use of the Institute.

		Note	2019	<b>2018</b>
7.	LONG TERM INVESTMENTS		,	s. 000
	At amortised cost			
	General Fund	7.1	232,276	266,768
	Specific Fund: Prize Fund	7.2	1,922	2,434
	Endowment Funds	7.3	107,940	113,152
	Southern Regional Committee	7.4	_	16,641
	Benevolent Fund	7.5	_	5,143
			342,138	404,138
	At fair value through		,	,
	other comprehensive income			
	Benevolent Fund	7.6	4,557	4,850
			346,695	408,988
	At fair value through other comprehensive income		4,557	404,138

		Note	2019	2018
	At amortised cost		R	ls. '000
7.1	General Fund			
	Certificates of Islamic Investment Pakistan Investment Bonds Less: Maturing within one year, classified	7.1.1 7.1.2	115,000	115,000 133,073
	under short term investments	10.1	(33,153)	122.072
	Certificates of Deposit	7.1.3	97,017 20,259 232,276	133,073 18,695 266,768

- 7.1.1 This represents Certificates of Islamic Investment of a bank aggregating to Rs. 115 million (June 30, 2018: Rs. 115 million). These certificates carry profit at the rates ranging from 6.02% to 11.47% (June 30, 2018: 5.98% to 6.03%) 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. 122.86 million (June 30, 2018: Rs. 122.86 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 6.99% to 8.02% (June 30, 2018: 6.99% to 8.02%) per annum. These PIBs have term of five years and are maturing on various dates upto July 19, 2022.
- 7.1.3 This represents Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2018: Rs. 15 million). These certificates carry mark-up at the rate of 10.42% (June 30, 2018: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 5.26 million (June 30, 2018: Rs. 3.69 million) is included in the carrying value.

		Note	2019	2018
			R	ls. '000
7.2	Specific Fund: Prize Fund			
	Certificate of Islamic Investment	7.2.1	1,000	1,000
	Pakistan Investment Bond Less: Maturing within one year, classified	7.2.2	1,395	1,434
	under short term investments	10.2	(473)	-
			922	1,434_
			1,922	2,434

- 7.2.1 This represents Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2018: Rs. 1 million). This certificate carries profit at the rates ranging from 6.02% to 11.47% (June 30, 2018: 5.98% to 6.03%) 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 face value of Rs. 1.29 million (June 30, 2018: Rs. 1.29 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% to 8.02% (June 30, 2018: 7.20% to 8.02%) per annum. These PIBs have a term of five years and is maturing on July 19, 2022.

7.0	For decomposit Founds	Note	<b>2019</b> R	<b>2018</b> s. '000
7.3	Endowment Funds			
	Students' Endowment Fund Certificates of Islamic Investment Pakistan Investment Bonds Less: Maturing within one year, classified under short term investments	7.3.1 7.3.2 10.3	42,000 61,258 (851) 60,407	42,000 63,504 - 63,504
	Libraries Development Fund Pakistan Investment Bonds Less: Maturing within one year, classified under short term investments	7.3.3 10.3	7,424 (1,891) 5,533 107,940	7,648 - 7,648 113,152

- **7.3.1** This represents Certificates of Islamic Investment of a bank aggregating to Rs. 42 million (June 30, 2018: Rs. 42 million). Profit is receivable on monthly basis at the rates ranging from 6.02% to 11.47% (June 30, 2018: 5.98% to 6.03%) per annum and are maturing on various dates upto June 30, 2022.
- 7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 54.91 million (June 30, 2018: Rs. 54.91 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 7.20% to 8.02% (June 30, 2018: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.
- **7.3.3** This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 6.830 million (June 30, 2018: Rs. 6.830 million). Profit is receivable on half yearly basis, with yield at the rates ranging from of 7.20% to 8.02% (June 30, 2018: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

		Note	2019	2018
			· R	s. '000
7.4	Southern Regional Committee			
	Certificates of Islamic Investment Less: Maturing within one year, classified		16,641	22,505
	under short term investments Encashed and placed in short term under	10.4	-	(5,864)
	new arrangement	10.4	(16,641)	16,641
7.5	Benevolent Fund			
	Defence Savings Certificates Less: Maturing within one year, classified		5,765	5,143
	under short term investments	10.6	(5,765)	
	Special Savings Certificates Less: Maturing within one year, classified		-	5,143 76,175
	under short term investments			(76,175)
				5,143

7.6

At Fair value through other comprehensive income	2019	2018
Benevolent Fund	F	s. '000
Investments in equity shares		
The Hub Power Company Limited		
As on 01-July	3,687	4,698
Add: Right shares subscribed during the year 4,839 (June 30, 2018: Nil) (Deficit) on re-measurement Market value of 44,839 ordinary shares	242 (397)	(1,011)
(June 30, 2018: 40,000 ordinary shares)	3,532	3,687
Fauji Fertilizer Company Limited As on 01-July (Deficit) / Surplus on re-measurement Market value of 11,767 ordinary shares as on June 30	1,163 (138) 1,025 4,557	972 191 1,163 4,850

7.6.1 These equity securities represent investments that the Institute intends to hold for long term strategic purposes and have therefore been re-classified as long term investments. As permitted by IFRS 9, the Institute has designated these investments at the date of initial application as measured at fair value through other comprehensive income (FVOCI). Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

	·	Note	2019	2018
			·R	s. '000
8.	LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS			
	Motor avala loons (accured considered good):			
	Motor cycle loans (secured - considered good):  Opening balance as at 01-July	8.1	668	696
	Additions during the year	0.1	583	555
	Less: Deductions during the year		-	(123)
	Less: Recoverable within one year grouped			(120)
	under current assets	11	(491)	(460)
			760	668
	Special Advances (secured - considered good):			
	Opening balance as at 01-July		1,027	1,867
	Additions during the year	8.2	3,597	189
	Less: Recoverable within one year grouped		( )	(, )
	under current assets	11	(2,134)	(1,029)
	latered for a discribed large consequent		2,490	1,027
	Interest free education loans - unsecured		1,516	1,512
	considered good considered doubtful		3,225	3,233
	Considered doubtral		4,741	4,745
	Less: Impairment allowance against doubtful loans		(3,225)	(3,233)
	2000 m pair no it alie na ito againet do as tal local o		1,516	1,512
	Prepaid rent		165	345
	Advance against purchase of property and			
	equipment	8.3	-	4,196
	Deposits		4,191	3,817_
			9,122	11,565_

- 8.1 These represent interest free loans to the employees of the Institute for purchase of motor cycles and are recoverable in monthly instalments over the period of five years. Motor cycles provided under this scheme are registered in joint names of the Institute and employees. These loans are secured against employees' vested retirement benefits.
- 8.2 These represent interest free advances which are given to employees for various reasons in accordance with Institute's policy. These advances are recoverable in 60 equal monthly instalments and are secured against employees retirement benefits. Effect of amortisation is considered immaterial. This includes Rs. 2.156 million (2018: Rs. 0.400 million) due from key management personnel.
- **8.3** This represents advance against purchase of vehicles.

		Note	2019	2018
9.	STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS		· R	s. '000
	Stock of study packs Stock of publications and souvenirs		9,728 6,883 16,611	3,243 7,766 11,009
	Less: Provision for obsolete stock	9.1	(1,277) 15,334	(593) 10,416
9.1	Provision for obsolete stock:		10,004	
	Balance at the beginning of the year Provision recognised during the year Provision written off during the year Balance at the end of the year	26	(593) (1,907) 1,223 (1,277)	(1,852) (593) 1,852 (593)
10.	SHORT TERM INVESTMENTS			
	At amortised cost General Fund Specific Fund: Prize Fund Endowment Funds Southern Regional Committee Northern Regional Committee Benevolent Fund  At amortised cost	10.1 10.2 10.3 10.4 10.5 10.6	285,741 3,247 32,126 23,230 5,003 129,056 478,403	50,015 2,718 - 7,677 5,112 109,585 175,107
40.4				
10.1	General Fund			
	Certificates of Islamic Investment Pakistan Investment Bonds	10.1.1 7.1	252,588 33,153 285,741	50,015 - 50,015

10.1.1 This represents Certificates of Islamic Investment of a bank having aggregate face value of Rs. 250 million (June 30, 2018: Rs. 50 million). These certificates carry profit at the rates ranging from 11.00% to 13.50% (June 30, 2018: 5.60%) per annum receivable on maturity and are maturing on various dates upto September 26, 2019. Accrued profit amounting to Rs. 2.59 million (June 30, 2018: Rs. 0.015 million) is included in the carrying value.

		Note	2019	2018
10.2	Specific Fund: Prize Fund		R	s. '000
	Term Deposit Receipts Certificate of Islamic Investment Pakistan Investment Bond	10.2.1 7.2	2,774 473 3,247	2,718 - - - 2,718

10.2.1 This represents investment in Certificate of Islamic Investment of a bank, having aggregate face value of Rs. 2.70 million (June 30, 2018: Nil). This certificate carries mark-up at the rate of 11% (June 30, 2018: Nil) per annum receivable on maturity and are maturing on July 02, 2019. Accrued profit amounting to Rs. 0.074 million (June 30, 2018: Nil) is included in the carrying value.

		Note	2019	2018
10.3	Endowment Funds		R	s. '000
	Students' Endowment Fund			
	Certificate of Islamic Investment	10.3.1	29,384	-
	Pakistan Investment Bond	7.3	851	-
			30,235	-
	Libraries Development Fund			
	Pakistan Investment Bond	7.3	1,891	-
			32,126	-

10.3.1 This represents Certificates of Islamic Investment, issued by a bank having face value aggregating to Rs. 28.60 million (June 30, 2018: Rs. Nil). These certificates carry profit at the rate of 11% (June 30, 2018: Nil) per annum receivable on maturity and are maturing on various dates upto July 02, 2019. Accrued profit amounting to Rs. 0.78 million (June 30, 2018: Nil) is included in the carrying value.

		Note	2019	2018
10.4	Southern Regional Committee		· R	s. '000
	Certificates of Islamic Investment	10.4.1	23,230	7,677

10.4.1 This represents Certificates of Islamic Investment, issued by a bank having face value aggregating to Rs. 23.2 million (June 30, 2018: Rs. 7.10 million). These certificates carry profit at the rates ranging from 4.80% to 13.00% (June 30, 2018: 4.69% to 5.59%) per annum receivable on maturity and are maturing on various dates upto September 26, 2019. Accrued profit amounting to Rs. 0.03 million (June 30, 2018: Rs. 0.058 million) is included in the carrying value.

		Note	2019	2018
10.5	Northern Regional Committee		· F	Rs. '000
	Certificates of Islamic Investment	10.5.1	5,003	5,112

10.5.1 This represents Certificates of Islamic Investment having face value of Rs. 5.00 million (June 30, 2018: Rs. 5.00 million). These certificates carry profit at the rate of 10.75% (June 30, 2018: 4.62%) per annum receivable on maturity and are maturing on September 26, 2019. Accrued profit amounting to Rs. 0.003 million (June 30, 2018: Rs. 0.112 million) is included in the carrying value.

		Note	2019	2018
10.6	Benevolent Fund		· F	s. '000
	Special Savings Certificates Term Deposit Receipts		-	76,175 33,410
	Certificates of Islamic investment	10.6.1	123,291	-
	Defence Savings Certificates	10.6.2	5,765	
			129,056	109,585

- 10.6.1 This represents Certificates of Islamic Investment having face value of Rs. 120 million (June 30, 2018: Nil). These certificates carry profit at the rate of 11% (June 30, 2018: Nil) per annum receivable on maturity and are maturing on July 2, 2019. Accrued profit amounting to Rs. 3.29 million (June 30, 2018: Nil) is included in the carrying value.
- 10.6.2 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2018: 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, 2018: 12.10%) per annum receivable on maturity. Accrued mark-up aggregating to Rs. 3.77 million (June 30, 2018: Rs. 3.14 million) is included in the carrying value.

		Note	2019	2018
11	LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		· Rs	s. '000
	Motor Cycle loans (secured - considered good): Opening balance as at 01-July Current portion transfer from long term Less: Recovered during the year	8	382 491 (450) 423	347 460 (425) 382
	Special Advances (secured - considered good): Opening balance as at 01-July Current portion transfer from long term Less: Recovered during the year	8	1,016 2,134 (1,472) 1,678	1,173 1,029 (1,186) 1,016
	Salaries advance (secured - considered good): Opening balance as at 01-July Additions during the year Less: Recovered during the year	11.1	1,842 7,387 (7,221) 2,008	1,321 7,455 (6,934) 1,842
	Unsecured: Income tax Suppliers and others		10,816 1,984 12,800	8,328 1,738 10,066
	Less: Impairment allowance against advance income tax	11.2	<u>(10,816)</u> 1,984	(8,328) 1,738
	Prepayments: - Rent - Others		2,772 15,252 18,024	3,806 6,253 10,059
	Other receivables - considered good	11.3	<u>15,369</u> <u>39,486</u>	12,962 27,999

11.1 This includes Rs. 0.955 million (June 30, 2018: Rs. 1.091 million) due from key management personnels.

		Note	2019	2018
			R	s. '000
11.2	Opening balance		8,328	5,902
	Add: Impairment allowance against advance			
	income tax		2,488	2,426
	Closing balance		10,816	8,328
11.3	Other receivables (considered good)			
	Advertisement income receivable		-	58
	Due on account of rental of facilities		1,114	302
	Due in respect of seminar and conference		444	421
	Dividend receivable		-	145
	Fee in transit	11.3.1	5,532	7,198
	Miscellaneous	11.3.2	8,279	4,838
			15,369	12,962

- **11.3.1** This represents fee in transit against membership fee to be received through a bank.
- **11.3.2** This includes Rs. 0.134 receivable from Ex-Council Member (2018: Rs. 0.253 million from Ex-Council Members) and insurance claim receivable amounting to Rs. 0.343 million (2018: Rs. 3.890 million).

		<b>2019</b>	<b>2018</b>
12	ACCRUED INCOME ON INVESTMENTS		
	Accrued income on: Term deposit receipts / Certificates of Islamic investments Pakistan Investment Bonds	1,900 7,689 9,589	1,079 7,687 8,766

13

	Note	2019	<b>2018</b>
CASH AND BANK BALANCES			. 000
General Fund Cash in hand Local currency		338	389
Foreign currency		<u>370</u> 708	<u>142</u> 531
Cash at banks in : Current accounts			
Local currency Foreign currency		810 160 970	1,089 122 1,211
Saving accounts Local currency Foreign currency	13.1 13.2	9,715 1,545 11,260	31,570 1,133 32,703
Prize Fund Cash at bank in Saving accounts	13.1	210	536
Students' Endowment Fund Cash at bank in Saving accounts	13.1	1	3,631
Southern Regional Committee Cash in hand Cash at banks in:		27	51
Current accounts Saving accounts	13.1	3,868 586 4,454	1,250 863 2,113
Northern Regional Committee Cash in hand Cash at banks in:		162	65
Current account Saving accounts	13.1	2,123 2,566	715 1,480 2,195
Benevolent Fund Cash at bank in Saving accounts	13.1	269 20,627	4,572 47,608

- 13.1 These carry mark-up at the rates upto 11.40% (2018: upto 5.60%) per annum.
- 13.2 These carry mark-up at the rates upto 0.10% (2018: upto 0.10%) per annum.

		Note	<b>2019</b> R	<b>2018</b> s. '000
14	CREDITORS, ACCRUED AND OTHER LIABILITIES			
	Creditors Accrued liabilities Other liabilities Chartered Accountant Students' Association (CASA)	14.1	53,878 57,612	16,322 54,466 872
	Retention money IFRS Foundation royalty Others	14.1	436 282 7,446 8,164 119,654	585 534 6,142 8,133 78,921

14.1 This includes Rs. 1.111 million (2018: Rs. 0.855 million) payable to Council Members and Rs. 0.742 million (2018: Rs. 0.935 million) payable to key management personnel.

		2019	2018
		· R	s. '000
15	FEE AND CHARGES RECEIVED IN ADVANCE		
	Fee received in advance from / on account of:		
	Members	33,478	22,523
	Examinations	20,664	22,635
	Others	2,745	3,076
	Advance insurance premium from members	994	2,227
		57,881	50,461

### 16 CONTINGENCIES AND COMMITMENTS

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. In the year 2009, the Institute filed an appeal before the Honorable Supreme Court of Pakistan and on March 19, 2009 the Hon'ble Supreme Court suspended the operation of the order passed by the Appellate Bench of the Competition Commission. During the pendency of the appeal the Competition Commission Ordinance, 2010 was promulgated on March 26, 2010. On June 01, 2017, in view of the change in law, the appeal was disposed-off by the Supreme Court by transferring it to the Competition Appellate Tribunal constituted under the Competition Act, 2010. The appeal of the Institute is still pending adjudication before the Appellate Bench of the Competition Commission of Pakistan.

The Institute has a fair case, therefore, no accrual has been made in these financial statements relating to the above referred penalty.

The Competition Commission of Pakistan (the Commission) passed an order dated January 10, 2013, wherein it has held that ICAP circular dated July 4, 2012, refraining the training 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 filed a writ petition on February 23, 2013 in the Honorable Lahore High Court against the aforementioned order in addition to appeal filed on March 9, 2013 before Competition Appellate Tribunal.

The Honorable Lahore High Court in the interim order dated October 23, 2013, has confirmed that the penalty imposed by the Commission, in the above referred order of the Commission, shall not be recovered till final disposal of the writ petition.

Both the writ petition and appeal are pending adjudication before the Hon'ble Lahore High Court, Lahore and the Appellate Bench of Competition Commission respectively.

Based on legal advice, the Institute expects a favorable outcome of the legal proceedings, therefore, no provision has been made in these financial statements against such liability/amount.

16.3 Commitments in respect of capital expenditure as at the reporting date aggregated to Rs. 15.50 million (2018: Rs. 4.40 million).

		Note	2019	<b>2018</b>
17	MEMBERS' SUBSCRIPTION			s. 000
17.1	Annual subscription Admission fee Practicing certificate fee Foreign affiliation fee Duplicate identity card fee	17.1	163,473 2,820 20,815 - 105 187,213	139,070 1,377 18,316 121 152 159,036
18	Annual subscription  General Fund Southern Region Northern Region Benevolent Fund  EXAMINATION AND OTHER FEES		136,763 3,446 2,783 20,481 163,473	116,242 3,246 2,535 17,047 139,070
	Examination fee Annual subscription from students Fee for duplicate certificates and other services		611,008 46,303 6,259 663,570	536,993 40,365 3,561 580,919
19	Students Registration fee Registered Accounting Education Tutors' fee Training organization fee  PUBLICATIONS		159,477 2,534 1,121 163,132	125,043 2,429 1,647 129,119
	Study packs Other Publications: Accounting Standards Auditing Standards Gripping IFRS Miscellaneous	20.1	2,220  5,524 1,538 8 921 7,991 10,211	2,548  4,280 1,324 82 753 6,439 8,987

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

		Note	<b>2019</b>	<b>2018</b> s. '000
21	OTHER INCOME		11	3. 000
	Income derived from utilisation of facilities Gain on sale of property and equipment - net Surplus on Directors' Training Programs Surplus on Directors' Orientation Training Programs Surplus on IFRSs Training Program Net surplus from Continuing Professional	5.2.2 21.1 21.2	4,336 7,574 11,604 627 225	5,111 436 5,018 -
	Development (CPD) activities and other events Donation received during the year Miscellaneous	21.3	621 	769 16,346 <u>992</u> 28,672
21.1	Surplus on Directors' Training Programs			
	Fee received for the training Less: Expenses incurred on training		25,596 (13,992) 11,604	11,242 (6,224) 5,018
21.2	Surplus on Directors' Orientation Training Programs			
	Fee received for the training Less: Expenses incurred on training		800 (173) 627	- - -
21.3	Net (deficit) / surplus from Continuing Professional Development (CPD) activities and other events			
	Contributions from members, sponsors and others Less: expenses incurred		63,908 (67,118) (3,210)	60,803 (60,034) 769
22	SALARIES, ALLOWANCES AND OTHER BENEFITS			
	Service / Operational expenditures Administrative / Managerial expenditures		279,127 91,319 370,446	265,872 84,275 350,147
	Salaries, allowances and other benefits include Rs. 18.174 million		8: Rs. 16.411 mi	llion) in respect of staff
	retirement benefits.	Note	2019	2018
23	TRAVELING AND RELATED EXPENSES		R	s. '000
	Expenses incurred in respect of meetings and conferences attended by:  Members of the Council  Members of the Committees  Staff of the Institute  Secretary, Directors and other executives  Other staff	00.4	21,467 4,502 3,034 3,471 6,505	12,913 5,515 3,723 2,116 5,839
23.1	Service / Operational expenditures Administrative / Managerial expenditures	23.1	32,474 30,082 2,392 32,474	24,267 21,943 2,324 24,267

	Note	2019	2018
24 STUDY PACKS AND OTHER PUBLICATIONS		N	s. '000
Study packs: Opening stock Cost of publication of study packs Less: Closing stock		3,243 45,490 (9,728) 39,005	7,971 23,526 (3,243) 28,254
Other publications		16,492 55,497	12,143 40,397
25 FINANCIAL ASSISTANCE TO STUDENTS		6,707	5,822
This represents disbursement made out of Students' Endo	wment Fund.		
26 OTHERS			
Fee to professional bodies Auditors' remuneration Meeting and related expenses Books and publications Conveyance Entertainment Bank charges Insurance Provision for obsolete stock Impairment allowance against advance income tax Impairment allowance for doubtful students' loans Training expenses Election expenses Online education and research facility Honoraria to article writers Sports and recreation Fixed assets written off Net deficit from Continuing Professional Development (CPD) activities and other events Members Golden Jubilee celebration Net deficit from FRED Conference Registration fee - World Congress of Accountants Sundry expenses	26.1 26.2 9.1 11.2 8	7,326 1,059 1,949 873 211 4,403 7,066 3,630 1,907 2,488 - 4,391 - 2,753 579 1,374 502 3,210 3,191 2,173 1,249 2,986 53,320	5,849 937 1,691 760 375 3,620 6,623 3,053 593 2,426 39 2,429 2,944 2,273 257 823 -

		2019	2018
		· R	s. '000
26.1	Fee to professional bodies		
	International bodies		
	Accounting & Auditing Organization For Islamic Financial Institutions (AAOIFI) Chartered Accountants Worldwide (CAW) Confederation of Asian and Pacific Accountants (CAPA) International Federation of Accountants (IFAC) South Asian Federation of Accountants (SAFA)	569 1,713 1,083 3,563 298	433 1,387 873 2,805 251
	Local body		
	Pakistan Institute of Corporate Governance (PICG)	100	100
		7,326	5,849
26.2	Auditors' remuneration		
	Audit fee: Muhammad Shabbir Kasbati Syed Aftab Hameed Qasim Ebrahim Causer  Out of pocket expenses	422 422  844 215 1,059	385 385 770 167 937
27	INCOME FROM INVESTMENTS		
	General Fund Markup / profit on: Term Deposit Receipts / Certificates of Islamic Investment Pakistan Investment Bonds Saving accounts  Specific Fund Endowment Funds Southern Regional Committee Northern Regional Committee Benevolent Fund	29,073 9,536 10,167 48,776 418 11,023 1,347 380 11,832 73,776	8,633 12,330 7,496 28,459 319 7,294 1,321 365 8,609 46,367

#### 28 CASH AND CASH EQUIVALENTS

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

	2019	2018
	· R	s. '000
Cash and bank balances Short term investments realisable within three months	20,627 436,066 456,693	47,608 68,850 116,458

#### 29 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Institute	Nature of transactions	2019	<b>2018</b> Rs. '000
Staff retirement benefit plans	Contribution paid to: Provident Fund	18,174	16,411
Secretary, Executive Directors, Directors and Other Excutives	<ul><li>Consideration received against sale of fixed assets (note 5.2)</li><li>Managerial remuneration</li><li>Reimbursement of expenses</li></ul>	5,254 168,675 6,049	1,188 170,305 5,692
Members of the council	- Membership fee received - Reimbursement of expenses	613 8,710	541 3,925
RAET owned by Members of the council	Tution fee to deserving students under endowment fund scheme	1,341	1,178

- 29.1 Details of expenses incurred in respect of traveling of members of the council, members of the committees, Secretary, Executive Directors, Directors and Other Executives of the Institute are disclosed in note 23.
- 29.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute directly or indirectly. The Institute considers all members of the Council, Secretary, Executive Directors, Directors and Senior Managers as its key management personnel.

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

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

	Secr	etary	Executive Directors, Directors and Other Executives			
	2019	2018	2019	2018		
	Rs. '000					
Managerial remuneration	12,338	11,400	156,337	158,905		
Defined contribution plan - employee provident fund	748	853	8,207	8,242		
Annual membership fee	24	22	590	582		
Leave encashment	680	-	483	383		
Fuel, maintenance and utilities	302	403	5,133	4,685		
	14,092	12,678	170,750	172,797		
Number of persons	2	1	41	41		
	Note: 30.1					

- 30.1 Secretary/Chief Operating Officer, Mr. Abdul Malik resigned w.e.f. January 4, 2019 and the Institute has appointed Mr. Syed Masood Akhtar (Formerly, Executive Director Examination) as Secretary w.e.f. March 27, 2019.
- 30.2 The President and members of the Council are not given any remuneration or benefits. They are only reimbursed traveling and related expenses where they represent the Institute or participate in the Institute's meetings.
- 30.3 The Secretary, Executive Directors, Directors and other executives of the Institute are also provided with the Institute's maintained cars/monetization allowance in lieu thereof.

#### 31. SEGMENT INFORMATION

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

## 31.1 Service segments:

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

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

#### 31.1.1 Basis of allocation:

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

31.1.3

31.1.2	Segment revenues and results:					
31.1.2	Segment revenues and results.	Examination	Education	Membership	General	Total
	2019			omboromp	Services	10 tai
	Income			Rs. '000		
	- from members			187,213		187,213
	- from students	662 570	160 100	101,213	-	826,702
		663,570	163,132	-	- 27.012	,
	- others	- CCO F70	100 100	107.010	37,213	37,213
	Evacaditura (noto 01 1 0)	663,570	163,132	187,213	37,213	1,051,128
	Expenditure (note 31.1.3)	(312,921)	(168,121)	(205,676)	(246,832)	(933,550)
	Income from investments and surplus on remeasurement of investment - unallocated					117,578
	Excess of income over expenditure	asurement of in	vesiment - un	allocateu	-	73,241 190,819
	Excess of income over expenditure				:	190,019
	2042					
	2018					
	Income					
	- from members	-	-	159,036	-	159,036
	- from students	580,919	129,119	-	-	710,038
	- others	-	-	-	37,659	37,659
		580,919	129,119	159,036	37,659	906,733
	Expenditure (note 31.1.4)	(277,322)	(137,254)	(179,082)	(216,590)	(810,248)
						96,485
	Income from investments and surplus on remeasurement of investment - unallocated					45,547
	Excess of income over expenditure				•	142,032

Expenditure	Examination	Education	Membership	General Services	Total
2019			· Rs. '000		
Salaries, allowances and other benefits	92,743	63,348	97,620	116,735	370,446
Examination charges	163,788	, -	, -	, -	163,788
Depreciation	7,870	4,448	5,817	15,970	34,105
Traveling and related expenses	865	1,304	26,591	3,714	32,474
Study packs and other publications	-	44,396	-	11,101	55,497
Utilities	6,881	3,889	5,086	14,060	29,916
Network and communication	4,459	2,520	3,296	9,112	19,387
Repairs and maintenance	10,860	6,138	8,027	22,192	47,217
Printing and stationery	4,223	2,588	2,617	4,645	14,073
Rent, rates and taxes	26	16	23	20,468	20,533
Advertisement and marketing	149	15,699	328	1,672	17,848
Amortisation of intangible assets	865	489	639	1,767	3,760
Financial assistance to students	-	6,707	-	-	6,707
Financial assistance to members and/or families	-	-	23,155	-	23,155
Members induction ceremony	9,558	-	-	-	9,558
Edhi CA talent program	-	9,279	-	-	9,279
Vehicles maintenance and running cost	2,731	1,400	2,728	3,551	10,410
Legal charges	110	-	6,324	300	6,734
Professional charges	838	311	1,495	2,699	5,343
Others	6,955	5,589	21,930	18,846	53,320
	312,921	168,121	205,676	246,832	933,550

# 31.1.4 Expenditure

Expenditure	Examination	Education	Membership	General Services	Total
2018			Rs. '000		
Salaries, allowances and other benefits	91,268	55,067	94,377	109,435	350,147
Examination charges	140,018	-	-	-	140,018
Depreciation	8,305	4,319	5,980	14,617	33,221
Traveling and related expenses	300	1,512	19,938	2,517	24,267
Study packs and other publications	-	28,174	41	12,182	40,397
Utilities	5,953	3,096	4,286	10,477	23,812
Network and communication	1,777	2,600	3,601	8,801	16,779
Repairs and maintenance	9,367	4,871	6,745	16,487	37,470
Printing and stationery	3,497	3,691	2,923	4,185	14,296
Rent, rates and taxes	37	242	30	17,310	17,619
Advertisement and marketing	528	12,826	25	-	13,379
Amortisation of intangible assets	554	288	399	975	2,216
Financial assistance to students	-	5,822	-	-	5,822
Financial assistance to members and/or families	-	-	19,893	-	19,893
Members induction ceremony	7,947	-	-	-	7,947
Edhi CA talent program	-	10,184	-	-	10,184
Vehicles maintenance and running cost	2,248	911	2,331	2,253	7,743
Legal charges	-	-	4,604	209	4,813
Professional charges	-	169	611	1,331	2,111
Others	5,523	3,482	13,298	15,811	38,114
•	277,322	137,254	179,082	216,590	810,248

## 31.1.5 Other information

2019	Examination	Education	Membership	General Services	Total
2019			Rs. '000		
Segment assets employed Unallocated assets	42,458	23,093	35,508	645,245	746,304 862,112
Total assets					1,608,416
Segment liabilities employed	35,974	16,329	36,889	88,343	177,535
2018					
Segment assets employed Unallocated assets	15,499	37,371	25,798	648,510	727,178 642,266
Total assets Seament liabilities employed	40,542	1,792	27,625	59,423	1,369,444 129,382
Segment habilities employed	40,042	1,792	21,020	59,425	123,302

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

#### 31.2 Geographical segments

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

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

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

#### 31.2.1 Basis of allocation:

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

31.2.2 (a) Segment rev	venues and results	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
2019	l			Rs. '000		
Income						
- from membe	ers	77,093	37,149	19,072	53,899	187,213
- from student	ts	204,281	320,245	153,260	148,916	826,702
- others gener	ral services - unallocated					37,213
						1,051,128
Allocated exp	enditure - Members and Students	(203,061)	(227,735)	(110,387)	(145,535)	(686,718)
	xpenditure - General Services					(246,832)
Total expendit	ture ( note 31.2.3)					(933,550)
	nvestments and surplus on remea	surement of in	vestment - una	allocated		73,241
Excess of inco	ome over expenditure					190,819
2018						
Income						
- from membe	ers	67,956	31,550	15,587	43,943	159,036
- from student	ts	189,041	264,378	129,764	126,855	710,038
- others gener	ral services - unallocated	-	-	-	-	37,659
						906,733
Allocated exp	enditure - Members and Students	(183,536)	(186,937)	(91,865)	(131,320)	(593,658)
Unallocated e	xpenditure - General Services					(216,590)
Total expendit	ure ( note 31.2.4)					(810,248)
Income from i	nvestments and surplus on remea	surement of in	vestment - una	allocated		45,547
Excess of inco	ome over expenditure					142,032

01 0 0 (a) Even and iture		1			
31.2.3 (a) Expenditure 2019	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
2019			Rs. '000		
Salaries, allowances and other benefits	298,046	42,591	18,855	10,954	370,446
Examination charges	108,193	26,014	12,672	16,909	163,788
Depreciation	23,644	5,346	2,652	2,463	34,105
Traveling and related expenses	15,197	13,271	3,068	938	32,474
Study packs and other publications	25,136	15,478	7,788	7,095	55,497
Utilities	17,189	5,540	3,246	3,941	29,916
Network and communication	13,052	3,238	943	2,154	19,387
Repairs and maintenance	23,657	9,928	4,724	8,908	47,217
Printing and stationery	12,038	1,335	313	387	14,073
Rent, rates and taxes	4,486	4,417	154	11,476	20,533
Advertisement and marketing	14,008	2,460	914	466	17,848
Amortisation of intangible assets	3,760	-	-	-	3,760
Financial assistance to students	3,884	2,073	515	235	6,707
Financial assistance to members and/or fam	ilies 10,695	7,415	3,112	1,933	23,155
Members induction ceremony	4,604	3,261	1,693	-	9,558
Edhi CA talent program	4,110	2,100	410	2,659	9,279
Vehicles maintenance and running cost	8,583	1,251	231	345	10,410
Legal charges	6,434	300	-	-	6,734
Professional charges	5,290	37	16	-	5,343
Others	43,438	6,953	2,155	774	53,320
Expenditure - as and where incurred	645,444	153,008	63,461	71,637	933,550
Inter-segment allocation / transfer to unalloc	ated (442,383)	74,727	46,926	73,898	(246,832)
Allocated expenditure - Members and Stude	ents 203,061	227,735	110,387	145,535	686,718
Unallocated expenditure - General Services					246,832
Total expenditure					933,550

31.2.4 (a) Expenditure			lalamahad		
(4)	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
			Rs. '000		
2018					
Salaries, allowances and other benefits	278,017	45,577	16,864	9,689	350,147
Examination charges	91,266	24,178	10,988	13,586	140,018
Depreciation	22,799	5,150	2,516	2,756	33,221
Traveling and related expenses	12,711	8,362	2,540	654	24,267
Study packs and other publications	17,896	11,915	5,568	5,018	40,397
Utilities	14,410	4,255	2,134	3,013	23,812
Network and communication	11,347	2,095	1,041	2,296	16,779
Repairs and maintenance	18,126	7,867	4,314	7,163	37,470
Printing and stationery	12,575	1,200	245	276	14,296
Rent, rates and taxes	4,176	2,545	338	10,560	17,619
Advertisement and marketing	6,029	4,036	950	2,364	13,379
Amortisation of intangible assets	2,216	-	-	-	2,216
Financial assistance to students	301	4,053	1,007	461	5,822
Financial assistance to members and/or families	9,659	6,608	1,868	1,758	19,893
Members induction ceremony	3,863	2,295	1,789	-	7,947
Edhi CA talent program	4,070	1,972	611	3,531	10,184
Vehicles maintenance and running cost	6,542	963	98	140	7,743
Legal charges	4,798	15	-	-	4,813
Professional charges	1,898	191	22	-	2,111
Others	32,574	3,014	1,706	820	38,114
Expenditure - as and where incurred	555,273	136,291	54,599	64,085	810,248
Inter-segment allocation / transfer to unallocated	(371,737)	50,646	37,266	67,235	(216,590)
Allocated expenditure - Members and Students	183,536	186,937	91,865	131,320	593,658
Unallocated expenditure - General Services					216,590
Total expenditure					810,248
				1	

31.2.5 (a)	Other information			Islamabad		
		Karachi	Lahore	& Rawalpindi	Others	Total
	2019			Rs. '000		
	Segment assets employed Unallocated assets	204,691	493,450	28,545	19,618	746,304 862,112
	Total assets					1,608,416
	Segment liabilities employed	112,871	4,680	1,192	911	119,654
	Unallocated liabilities	,	,	,		57,881
	Total liabilities					177,535
	2018					
	Segment assets employed	191,047	491,709	23,239	21,183	727,178
	Unallocated assets					642,266
	Total assets					1,369,444
	Segment liabilities employed	74,454	1,566	1,667	1,234	78,921
	Unallocated liabilities					50,461
	Total liabilities					129,382

**31.2.6 (a)** Segment assets primarily consist of property and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

31.2.2 (b)	31.2.2 (b) Segment revenues and results			
		South	North	Total
	Income		Rs. '000	
	2019			
	- from members	105,476	81,737	187,213
	- from students	221,585	605,117	826,702
	- others general services - unallocated			37,213
				1,051,128
	Allocated expenditure - Members and Students	(243,909)	(442,809)	(686,718)
	Unallocated expenditure - General Services			(246,832)
	Total expenditure ( note 30.3.3)			(933,550)
	Income from investments and surplus on remeasurement of investment - una	allocated		73,241
	Excess of income over expenditure			190,819
	Income			
	2018			
	- from members	91,834	67,202	159,036
	- from students	206,576	503,462	710,038
	- others general services - unallocated			37,659
				906,733
	Allocated expenditure - Members and Students	(226,945)	(366,713)	(593,658)
	Unallocated expenditure - General Services			(216,590)
	Total expenditure ( note 30.3.4)			(810,248)
	Income from investments and surplus on remeasurement of investment - una	allocated		45,547
	Excess of income over expenditure			142,032

#### 31.2.3 (b) Expenditure

#### 2019

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

South	North	Total
	Rs. '000	
300,722 111,002 23,832 15,533 25,846 17,572 13,239 24,986 12,115 5,955 14,133 3,760 3,884 10,695 4,604 4,243 8,627 6,434 5,290 43,614	69,724 52,786 10,273 16,941 29,651 12,344 6,148 22,231 1,958 14,578 3,715 - 2,823 12,460 4,954 5,036 1,783 300 53 9,706	370,446 163,788 34,105 32,474 55,497 29,916 19,387 47,217 14,073 20,533 17,848 3,760 6,707 23,155 9,558 9,279 10,410 6,734 5,343 53,320
<u>(412,177)</u> 243,909	165,345 442,809	(246,832) 686,718
2 10,000	112,000	246,832
		933,550

#### 31.2.4 (b) Expenditure

#### 2018

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

South	North	Total
	Rs. '000	
280,322	69,825	350,147
93,546	46,472	140,018
22,991	10,230	33,221
12,923	11,344	24,267
18,398	21,999	40,397
14,724	9,088	23,812
11,519	5,260	16,779
19,458	18,012	37,470
12,621	1,675	14,296
5,521	12,098	17,619
6,995	6,384	13,379
2,216	-	2,216
301	5,521	5,822
9,659	10,234	19,893
3,790	4,157	7,947
4,647	5,537	10,184
6,548	1,195	7,743
4,798	15	4,813
1,898	213	2,111
32,708	5,406	38,114
565,583	244,665	810,248
(338,638)	122,048	(216,590)
226,945	366,713	593,658
		<u>216,590</u>
		810,248

31.2.5 (b)	Other information	South	North	Total
	2019		Rs. '000 -	
	Segment assets employed Unallocated assets Total assets	206,002	540,302	746,304 862,112 1,608,416
	Segment liabilities employed Unallocated liabilities Total liabilities	112,871	6,783	119,654 57,881 177,535
	2018			
	Segment assets employed Unallocated assets Total assets	192,503	534,675	727,178 642,266 1,369,444
	Segment liabilities employed Unallocated liabilities Total liabilities	74,941	3,980	78,921 50,461 129,382

**31.2.6 (b)** Segment assets primarily consist of property and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

#### 32. Financial instruments by category

	Amortised Cost	FVOCI - equity instruments	Other financial liabilities	Total
2012		Rs. '	000	
2019	0.40.400			0.40.400
Long term investments - Debt securities Long term investments - Equity securities	342,138	- 4 557	-	342,138
Loans and deposits	8,957	4,557	-	4,557 8,957
Short term investments - Debt securities	478,403	-	_	478,403
Loans and other receivables	19,478	_	_	19,478
Accrued income on investments	9,589	_	_	9,589
Bank balances	19,730	_	_	19,730
	10,700			882,852
Creditors, accrued and other liabilities	-	-	119,654	119,654
	Held to maturity	Available for sale	Loans and receivables	Total
	maturity		receivables	
2018	maturity	for sale	receivables	
Long term investments - Debt securities	maturity	for sale Rs.	receivables	
Long term investments - Debt securities Long term investments - Equity securities	maturity	for sale	receivables 1000	404,138 4,850
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits	maturity 404,138	for sale Rs.	receivables	404,138 4,850 7,024
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities	maturity	for sale Rs.	receivables 0000 7,024 -	404,138 4,850 7,024 175,107
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities Loans and other receivables	maturity 404,138 175,107	for sale Rs.	receivables 1000	404,138 4,850 7,024 175,107 16,202
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities Loans and other receivables Accrued income on investments	maturity 404,138	for sale Rs.	receivables	404,138 4,850 7,024 175,107 16,202 8,766
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities Loans and other receivables	maturity 404,138 175,107	for sale Rs.	receivables 0000 7,024 -	404,138 4,850 7,024 175,107 16,202 8,766 46,961
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities Loans and other receivables Accrued income on investments	maturity 404,138 175,107	for sale Rs.	receivables	404,138 4,850 7,024 175,107 16,202 8,766
Long term investments - Debt securities Long term investments - Equity securities Loans and deposits Short term investments - Debt securities Loans and other receivables Accrued income on investments	maturity 404,138 175,107	for sale Rs.	receivables	404,138 4,850 7,024 175,107 16,202 8,766 46,961

#### 32.1 Classification and measurement of financial assets and financial liabilities

The following table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Institute's financial assests and financial liabilities as at June 30, 2019

2019 Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			Rs. '(	000
Long term investments - Debt securities	Held to maturity	Amortised Cost	342,138	342,138
Long term investments - Equity securities	Available-for-sale	FVOCI-equity instruments	4,557	4,557
Loans and deposits	Loans & Receivables	Amortised Cost	8,957	8,957
Short term investments - Debt securities	Held to maturity	Amortised Cost	478,403	478,403
Loans and other receivables	Loans & Receivables	Amortised Cost	19,478	19,478
Accrued income on investments	Loans & Receivables	Amortised Cost	9,589	9,589
Bank balances	Loans & Receivables	Amortised Cost _	19,730	19,730
		_	882,852	882,852

2019 Financial Liabilities	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			· Rs. '(	000
Creditors, accrued and other liabilities	Other financial liabilities	Other financial liabilities	119,654	119,654

#### 33. FINANCIAL RISK MANAGEMENT

#### 33.1 Financial risk factors

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

credit risk;

liquidity risk; and

market risk (including foreign exchange risk and interest rate risk and equity price risk).

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

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

#### (a) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Credit risk mainly arises from long term and short term investments, loans, advances, deposits, other receivables and bank balances. Out of the total financial assets aggregating Rs. 882.852 million (2018: Rs. 663.048 million) as detailed in note 32, those that are subject to credit risk aggregate to Rs. 657.235 million (2018: Rs. 358.599 million).

The credit risk on liquid funds maintained with banks / financial institutions and investments was approximately 74% (2018: 54%) of the financial assets of the Institute. The funds of the Institute are held with banks having highest capacity for timely repayment (i.e. having credit rating of at least 'A+'). Accordingly, management does not expect any counter party to fail in meeting their obligations.

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Institute's total credit exposure. The financial assets of the Institute are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. The Institute believes that it is not exposed to major concentration of credit risk.

The carrying amounts of financial assets that represent Institute's maximum credit exposure as at the reporting date are as follows:

	Note	2019	2018
		· R	s. '000
Long term investments Loans and deposits Short term investments Loans and other receivables Accrued Income on investments Bank balances	33.1.1 33.1.1	178,259 5,707 436,270 15,369 1,900 19,730 657,235	193,336 5,329 98,932 12,962 1,079 46,961 358,599

#### **33.1.1** This excludes investment in Government securities.

#### (b) Liquidity risk

Liquidity risk reflects the entity's inability in raising funds to meet commitments. The Institute manages liquidity risk by maintaining sufficient cash and balances with banks and adequate balance sheet liquidity & solvency ratios. As at June 30, 2019 there is no maturity mismatch between financial assets and liabilities that exposes the Institute to liquidity risk.

#### (c) Market risk

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

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

#### (d) Foreign exchange risk

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

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

		June 2019				
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	EURO	Nepali Rupees
Cash and bank balances Creditors, accrued expenses and	2,075,610	11,387	380	2,659	625	2,150
other liabilities	(458,666)	(1,100)	(1,392)	-	-	-
Net Exposure	1,616,944	10,287	(1,012)	2,659	625	2,150

			June	2018		
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	EURO	Nepali Rupees
Cash and bank balances Creditors, accrued expenses and	1,396,201	10,325	380	69	625	2,150
other liabilities	(533,610)	-	(3,335)	-	_	
Net Exposure	862,591	10,325	377	69	625	2,150

	Reporti	rting date rate	
The following significant exchange rates have been applied:	2019	2018	
US Dollar to Rupee	160.05	121.49	
British Pound to Rupee	203.01	159.93	
UAE Dirham to Rupee	43.57	33.08	
Australian Dollar to Rupee	112.24	-	
Saudi Riyal to Rupee	-	32.40	
Euro to Rupee	182.32	141.58	
Nepali Rupee to Rupee	1.45	1.10	

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

#### Sensitivity analysis

As at June 30, 2019, if Rupee had strengthened / weakened by 10% against Dollar, British Pound, UAE Dirham, Saudi Riyal and Euro with all other variables held constant, income for the year would have increased / (decreased) by the amounts shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

	2019	2018
Effect on income for the year:	· R	s. '000
US Dollar to Rupee	165	125
British Pound to Rupee Euro to Rupees	(21) 11	6 9

#### Interest rate risk

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

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

	2019	2018
	F	Rs. '000
Fixed rate instruments	•	
Government securities	206,012	286,977
Term deposit receipts	-	36,128
Certificates of deposit / investment	20,259	18,695
Certificates of Islamic Investment	478,270	92,015
Variable rate instruments		
Certificates of Islamic Investment	116,000	145,430
Balances maintained with banks	14,449	43,785

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

#### Sensitivity analysis for fixed rate instruments

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

#### Sensitivity analysis for variable rate instruments

As at June 30, 2019, if the interest rate on the Institute investments had been higher / (lower) by 100 basis point all other variables held constant, finance income for the year would have been higher / (lower) by Rs. 6.29 million (2018: Rs. 3.36 million) mainly as a result of higher / (lower) interest income.

#### 33.2 Fair value measurement of financial instruments

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

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

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

Currently, the Institute's investment in equity shares amounting to Rs. 4.557 million (2018: Rs. 4.850 million) are the only financial assets measured at fair value in the financial statements and these financial instruments are classified under level 1.

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

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

- Special Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Nil (2018: Rs. 76.175 million) as against their aggregate fair value of Nil (2018: Rs. 73.460 million);
- Defence Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 5.765 million (2018: Rs. 5.143 million) as against their aggregate fair value of Rs. 5.530 million (2018: Rs. 4.761 million); and
- Pakistan Investment Bonds that are carried at amortised cost, using the effective yield method, aggregating Rs. 200.247 million (2018: Rs. 205.659) as against their aggregate fair value of Rs. 176.963 million (2018: Rs. 200.220 million).

Valuation techniques used to determine fair values

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

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

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

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year other than those already disclosed in note 33.2 of these financial statements.

#### 34. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. Expenditure have also been classifed under the two categories: "Service / Operational expenditure" and "Administrative / Managerial expenditure" to reflect more appropriately the functional attributes of the expenses. Following major re-classifications have been made during the period:

S. No.	From	То	Amount Rs. '000
1	Salaries, allowances and other benefits (Classified as Expenditure)	Salaries, allowances and other benefits (Classified as Service/Operational expenditure)	265,872
		Salaries, allowances and other benefits (Classified as Administrative/Managerial expenditure)	84,275
2	Traveling and related expenses (Classified as Expenditure)	Traveling and related expenses (Classified as Service/Operational expenditure)	21,943
	Experiantie)	Traveling and related expenses (Classified as Administrative/Managerial expenditure)	2,324
		Examination charges (Classified as Service/Operational expenditure)	7,615
		Advertisement and marketing (Classified as Service/Operational expenditure)	235
		Training expenses (Classified as Service/Operational expenditure in Others)	128
		Net Surplus from seminars, conferences and other events (Classified as Service/Operational expenditure in Others)	15
3	Vehicles maintenance and running cost (Classified as Expenditure)	Vehicles maintenance and running cost (Classified as Service/Operational expenditure)	5,906
	Exponditure)	Vehicles maintenance and running cost (Classified as Administrative/Managerial expenditure)	1,837

S. No.	From	То	Amount Rs. '000
4	Postage and telephone (Classified as Expenditure)	Network and Communication (Classified as Service/Operational expenditure)	16,779
		Examination charges (Classified as Service/Operational expenditure)	3,224
5	Gold medal and award ceremony (Classified as Expenditure)	Members induction ceremony (Classified as Service/Operational expenditure)	7,189
6	Printing and stationery (Classified as Expenditure)	Members induction ceremony (Classified as Service/Operational expenditure)	758
7	Professional Charges (Classified as Expenditure)	Online education and research facility (Classified as Service/Operational expenditure in others)	533
8	Net surplus from seminar, conferences and other events (Classified as other income)	Net surplus from Continuing Professional Development (CPD) activities and other events (Classified as other income)	769
9	Short term investment - shares	Long term investment - shares	4,850

#### 35. NUMBER OF EMPLOYEES

The Institute had 232 (2018: 218) full time employees and 5 (2018: 7) part time employees as at June 30, 2019.

#### 36. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorized these financial statements for issue on August 31, 2019.



ANNUAL REPORT 2019 ICAP EVENTS

# ICAPEvents

#### Connecting with Members

ICAP CFO Conference 2019: One of the objectives of the PAIBC is to provide a beneficial platform to finance professionals, particularly chartered accountants to connect with each other, engage in intellectual discussions and stay abreast with the latest business, finance and technological trends. For this purpose, the committee initiated ICAP CFO Conference in the year 2010, to provide practical knowledge, tactical information and networking opportunities for business leaders and finance professionals across Pakistan. To date, 20 CFO conferences have been held across the country.

This year, the CFO conferences held in March with the theme '5 Steps to Greatness; Rising to your True Potential – CFO & Beyond' was focused on unveiling the secret to achieving greatness through five essential steps; Fueling the passion, Leadership and Team Building, Embracing Business and Technological Trends, Moving Ahead of the Competition and Becoming a Role Model. Over 1300 business and finance leaders attended the conferences in Karachi and Islamabad collectively. Moreover, 1200 viewers watched the Karachi conference and 900 joined the Islamabad conference from 22 countries via live streaming.

National Finance Olympiad 2018: Pakistan's first ever finance competition, ICAP National Finance Olympiad, launched in 2015, has now become a coveted annual event. Every year, the Committee aims to make significant improvements in the content and structure to provide the best knowledgeable and gratifying experience to the participants.

In 2018, 40 teams from industry, firms and educational institutes across Pakistan participated in the competition. Professionals Academy of Commerce claimed victory while EY Ford Rhodes and The Lone Rangers (Dubai) became the first and second runner-ups, respectively. Last year, in addition to the Qualifying Round, Harvard Case Study Simulation and Grand Finale, an additional role-playing group activity was introduced to make the competition more knowledgeable and interesting for the participating teams. National Finance Olympiad 2019 is scheduled in December.

Meet Your Representatives Sessions: As a part of the Council's initiative to meet members of different cities. Meet Your Representatives session was organised at Peshawar on January 31, 2019 at PC Hotel, Peshawar. The session was chaired by Iftikhar Taj, vice president ICAP along with Council members Rana Muhammad Usman Khan and Saifullah. Another session was organized on September 05, 2019 at ICAP House, Lahore. The session was chaired by Mr. Jafar Husain. President ICAP. Mr. Iftikhar Taj Mian, Vice President North (VP) was also present with other Council members Mr. Muhammad Awais. Mr. Muhammad Ali Latif. Mr. Rana Muhammad Usman Khan and Mr. JehanZeb Amin, Chairman NRC. The objective of these sessions was to brief the members about the performance of the Council and seek feedback and suggestions from the membership.

Golden Jubilee Members Recognition Ceremony: Golden Jubilee Members Recognition Ceremony was arranged in Karachi and Lahore in honour of members for their continuous and mutually beneficial relationship with the Institute spanning over a period of 50 years. The objective was to appreciate the services and their contribution towards betterment of the Institute and society. ICAP invited forty senior members along with their families. The ceremony was also attended by ICAP Council, senior members of the fraternity and leading professionals from the corporate sector.

Ceremonies: **ICAP** Members' Convocation the relationship Department in Laision with Regional Committee North and South arranged Members Convocation Ceremonies on March 15, 2019 at Islamabad, April 19, 2019 at Lahore and June 20, 2019 at Karachi. The theme was 'Progressing towards those Big Dreams.' In Islamabad, the chief guest was Omer Ayub, federal minister for Energy, while at Lahore, the chief guest was justice Sh. Azmat Saeed. In Karachi, the theme was 'A New Dawn'. The chief guests were Ehsan Malik, chairman Pakistan Business Council (PBC) and Zafar Sobani, past president ICAP. President ICAP, Jafar Husain distributed certificates, gold medals and merit certificates at all stations.

ICAP EVENTS ANNUAL REPORT 2019

CA Women's Day Celebrations 2019: CA Women's Committee organised the CA Women's Day 2019 at three major cities - Lahore, Karachi and Islamabad on March 29, April 9 and 11, 2019 respectively. The events were organised in collaboration with respective regional committees in line with the International Women's Day theme BalanceforBetter. In Islamabad, the chief quest was the president of Pakistan, Dr. Arif Alvi. In Lahore, the chief quest was the governor of Punjab, Choudhary Mohammad Sarwar. The keynote speakers were justice Nasira Igbal in Lahore, Elin Burns, British deputy high commissioner in Karachi and Clelia Royetena, governance specialist World Bank in Islamabad. President ICAP Jafar Husain showed his full support by attending all three events and shared the importance and progress of women in CA profession. The events were attended by the Council members, past presidents, members of Northern and Southern Regional Committees and a large number of CA women and students of the Institute.

International Outreach: CA Women's Committee made representation internationally and conveyed positive mindset and approach ICAP is adopting for allowing greater opportunities to a large number of women in the profession. A meeting with the then woman President of CA ANZ and prominent gender specialist were held in Sydney, Australia on the occasion of the World Congress of Accountants 2018. Participation was made in various interactive sessions representing ICAP CA Women and learnt various future focused initiatives which could help in removing barriers for growth and enhanced contribution of women in the workforce.

SAFA Region outreach: Creating visible impact amongst all South Asian Countries by leading participation in SAFA Women Leadership Committee to harmonize policies and actions for gender equality in the profession. CA women has developed and streamlined, on behalf of the committee, an action plan for next three years in line with the terms of reference. The plan was overwhelmingly adopted by the committee and expect positive and rapid outcome through combined actions. Key actions include harmonization of mandatory women on board, which Pakistan is proudly taking the lead through SECP's landmark decision for including compulsory woman seat on the boards of public interest entities; sharing resources and knowledge on leadership development skills; developing combined pool of resources through SAFA portal for the benefits of women members of SAARC countries; developing gender policy and to impart it's adoption at professional and corporate level along with many other initiatives which could promote adoption of similar policies for gender equality in accountancy profession across all nations.

Annual Meet Up: Meet ups were arranged in Karachi, Islamabad and Lahore to reach out to the newly qualified women chartered accountants thus providing networking opportunities where they can discuss challenges and obtain quidance.

#### **CA Toastmasters Clubs**

Lahore: ICAP Toastmasters Club Lahore conducted 26 regular meetings and for the sixth consecutive year won the highest award of Toastmasters International, President's Distinguished Club award. During the year, the club hosted the 150th regular meeting attended by over 100 members and a speech contest of 10 Toastmasters clubs.

Islamabad: ICAP Toastmasters Club Islamabad held 27 meet-ups marking the completion of 74 meetings. The club was the first in Pakistan to score President's Distinguished Club award for the year from Toastmasters International USA, and were also awarded 'Smedley' and 'Talk Up TM' Award.

Faisalabad: ICAP Toastmasters Club Faisalabad conducted 15 meetings and elected fresh Executive Committee with TM Tahira Abbas as first ever woman president of Toastmaster Clubs in Pakistan. The Club participated in Toastmasters' Summit held in Lahore.

Karachi: The Club held its first ever International Speech Contest and annual Evaluation Contest. The Club also organised the first-ever All Karachi Inter Club Speech Contest in which Toastmasters clubs from all over Karachi participated including Karachi Toastmasters Club, Express Toastmasters Club, Hub Toastmasters Club, Bayer Toastmasters Club and Alkaram Toastmasters Club. Moreover, the founding President of CA Toastmasters Club Karachi became the first ICAP member from Southern region to be recognised as a Distinguished Toastmaster for participating in the Toastmasters International Educational Program.

UAE Chapter of ICAP Members: Following are the highlights of events organised by the chapter during the year:

- Family dinner on Independence Day in Dubai and Abu Dhabi were held on August 11 and 14, 2018 respectively. The events served as an introductory session between the chapter's newly elected MC and its members.
- A periodical bulletin named 'Spotlight' was launched.

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■ An event focused on 'New Beginnings' that highlighted the need to appreciate leadership was organised on September 29, 2018.

- Pakistan Business Council Dubai and UAE Chapter joined hands to conduct a CPD event on 'Introduction to Block Chain and its Impact on Business' on November 10, 2018 in Dubai.
- UAE Chapter of ICAP Members and Abu Dhabi Chartered Accountants Committee of Pakistan Business and Professional Council (PBPC) organised a seminar on 'New Tax Regulations for Non-Resident Pakistani' and 'Blockchain and Its Impact on Business', on November 11, 2018, in Abu Dhabi.
- UAE Chapter of ICAP Members organised Season three of Cricket League for the members on November and December 2018.
- UAE Chapter and Abu Dhabi Chartered Accountants Committee of Pakistan Business and Professional Council (PBPC) organised an IFRS Workshop on November 24, 2018 in Abu Dhabi.
- UAE Chapter held its first female members' exclusive event Femme Passion in December 2018. The initiative focuses on working for the betterment of female members of the chapter.
- The UAE Chapter, for the first time, participated in the National Finance Olympiad 2018 with four teams.

  One of the teams The Lone Rangers reached to the Grand Finale of the competition.
- UAE Chapter arranged a CPD and networking event, in affiliation with AAOIFI (Accounting and Auditing Organisation for Islamic Financial Institutions), on February 16, 2019 at the auditorium of Pakistan Association Dubai (PAD). The theme was Islamic Banking and Finance.
- A Women's Day exclusive event was organised by the chapter on March 9, 2019 at Reem Al Bawadi, Dubai. The event was part of the chapter's second Femme Passion Meet-up and focused on 2019's Women's Day theme, Better the balance, better the world.
- UAE Chapter and Thomson Reuters partnered for a joint breakfast briefing on 'VAT in the GCC: One Year On' on March 20, 2019 at capital Club DIFC, Dubai.
- A session on 'Creating Health and Financial Protection Awareness' was conducted on March 25, 2019 by UAE Chapter in collaboration with Nexus Insurance Brokers LLC, and Friends Provident International at Pakistan Auditorium of Pakistan Association Dubai.
- The UAE Chapter organised a dinner with president ICAP Jafar Husain on June 18, 2019 at B&B, Dubai. The president ICAP was in town to attend the global CA Worldwide Members Event held on June 17, 2019.

Qatar Chapter of ICAP Members: Following are the highlights of events organised by the chapter during the year:

- CPD event on 'Introduction to IFRS 16 Leases' on November 14, 2018 at Warwick Hotel, Doha.
- Annual Dinner Gala on April 10, 2019. The theme was Today's accountant in Blockchain, Artificial Intelligence and Crypto assets environment.

Bahrain Chapter of ICAP Members: The Chapter organised a CPD event on 'Revolution in IT sector and its impact on finance (Part 2)' on April 30, 2019 at Spice Court Restaurant, Bahrain.

KSA Chapter of ICAP Members: Following are the highlights of events organised by the chapter during the vear:

- CPD event on 'Foreign Asset Declaration Act 2018 & it's impact of non-residents' was organised by the Chapter on July 14, 2018, in Jeddah.
- The CPD team of central province of the KSA Chapter, hosted a seminar 'Transfer Pricing in Riyadh' on October 10, 2018, in Riyadh.
- A CPD workshop on 'Transfer Pricing in Al-Khobar Changing Landscape' was organised by CPD Committee in eastern province of KSA Chapter on October 11, 2018, in Al-Khobar.
- A seminar was organised by the CPD Committee on 'State of Pakistan Economy and Non-Resident Taxation' on November 17, 2018, in Riyadh.
- Two meetup events of president ICAP with ICAP members residing in Khobar and Riyadh were organised in April 2019.

Australia Chapter of ICAP Members: Following are the highlights of activities held and events organised by the chapter during the year:

- The chapter's launch event was held on November 6, 2018 which was attended by a number of guests including the president ICAP, chairman OCC, members of the Council, secretary and COO ICAP and representatives from other professional accounting bodies.
- The inaugural elections for the Managing Committee of the Australia Chapter of ICAP members were announced and the first Managing Committee was elected for two years beginning March 22, 2019.
- The Managing Committee organised three Eid Get-Together events for its members and their families residing in Melbourne, Sydney, and Brisbane on the following dates: Melbourne: June 10, 2019; Sydney: June 15, 2019; and Brisbane: June 23, 2019.

ICAP EVENTS ANNUAL REPORT 2019

Canada Chapter of ICAP Members: Following are the highlights of events organised by the chapter during the year:

- Session on 'Financial Planning in Canadian Environment' on July 7, 2018, in Mississauga.
- Session organised for members to meet the Managing Committee of the Chapter on September 15, 2018, in Mississauga.
- Seventh annual general meeting of the chapter on September 29, 2018 in Mississauga.
- Gala dinner on October 19, 2018 at the Pearson Convention Center, Brampton.
- A networking brunch for women ICAP members was on November 24, 2018 in Mississauga, Canada to understand their concerns and to actively involve them in the chapter's activities.
- The chapter launched its quarterly e-newsletter 'Insight.' The first edition was taken out in December 2018.
- Session 'Exploring the Entrepreneurship Opportunities in Canada' on December 5, 2018, in Toronto. This session was the second in the series of 'Arriving, Surviving and Thriving in the Canadian Market' being organised by the chapter.
- Event to celebrate the success of members who passed the Common Final Exam (CFE) of CPA Canada on January 13, 2019, in Mississauga.
- Session on 'Canadian Personal Income Taxation Get Your Answers' on April 11, 2019 in Toronto.
- Information session 'Understand and Conquer CFE' on April 27, 2019 in Mississauga, Ontario for the members preparing for CFE.
- Annual Iftar dinner for the members, their families and friends on May 17, 2019 at Maple Banquet Hall, in Mississauga.

UK Chapter of ICAP Members: Following are the highlights of events organised by the chapter during the year:

- A networking dinner on September 20, 2018 in London. Ashfaq Tola, Council member ICAP was the guest speaker.
- Annual gala dinner on November 17, 2018. President ICAP was the chief guest for the evening.
- The Managing Committee of UK Chapter of ICAP members completed its two-year term in March 2019. A new Managing Committee was elected for two-year term beginning from March 16, 2019.
- A panel discussion on 'Road to Leadership and Breaking Barriers to Progression in Professional Services' at the Arab British Chamber of Commerce in London on May 2, 2019.

#### Connecting with the Students

Training Induction Fairs: Students who qualified Certificate in Accounting and Finance (CAF) and 51 TOs including 11 Training Organisations outside Practice participated in Trainees' Induction Fairs held at ICAP offices in Karachi, Lahore and Islamabad.

An Awareness Session for Students on Tax Day Celebrations: Punjab Revenue Authority (PRA) celebrates Tax day on April 10, 2019 by creating awareness in businesses, students and masses. ICAP took a lead by organising an exclusive session for students and professionals in collaboration with PRA on April 9, 2019 at ICAP, Lahore. The session was attended by more than 180 students and members.

#### Our team building

Team Building Group Activity: The Institute organised a group activity for team building of ICAP North staff on November 24, 2018 at ICAP, Lahore. The theme of the activity was One Team, One Vision and One CA Pakistan. The objective of this activity was to build a stronger bridge across stations and departments of North stations.

Staff training: A training session on Developing Transformational Leadership was held in Lahore in March 2019, Islamabad in May 2019 and Karachi in July 2019. At Islamabad session, staff from Peshawar, Abbottabad and Mirpur were also present.

### Thought leadership and speaking out in public interest

National Budget: ICAP delegation led by Ashfag Yousuf Tola held meetings with the FBR Coordination Committee on May 2-3, 2019 and discussed ICAP recommendations for the Federal Budget 2019-20. A press conference was held in Islamabad on May 4, 2019. Ashfaq Tola briefed on the key recommendations presented to the FBR and informed the media that ICAP Committee on Fiscal Laws formulates tax proposals for federal and provincial budgets each year, aimed to assist government, build an innovative and responsive taxation system, broaden the tax culture, improve revenue collections, increase tax payers' confidence, ensure voluntary tax compliance, improve monitoring and eventually lead towards an all-inclusive, sustained economic growth. President ICAP Jafar Husain was also present in media briefing and highlighted ICAP supplement booklet comprising recommendations covered in the ICAP detailed proposals was distributed to the media.

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Post Budget Conference 2019: The Institute organised a nation-wide Post Budget Conference on June 15, 2019, in collaboration with the Southern Regional Committee (SRC) and Northern Regional Committee (NRC) of the Institute. It was attended by more than 1,500 participants, packed to full capacity throughout the day, from three locations viz. Karachi, Lahore and Islamabad, through Live streaming provided by media partner AAJ News. A large number of professionals associated with ICAP and other professional bodies benefited from this unique Event, inter connecting on a real-time basis.

Best Corporate and Sustainability Report 2018: The Institute organised Best Corporate and Sustainability Report 2018 Awards jointly with Institute of Cost and Management Accountant of Pakistan (ICMAP) on August 20, 2019. More than 40 awards were presented to best performing companies. From amongst the BCR winners. nominations have been sent for SAFA Awards competition. Chairman Pakistan Center for Philanthropy, Zaffar A. Khan; acting managing director Pakistan Stock Exchange Limited, Muhammad Rafique Umer; CEO Cherat Packaging Limited, Amer Faruque; and CEO Mutual Funds Association of Pakistan, Mashmooma Zehra Majeed, were the guests of honor on the occasion. ICAP Conference 2019: TechKnowledgee - Exploring Future: The Northern Regional Committee of the Institute organised a Conference on TechKnowledgee - Exploring Future on April 13, 2019; covering the key topics including Digital Disruption, Industry 4.0, Electronic Payments. Robotics Process Automation: Analytics: Artificial Intelligence and The Internet of Things. and its impact on businesses, governments, and professionals in Pakistan. The conference attracted a large number of participants from the ICAP fraternity and business.

International Tax Conference: The Committee on Fiscal Laws, under the chairmanship of Ashfaq Yousuf Tola, in line with its initiative for awareness programs related to fiscal laws, organised a full day conference in collaboration with the World Bank at Islamabad on February 21 and at Lahore on February 23, 2019. Raul Felix Junquera Varela, lead Public Sector specialist - Governance Global Practice World Bank and Dr. Muhammad Waheed, senior country Economist Macroeconomics, Trade, and Investment Global Practice World Bank were the speakers. This initiative highlighted ICAP's role as an apex accounting regulatory body in strengthening the regulatory framework in Pakistan through working in cooperation with important policy

making institutions and regulators, and provided a unique opportunity for co-branding with the World Bank.

National Tax Conference: The Committee taking cognisance of various taxation issues hindering growth of the economy, organised a full day National Tax Conference - Taxation A Pathway to Prosperity on March 19, 2019 in Islamabad. Dr. Hafeez A. Pasha, a prominent economist was the keynote speaker. The conference was attended by ICAP members and other professionals including senior officials from ministry of Finance, Federal Board of Revenue, ministry of Commerce, ministry of Industries, Engineering Development Board and chief of respective provincial tax authorities, representatives of tax bars and trade bodies.

Annual Business Research Conference of Lahore School of Economics (LSE): ICAP participated in the 7th Annual Business Research Conference of LSE themed 'Managing Business in Pakistan (Current Business Environment of Pakistan: Opportunities and Challenges)' held on April 26, 2019. The session theme for ICAP was 'New Development Regulatory Environment and Taxation Practices: Way Forward for Business Entities in Pakistan.' ICAP nominated five of its senior members to represent the Institute and share their wisdom on the topic.

#### **AUDITORS, BANKS & ADVISORS**

#### **External Auditors**

Muhammad Shabbir Kasbati, FCA Syed Aftab Hameed, FCA

#### Banks

Al Baraka Bank
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited

#### **Legal Advisors**

Bawaney & Partners
Mansoor Ahmad Khan & Co.

#### Tax Advisors

KPMG Taseer Hadi & Co. Shekha & Mufti

## **ICAP EVENTS**











































ICAP EVENTS ANNUAL REPORT 2019





Members Convocation Ceremonies







ANNUAL REPORT 2019 ICAP EVENTS









CA Women's Committee







ICAP EVENTS ANNUAL REPORT 2019









Thought
Leadership
and Speaking
Out in Public
Interest















**ICAP EVENTS** 









## International Visits







ICAP EVENTS ANNUAL REPORT 2019





Overseas
Chapters of
ICAP Members









### Gold Medals and Merit Certificates

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

#### **Gold Medals**

CFAP, MSA AND FINAL EXAMINATIONS	CAF EXAMINATION
Summer 2018	Autumn 2018
Ghufran Ahmed ICAP Gold Medal (Dewan Mushtaq Group) Advanced Accounting and Financial Reporting	Alveena Sehar ICAP Gold Medal (Ameena Khatib Foundation) Financial Accounting and Reporting II
Mustafa Arif ICAP – Irtiza Husain Gold Medal Corporate Laws	Muhammad Haseeb Imran ICAP Kasbati Memorial Gold Medal Outstanding performance in CAF Examination
Aftab Hussain ICAP – Osman Ali Gold Medal Business Finance Decisions	
Winter 2018	Spring 2019
Sidrah Shaikh ICAP Gold Medal (Dewan Mushtaq Group) Advanced Accounting and Financial Reporting	Muhammad Shahbaz ICAP Gold Medal (Ameena Khatib Foundation) Financial Accounting and Reporting II
Muhammad Iqbal Qureshi ICAP Ebrahim S. H. Dahodwala Gold Medal Outstanding performances in all papers of C.A. Program.	Syed Muhammad Saad Bin Arshad ICAP Ishfaq Ahmed Gold Medal Audit and Assurance
	Muhammad Shahbaz ICAP Kasbati Memorial Gold Medal Outstanding performance in CAF Examination

#### **Merit Certificates**

CFAP, MSA AND FINAL EXAMINATIONS	CAF EXAMINATION
Summer 2018	Autumn 2018
Usama	Haiqa Patel
Outstanding performance in CFAP Examination	Introduction to Accounting
Bilal Ahmad	Muhammad Shayan Siddiqui
Business Management and Strategy	Introduction to Economics and Finance
Muhammad Hassan Ehsan	Muhammad Shahbaz
Advanced Taxation	Business Law
Bilal Ahmad	Mishaal Laiq
Audit, Assurance and Related Services	Business Management and Behavioural Studies
Raja Muhammad Umer Khan	Muhammad Shahbaz
Inf. Technology Management, Audit and Control	Financial Accounting and Reporting I
Naveed Hassan	Syed Muhammad Saad Bin Arshad
Management Accounting	Principles of Taxation
Muhammad Ateeb Riaz	Muhammad Ahsan Ashfaq
Financial Reporting and Assurance Professional Competence	Financial Accounting and Reporting II
Ali Shan	Yaseen
Strategic Management Professional Competence	Cost and Management Accounting
	Muhammad Haseeb Imran Audit and Assurance

CFAP, MSA AND FINAL EXAMINATIONS	CAF EXAMINATION
Winter 2018	Spring 2019
Syed Muhammad Murtaza Naqvi	Muhammad Safi Ullah Javaid
Outstanding performance in CFAP examination	Introduction to Accounting
Muhammad Iqbal Qureshi	Syeda Masooma Batool
Outstanding performance in CFAP and MSA Examinations	Introduction to Economics and Finance
Yaseen Younis	Sana Arooj Tahir
Corporate Laws	Business Law
Muhammad Jawad Ashraf	Saman Rehmani
Business Management and Strategy	Business Management and Behavioural Studies
Syed Muhammad Murtaza Naqvi	Huzaifa Usman
Business Finance Decisions	Financial Accounting and Reporting I
Asif Ali	Gohar Rasheed
Advanced Taxation	Principles of Taxation
Ahmer Khan	Muhammad Shahbaz
Audit, Assurance and Related Services	Financial Accounting and Reporting II
Bilal Ahmad	Muhammad Shahbaz
Financial Reporting and Assurance Professional Competence	Cost and Management Accounting
Muhammad Umair Ashraf Management Professional Competence	

#### **AFC EXAMINATION**

Summer 2018	Autumn 2018	Winter 2018	Spring 2019
Muhammad Tuaha Functional English	Aamir Khan Functional English	Mobin UI Haq Functional English	Rabbiya Rizwan Functional English
Muhammad Tuaha Business Communication	Javeria Anis Business Communication	Tasawar Ali Business Communication	Awais Ameen Business Communication
Alina Fatima Quantitative Methods	Muhammad Annus Quantitative Methods	Muhammad Ashhad Business Communication	Ammar Business Communication
Anmol Bibi Introduction to Information Technology	Muhammad Yahya Introduction to Information Technology	Zohair Hamza Business Communication	Muhammad Hisham Business Communication
	Ahmed Introduction to Information Technology	Tayyab Fayyaz Business Communication	Noman Tariq Business Communication
		Wali Muhammad Naviwala Business Communication	Muhammad Ahmad Quantitative Methods
		Mohammad Omar Business Communication	Mohsin Munawar Introduction to Information Technology
		Muhammad Hadi Qasim Quantitative Methods	
		Mansoor Ahmed Introduction to Information Technology	
		Muhammad Mobeen Qayyum Introduction to Information Technology	

#### COUNCIL

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (14)		Meetings Held (12)	
Name	Attended	Name	Attended
Jafar Husain, FCA (chairman)	14	Riaz A. Rehman Chamdia, FCA (chairman)	11
Aamir Khan*	0	Ashfaq Yousuf Tola, FCA	10
Abdul Husain A. Basrai, FCA*	7	Dr. Waqar Masood Khan*	8
Ashfaq Yousuf Tola, FCA	11	Farrukh Rehman, FCA	12
Farrukh Rehman, FCA	14	Hina Usmani, FCA	11
Hina Usmani, FCA	13	Iftikhar Taj, FCA	12
Iftikhar Taj, FCA	11	Jafar Husain, FCA	12
Khalid Rahman, FCA	13	Khalid Rahman, FCA	11
Khalilullah Shaikh, FCA	11	Khalilullah Shaikh, FCA	10
M. Sharif Tabani, FCA	14	M. Sharif Tabani, FCA	11
Muhammad Ali Latif, FCA	12	Mohammad Abdullah Yusuf, FCA*	10
Muhammad Awais, FCA	12	Muhammad Ali Latif, FCA	10
Rana Muhammad Usman Khan, FCA	14	Muhammad Awais, FCA	10
Riaz A. Rehman Chamdia, FCA	11	Rana Muhammad Usman Khan, FCA	12
Saifullah, FCA	13	Rukhsana Yasmin*	0
Sami Ullah Musa, FCA**	6	Saifullah, FCA	12
Siraj Ahmad, FCA*	4	Shaukat Hussain, FCA*	0
Syed Mohammad Shabbar Zaidi, FCA*	0	Syed Najmul Hussain, FCA	10
Syed Najmul Hussain, FCA	12		

<sup>\*\*</sup>Sami Ullah Musa, FCA joined from the 311th Council Meeting (March 21-22, 2019)

<sup>\*</sup>Government Nominee

<sup>\*</sup>Abdul Husain A. Basrai, FCA and Siraj Ahmad, FCA joined from the 311th Council Meeting (March 21-22, 2019)

<sup>\*</sup>Mohammad Abdullah Yusuf, FCA and Dr. Waqar Masood Khan remained till 310th Council Meeting (February 15, 2019)

<sup>\*</sup>Syed Mohammad Shabbar Zaidi, FCA joined in May 10, 2019

<sup>\*</sup>Mohammad Jehanzeb Khan remained till May 10, 2019

<sup>\*</sup>Rukhsana Yasmin remained till August 29, 2018

<sup>\*</sup>Aamir Khan joined in August 17, 2019

<sup>\*</sup>Farrukh H. Sabzwari remained till August 17, 2019

<sup>\*</sup>Tahir Mahmood remained till October 2018

#### **EXECUTIVE COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (8)	
Name	Attended	Name	Attended
Jafar Husain, FCA (chairman)	4	Riaz A. Rehman Chamdia, FCA (chairman)	8
Hina Usmani, FCA	3	Farrukh Rehman, FCA	8
Iftikhar Taj, FCA	2	Hina Usmani, FCA	7
Khalid Rahman, FCA	4	lftikhar Taj, FCA	8
Khalilullah Shaikh, FCA	3	Jafar Husain, FCA	8
M. Sharif Tabani, FCA	4	Khalilullah Shaikh, FCA	5
Muhammad Ali Latif	4	M. Sharif Tabani, FCA	6
Riaz A. Rehman Chamdia, FCA	2	Rana Muhammad Usman Khan, FCA	7
Saifullah, FCA	4	Saifullah, FCA	8

#### **EXAMINATION COMMITTEE**

2018-2019 from October 26, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018		
Meetings Held (6)		Meetings Held (6)		
Name	Attended	Name	Attended	
Iftikhar Taj, FCA (chairman)	4	Farrukh Rehman, FCA (chairman)	6	
Ashfaq Yousuf Tola, FCA	3	Ashfaq Yousuf Tola, FCA	5	
Farrukh Rehman, FCA	6	Hina Usmani, FCA	6	
Hina Usmani, FCA	4	Khalid Rahman, FCA	6	
Khalid Rahman, FCA	5	Muhammad Ali Latif, FCA	5	
Muhammad Ali Latif, FCA	1	Muhammad Awais, FCA	5	
Muhammad Awais, FCA	4	Rana Muhmmad Usman Khan, FCA	6	
Rana Muhmmad Usman Khan, FCA	6	Syed Najmul Hussain, FCA	4	
Syed Najmul Hussain, FCA	5			
As per tradition, the president does not attend the meetings of the Examination Committee and vice president chairs the meetings of the				

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

#### **INVESTIGATION COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (5)	
Name	Attended	Name	Attended
M. Sharif Tabani, FCA (chairman)	3	Jafar Husain, FCA (chairman)	5
Jafar Husain, FCA (chairman)*	1	Ashfaq Yousuf Tola, FCA	5
Ashfaq Yousuf Tola, FCA	2	Iftikhar Taj, FCA	4
Iftikhar Taj, FCA**	1	Imran Afzal, FCA	4
Imran Afzal, FCA	4	Justice Ahmad Sarwana	5
Justice Ahmad Sarwana	4	Khalid Rahman, FCA	4
Khalid Rahman, FCA**	1	M. Z. Moin Mohajir, FCA	3
M. Z. Moin Mohajir, FCA	0	Nasimuddin Hyder, FCA	4
Muhammad Awais, FCA	3	Syed Najmul Hussain, FCA	4
Nasimuddin Hyder, FCA	4		
Rana Muhammad Usman Khan, FCA	3		
Syed Najmul Hussain, FCA	3		

<sup>\*</sup>Chairman till October 26, 2018 \*\*Member till November 11, 2018

#### **HUMAN RESOURCES COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (6)		Meetings Held (4)	
Name	Attended	Name	Attended
Jafar Husain, FCA (chairman)	6	Riaz A. Rehman Chamdia, FCA (chairman)	4
Iftikhar Taj, FCA	5	Farrukh Rehman, FCA	4
Khalilullah Shaikh, FCA	3	Iftikhar Taj, FCA	4
M. Sharif Tabani, FCA	6	Jafar Husain, FCA	4
Rana Muhammad Usman Khan, FCA	6	Khalilullah Shaikh, FCA	2

#### **AUDIT COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (5)		Meetings Held (4)	
Name	Attended	Name	Attended
Zafar Iqbal Sobani, FCA (chairman)	5	Zafar Iqbal Sobani, FCA (chairman)	4
Abdul Aziz, FCA	2	Abdul Aziz, FCA	2
Hina Usmani, FCA	5	Hina Usmani, FCA	3
Saif Ullah, FCA	5	Saifullah, FCA	4
Syed Anis Ahmed, FCA	1	Syed Anis Ahmed, FCA	3

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

#### **QUALITY ASSURANCE BOARD**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (8)		Meetings Held (7)	
Name	Attended	Name	Attended
Zahid Iqbal Bhatti, FCA* (chairman)	4	Zahid Iqbal Bhatti, FCA (chairman)	7
Farid ud Din Ahmad, FCA* (chairman)	4	Abdul Samad, FCA	5
Abdul Samad, FCA	6	Ahmed Ali Mitha, FCA	0
Ahmed Ali Mitha, FCA***	2	Ali Azeem Ikram, FCA	3
Ali Azeem Ikram, FCA**	2	Amina Aziz, FCA	1
Amina Aziz, FCA**	1	Ayaz Ahmed, FCA	5
Ayaz Ahmed, FCA	7	Imran Inayat Butt	0
Mohammad Almas, FCA	8	Mohammad Almas, FCA	7
Riaz Nazar Ali, FCA	6	Riaz Nazar Ali, FCA	5
Rashid Ibrahim, FCA**	2	Syed Ahmed Abid, FCA	2
Syed Ahmed Abid, FCA	7	Teizoon Kisat, FCA	6
Teizoon Kisat, FCA	5	Zulfikar Ali Causer, FCA	7
Zulfikar Ali Causer, FCA	8		

#### SMALL AND MEDIUM PRACTICES COMMITTEE

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (2)		Meetings Held (2)	
Name	Attended	Name	Attended
Muhammad Ali Latif, FCA (chairman)	2	Muhammad Ali Latif, FCA (chairman)	2
Ahmad Salman Arshad, FCA	2	Ahmad Salman Arshad, FCA	2
Ale Imran Siddiqi, FCA	2	Ahsan Elahi Vohra, FCA	0
Amin Ali, FCA	1	Ale Imran Siddiqi, FCA	2
Aneel Peter, ACA	2	Amin Ali, FCA	2
Ashfaq Yousuf Tola, FCA	1	Aneel Peter, ACA	1
Faisal Iqbal Khawaja, FCA	0	Faisal Iqbal Khawaja, FCA	0
Fazal Mahmood, FCA	2	Fazal Mahmood, FCA	2
Hina Usmani, FCA	2	Hina Shahrukh, ACA	1
Khizar Ayub Izhar, FCA	0	Hina Usmani, FCA	1
Laeeq Ahmed Rana, FCA	1	Jawad, ACA	1
Mohammad Maqbool, FCA	2	Kashif Maqbool Sehgal, FCA	2
Mohammad Younas Ghazi, FCA	0	Laeeq Ahmed Rana, FCA	1

<sup>\*</sup>Farid ud Din Ahmad was nominated as new chairman of the QAB in place of Zahid Iqbal Bhatti w.e.f. June 20, 2019

\*\*Rashid Ibrahim was nominated by SECP in place of Ali Azeem and Amina Aziz w.e.f. July 19, 2019 in accordance with QCR Framework 2019

\*\*\*Ahmed Ali Mitha and Riaz Nazar Ali are no more members of QAB w.e.f. August 15, 2019 in accordance with QCR Framework 2019

Osman Hameed Chaudhri, FCA	1	Mohammad Maqbool, FCA	2
Saad Ali Rana, ACA	2	Mohammed Shabbir Kasbati, FCA	2
Saifullah, FCA	2	Muhammad Akram, ACA	1
Tanzil Ahmed, FCA	2	Najeeb Taher Moochhala, FCA	1
Zahid Farooq, FCA	1	Osman Hameed Chaudhri, FCA	1
Zeeshan Ali, FCA	2	Saad Ali Rana, ACA	2
		Saifullah, FCA	2
		Syed Muhammad Hassan Ali Qadri, ACA	2
		Zahid Noor Siddique, ACA	0

#### **EDUCATION AND TRAINING COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (8)		Meetings Held (6)	
Name	Attended	Name	Attended
Syed Najmul Hussain, FCA (chairman)	7	Syed Najmul Hussain, FCA (chairman)	6
Abdul Basit, FCA	4	Aamir Shaukat Hussain, ACA	4
Ahmed Jabbar, FCA	8	Abdul Basit, FCA	2
Ahmed Raza, FCA	7	Ahmed Jabbar, FCA	6
Farrukh Rehman, FCA	6	Ahmed Raza, FCA	6
Haroon Tabraze, FCA	6	Dr. Waqar Masood Khan	0
Hena Sadiq, FCA*	4	Farrukh Rehman, FCA	2
Iftikhar Taj, FCA	4	Haroon Tabraze, FCA	6
Khurram Muhammad Siddiqui, FCA	2	Hena Sadiq, FCA	4
Liaqat Ali Panwar, FCA	8	Iftikhar Taj, FCA	4
Mirza Zunair Zafar, ACA	6	Liaqat Ali Panwar, FCA	6
Muhammad Sajid Hamid Kapadia, ACA*	2	M. Sharif Tabani, FCA	3
Rana Muhammad Usman Khan, FCA	6	Mirza Zunair Zafar, ACA	4
Sajid Hussain, FCA	8	Mohammad Maqbool, FCA	3
Shaikh Ahmed Salman, FCA	4	Muhammad Sajid Hamid Kapadia, ACA	2
Syed Fahim ul Hassan, FCA	8	Rana Muhammad Usman Khan, FCA	4
Talha Ahmed, ACA	7	Sajid Hussain, FCA	4
		Shaikh Ahmed Salman, FCA	4
		Syed Fahim ul Hassan, FCA	5
		Talha Ahmed, ACA	4
*Joined the Committee in February 2019			

#### PROFESSIONAL ACCOUNTANTS IN BUSINESS COMMITTEE

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (3)		Meetings Held (5)	
Name	Attended	Name	Attended
Khalilullah Shaikh, FCA (chairman)	3	Khalilullah Shaikh, FCA (chairman)	5
Aamir Shaukat Hussain, ACA	2	Aamir Shaukat Hussain, ACA	5
Abdul Basit, FCA	1	Abdul Basit, FCA	1
Abdul Ghaffar, ACA	0	Ajmal Ilyas Nagaria, ACA	4
Anam Nadia Rahman, ACA	2	Ali Raza, ACA	0
Arif Akmal Saifee, FCA	1	Aurang Zeb, ACA	2
Faizan Umer Paracha, ACA	0	Faizan Farooq, ACA	0
Fawad Aftab, FCA	3	Faizan Umer Paracha, ACA	3
Iftikhar Ahmed, FCA	0	Fawad Aftab, FCA	5
Iftikhar Taj, FCA	0	Haroon Asghar, ACA	4
Kamran Shahzad, ACA	1	Huzaifa Ahmed, ACA	0
Mansoor Zaighum, FCA	2	Iftikhar Taj, FCA	2
Maria Ejaz, ACA	1	Junaid Mohammad Siddiq, FCA	0
Mohammad Naeem Ghouri, FCA	0	Kamran Shahzad, ACA	2
Muhammad Asif Iqbal, FCA	1	Mohammad Naeem Ghouri, FCA	2
Muhammad Humair, FCA	2	Muhammad Ali, FCA	0
Muhammad Hunain, ACA	2	Muhammad Hunain, ACA	3
Muhammad Irfan Ahmed, ACA	1	Muhammad Rashid Dastagir, FCA	2
Muhammad Rabnawaz Anjum, FCA	1	Muhammad Saadat Shafqat, ACA	2
Muhammad Samiullah, FCA	1	Muhammad Samiullah, FCA	3
Muhammad Shehzad, FCA	2	Muhammad Shehzad, ACA	3
Muhammad Shoaib, ACA	2	Muhammad Shoaib, ACA	5
Muhammad Tariq Moin, FCA	2	Muhammad Tariq Moin, FCA	3
Muhammad Waqar Iqbal, ACA	1	Muhammad Waqar Iqbal, ACA	3
Muhammad Waqas Tariq, ACA	0	Muhammad Zaid, FCA	3
Muhammad Zaid, FCA	0	Muhammad Zubair Ikram, ACA	4
Murtaza Feroz	3	Mustafa Chagla, FCA	1
Nabeel Shaikh, ACA	2	Noor-Ul-Huda Ashraf, FCA	0
Pervez Ismail, FCA	1	Pervez Ismail, FCA	2
Rajlain Hassan Qazi, ACA	1	Saad Usman, FCA	1
Sadia Shakoor, ACA	1	Sajid Kapadia, ACA	2
Shahid Iqbal, FCA	2	Sarmad Sandeelo, ACA	2
Shahid Jamal Kazi, FCA	1	Shahid Iqbal Khattak, FCA	1
Shakaib Arif, FCA	0	Shahid Jamal Kazi, FCA	2
Shaukat Hussain, ACA	2	Shahzaib Shahzad, ACA	1

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

#### CONTINUING PROFESSIONAL DEVELOPMENT COMMITTEE

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (3)		Meetings Held (3)	
Name	Attended	Name	Attended
Saifullah, FCA (chairman)	3	M. Sharif Tabani, FCA (chairman)	3
Farheen Atique, ACA	2	Abdul Rab, FCA	1
Fawad Aftab, FCA	2	Agha Mujeeb Ahmed Khan, FCA	3
Iftikhar Taj, FCA	1	Anam Nadia Rahman, ACA	1
JehanZeb Amin, FCA	2	Asad Feroze, FCA	2
Mohammad Zulfikar Akhtar, FCA	1	Ejaz Hussain, ACA	0
Muhammad Ali Latif, FCA	2	Haris Bin Mohsin, ACA	0
Muhammad Shoaib, ACA	2	Iftikhar Taj, FCA	3
Rafqat Hussain, FCA	2	JehanZeb Amin, FCA	3
Saira Nasir, FCA	2	Khan Mohammad, FCA	2
Usman Ahsan, ACA	0	M. Asad Ismail, FCA	2
Zahid Farooq, FCA	3	Muhammad Zaid, FCA	1
Zahid Noor Siddique, FCA	1	Muhammad Hunain, ACA	1
		Naseer Ahmad, ACA	1
		Osman Hameed Chaudhri, FCA	0
		Shahid Jamal Kazi, FCA	3
		Saifullah, FCA	2
		Saira Nasir, FCA	3
		Syed Fahim ul Hassan, FCA	2
		Zeeshan Ali, FCA	1

#### **CA WOMENS' COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (5)	
Name	Attended	Name	Attended
Hina Usmani, FCA (chairman)	4	Hina Usmani, FCA (chairman)	6
Amir Waheed, FCA	0	Amir Waheed, FCA	2
Ammara Shamim Gondal, ACA	3	Ammara Shamim Gondal, ACA	3
Atifa Arif Dar, FCA	2	Atifa Arif Dar, FCA	2
Bushra Aslam, FCA	3	Anam Nadia Rehman, ACA	2
Faiza Ghulam, ACA	1	Farya Taseer, ACA	3
Farheen Atique, ACA	3	Fouzia Quttab, ACA	2
Fatima Anis Abu Bakar, ACA	2	Hiba Azhar, ACA*	0
Fatima Nadeem, ACA	0	Hina Kazi, FCA	4
Fouzia Qutub, ACA	2	Hina Shahrukh, ACA	5
Hina Kazi, FCA	3	Khursheed Kotwal, FCA	5
Hina Shahrukh, ACA	3	Maimoona Raffat, ACA***	3
Iffat Hussain, ACA	3	Maria Zafar, ACA	3
Izz Ghana Ansari, ACA	3	Moneeza Usman Butt, FCA	3
Kanwal Shehzadi, ACA	0	Rafia Saleem, ACA	2
Khursheed Kotwal, FCA	3	Rahaila Aleem, ACA***	4
Maria Zafar, ACA	1	Roshan Mehri, FCA	3
Moneeza Usman Butt, FCA	1	Sadia Nazeer, FCA**	0
Sadia Shakoor, ACA	2	Sadia Shakoor, ACA	2
Saira Nasir, FCA	3	Saira Nasir, FCA	3
Sana Quadri, ACA	4	Samina Jabeen, ACA	2
Sarah Tahir Siddiqui, ACA	2	Sohab Mushtaq, FCA****	0
Syed Asad Ali Shah, FCA	0	Syed Asad Ali Shah, FCA	2
Tasneem Yousuf, ACA	4	Tasneem Yousuf, ACA	2
Yasmeen Ahmed Zai, FCA	2		
		*relieved from the Committee in February 2018.  **relieved from the Committee in March 2018.  ***joined the Committee in February 2018.  ****joined the Committee in March 2018.	

#### ACCOUNTING STANDARDS BOARD

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (9)		Meetings Held (7)	
Name	Attended	Name	Attended
Farrukh Rehman, FCA (chairman)	9	Farrukh Rehman, FCA (chairman)	7
Adnan Afaq, FCA	4	Aftab Mahmood Butt, FCA	5
Aftab Mahmood Butt, FCA	4	Akhthar Javed	1
Akhtar Javed	1	Ali Azeem Ikram, FCA	4

Ali Azeem Ikram, FCA	6	Ayesha Riaz, FCA	4
Ayesha Riaz, FCA	7	Dr. Farrukh Iqbal	4
Dr. Farrukh Iqbal	6	Farhan Ansari, FCA	5
Farhan Ansari, FCA	3	Mahfooz Ahmed Bhatti*	3
Farooq Ghani***	2	Mohammad Adnan Afaq, FCA	4
Mahfooz Ahmed Bhatti	5	Mohammad Maqbool, FCA	6
Mohammad Maqbool, FCA	8	Rayomond Kotwal	5
Rana Muhammad Usman Khan, FCA **	3	Riaz A. Rehman Chamdia, FCA	3
Rayomond Kotwal	3	Syed Asad Ali Shah, FCA	4
Riaz A. Rehman Chamdia, FCA	7	Syed Mohammad Shabbar Zaidi, FCA	6
Rukhsana Soomro***	0	Syed Najmul Hussain, FCA	2
Shehzad Ahmed Awan*	1	Tafakhar Ali Asdi*	0
Syed Asad Ali Shah, FCA	1		
Syed Mohammad Shabbar Zaidi, FCA	1		
Syed Najmul Hussain, FCA	5		
* Shehzad Ahmed Awan Joined w.e.f from April 03, 2019 ** Rana Muhammad Usman Khan joined w.e.f April 01, 2019 *** Farooq Ghani replaced Rukhsana Soomro w.e.f April 01, 2019		*Mahfooz Ahmed Bhatti joined in place of Tafakhar Ali Asdi w.e.f April 2018	

#### **PUBLIC SECTOR COMMITTEE**

2018-2019 from October 26, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (0)		Meeting Held (1)	
Name	Attended	Name	Attended
No Meeting Held		Muhammad Abdullah Yusuf, FCA (chairman)	1
		Abdul Qadeer, FCA	1
		Ahsan Ghaffar Mehanti, FCA	1
		Arslan Khalid, FCA	0
		Farrukh Ahmed Hamidi* CGA	0
		Fuad Azim Hashimi, FCA	0
		Hasan Saqib, FCA (late)	1
		Jehan Zeb Amin, FCA	1
		Marryam Balouch, FCA	1
		Muhammad Zubair Mahmood, ACA	1
		Rahat Gul, FCA	1
		Raiz Nazar Ali, FCA	0
		Rashid Ibrahim, FCA	1
		Shah Naveed Saeed, FCA	1
		Syed Asad Ali Shah, FCA	1
		Touseef Alam Khan, FCA	1
		Waseem Ahmad Khan	1
		CGA * Nomination Received on December 27, 2017 AGP **Nomination Awaited	

# **ECONOMIC ADVISORY & GOVERNMENT RELATIONSHIP COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (4)	
Name	Attended	Name	Attended
Dr. Waqar Masood Khan (chairman)	3	Dr. Waqar Masood Khan (chairman)	4
Abdul Husain A. Basrai, FCA (chairman)*	1	Abdul Rab, FCA	1
Abdul Rab, FCA	2	Ahsan Ghaffar Mehanti, FCA	4
Ahsan Ghaffar Mehanti, FCA	3	Ammara Shamim Gondal, ACA	1
Hina Usmani, FCA	1	Haider Ali Patel, FCA	0
Imran Jalil, FCA	3	Hina Usmani, FCA	1
Jatin Kumar, ACA	2	Imran Jalil, FCA	4
Khursheed Kotwal, FCA	3	Khursheed Kotwal, FCA	4
Moneeza Usman Butt, FCA	3	M. Shahbaz Farooq Ahsan, ACA	4
Mubasher Ahmed, FCA	3	Moneeza Usman Butt, FCA	3
Muhammad Ali Latif, FCA	0	Muddassar Mehmood, FCA	1
Muhammad Arif Methani, FCA	3	Muhammad Ali Latif, FCA	0
Muhammad Faisal, FCA	2	Muhammad Arif Methani, FCA	3
Naresh Karia, FCA	3	Muhammad Faisal, FCA	3
Pareesa Zahid, ACA	3	Naresh Karia, FCA	1
Saira Nasir, FCA	1	Salman Amin, FCA	3
Shahbaz Farooq Ahsan, ACA	4	Shahid Jamal Kazi, FCA	4
Shahid Jamal Kazi, FCA	4	Usama Rashid, FCA	2
Shoaib Sultan, ACA	3	Waqass Ahmad, ACA	1
Siraj Ahmad**	1	Waseem Ashfaq, FCA	2
Umair Raheem, ACA	3		
Usama Rashid, FCA	4		
Waseem Ashfaq, FCA	1		
Yasmeen Ahmed Zai, FCA	2		
* Abdul Husain A. Basrai, FCA replaced Dr. Waqar	Masood Khan w.e.t	f. August 29, 2019	

<sup>\*\*</sup> Siraj Ahmad joined w.e.f. August 29, 2019

# **COMMITTEE ON FISCAL LAWS**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (2)		Meetings Held (2)	
Name	Attended	Name	Attended
Ashfaq Yousuf Tola, FCA (chairman)	2	Ashfaq Yousuf Tola, FCA (chairman)	2
Aamir Rasheed Rashid, FCA	0	Aamir Rasheed Rashid, FCA	1
Adeel Kaiser, ACA	2	Abbas, FCA	2
Adil Ali Abbassi, ACA	1	Adnan Ahmad Mufti, FCA	1
Adnan Ahmad Mufti, FCA	0	Amer Javed Ahmed, FCA	2
Amer Javed Ahmad, FCA	1	Asad Feroze, FCA	2
Aruj Ashraff, ACA	1	Asif Haroon, FCA	1
Asad Feroze, FCA	1	Asif Siddiq, FCA	2
Asif Haroon, FCA	2	Ellhai Bukhsh Qureshi, FCA	2
Asif Siddiq Kasbati, FCA	2	Faisal Latif, FCA	2
Atif Mufassir, FCA	1	Haider Ali Patel, FCA	1
Ellahi Bukhsh Qureshi, ACA	1	Imran Amin Virani, ACA*	0
Faisal Latif, FCA	0	Kashif Maqbool Sehgal, ACA	1
Haider Ali Patel	1	Khalid Mahmood, FCA	2
Imran Amin Virani, ACA	1	Mansoor Zaighum, FCA	1
Kashif Maqbool Seghal, FCA	1	Mohammad Muzammil, ACA**	0
Khalid Mahmood, FCA	2	Mubasher Ahmed, FCA	1
Khursheed Kotwal, FCA	1	Muhammad Ali Latif, FCA	2
Laeeq Ahmad Rana	1	Muhammad Akram, ACA	1
Mahir Alam, ACA	0	Muhammad Awais, FCA	2
Mansoor Zaighum, FCA	2	Muhammad Raza, FCA	2
Mohammad Muzammil, ACA	1	Muhammad Furqan, ACA	2
M. Z. Moin Mohajir, FCA	2	Muhammad Mahmood Bikiya, ACA**	0
Mubasher Ahmed, FCA	2	M. Z. Moin Mohajir, FCA	1
Muhammad Akram, ACA	2	Nasir Gullzar, FCA	2
Muhammad Ali Latif, FCA	0	Pervez Ismail, FCA	2
Muhammad Anas, ACA	1	Rashid Ibrahim, FCA	1
Muhammad Awais, FCA	1	Rafqat Hussain, FCA	2
Muhammad Fahad, ACA	1	Rana Muhammad Usman Khan, FCA	1
Muhammad Furqan, ACA	2	Sana Quadri, ACA	1
Muhammad Habib Khan, FCA	2	Shaikh Saqib Masood, FCA	1
Muhammad Mehmood Bikiya, ACA	1	Shahbaz Raza, FCA	2
Muhammad Raza, FCA	1	Shameer Haroon, ACA	2
Muhammad Salman Iqbal	2	Shahid Hussain, FCA	1
Muhammad Sannan Jalisi, ACA	1	Sunaib Barkat, ACA	2
Muhammad Tahir Usman, ACA	1	Syed Asif Zaman, ACA	1
Nasir Gulzar, FCA	2	Talat Javed, FCA	2
Naveed Alam, FCA	1	Zubair Ahmed Qureshi, FCA**	0
Naveed Ashraf, ACA	1		
Nouman Razaq Khan, FCA	2		

Pervez Ismail, FCA	0	
Rafqat Hussain, FCA	1	
Rajlain Hassan Qazi, ACA	1	
Rana Muhammad Usman Khan, FCA	0	
Rashid Rahman Mir, FCA	0	
Roshan Mehri, FCA	0	
Saad Bin Khalid, ACA		
Sana Quadri, ACA	2	
Shaikh Saqib Masood, FCA	0	
Shaffiqe Ur Rehman Bhatti, ACA		
Shahbaz Raza, FCA	2	
Shahid Hussain, FCA	1	
Shahzaib Shahzad, ACA	1	
Shameer M. Haroon, ACA	2	
Sharif ud din Khilji, FCA	1	
Shaukat Hussain, ACA	1	
Talat Javed, FCA	1	
Tanzil Ahmed, FCA	1	
Zubair Ahmed Qureshi, FCA	1	
Zuhair Akram Shaikh, ACA	1	
		*joined committee w.e.f April 17, 2018 **joined committee w.e.f June 26, 2018

# **AUDITING STANDARDS AND ETHICS COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (8)		Meetings Held (4)	
Name	Attended	Name	Attended
Rana Muhammad Usman Khan, FCA (chai	rman) 8	Rana Muhammad Usman Khan, FCA (chairman)	4
Abid Hussain*	1	Ale Imran Siddiqui, FCA	4
Ale Imran Siddiqi, FCA	8	Arshad Mahmood Bhatti	2
Asad Feroze, FCA	7	Asad Feroze, FCA	3
Asif Iqbal, FCA	3	Bilal Ali, FCA	3
Bilal Ali, FCA	3	Ejaz Hussain Rathore, FCA	3
Ejaz Hussain Rathore, FCA	6	Haroon Tabraze, FCA	3
Fazal Mahmood	5	Hina Usmani, FCA	1
Haroon Abdullah Abbas, ACA*	3	Imran Jalil, ACA	2
Haroon Tabraze, FCA	5	Irfan Ilyas, FCA	2
Hina Usmani, FCA	2	Maheen Fatima, FCA	3
Imran Jalil, FCA	6	Mehmood, FCA	2
Irfan Ilyas, FCA	6	Muhammad Almas, FCA	2
Mahmood Razzak, FCA	5	Muhammad Nasir Munir, FCA	3
Muhammad Almas, FCA	3	Nadeem Tirmizi, FCA	2
Muhammad Nasir Muneer, FCA	4	Naresh Kumar, ACA	2

Naresh Kumar, ACA	6	Osman Hameed Chaudhri, FCA	1
Raheel Arshad, FCA	1	Tasneem Yusuf, ACA	2
Rashid Rehman Mir, FCA	3	Shuja - UI - Mulk, FCA	4
Shariq Ali Zaidi, FCA	7	Shariq Ali Zaidi, FCA	3
Shibli Rehan Islam, FCA	4	Raheel Arshad, FCA	2
Shuja-ul-Mulk, FCA	6	Waqas Aftab Sheikh, FCA	2
Tasneem Yusuf, ACA	5		
Waqas Aftab Sheikh, FCA	4		
*Haroon Abdullah Abbas replaced Abid Hussain v	v.e.f April 5, 2019		

# COMMITTEE FOR THE REVIEWING ANTI-MONEY LAUNDERING LAWS 2018-2019

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (2)		Meetings Held ()	
Name	Attended	Name	Attended
Ashfaq Yousuf Tola, FCA (chairman)	2		
Abid Sabhan	1		
Asif Haroon, FCA	2		
Farrukh Rehman, FCA	0		
Iftikhar Taj, FCA	0		
Khurram Amanullah, FCA	2		
Muhammad Awais, FCA	1		
Rana Muhammad Usman Khan, FCA	1		

# **OVERSEAS COORDINATION COMMITTEE (OCC)**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (2)		Meetings Held (4)	
Name	Attended	Name	Attended
Khalid Rahman, FCA (chairman)	2	Khalid Rahman, FCA (chairman)	4
Arshad, FCA	2	Arshad, FCA	2
Asher Noor, FCA	1	Asher Noor, FCA**	2
Asma, FCA*	2	Ashfaq Yousuf Tola, FCA	1
Ejaz Ahmad, ACA*	0	Asma, FCA**	1
Irfan Bashir Shaikh, ACA**	0	Ejaz Ahmad, ACA*	0
Khawaja Ali Usman, ACA**	2	Muhammad Ali Latif, FCA	3
Muhammad Abdullah Yusuf, FCA***	1	Muhammad Awais, FCA	4
Mohammad Nadeem, ACA**	1	Muhammad Shoaib Jan Memon, FCA	3
Muhammad Ali Latif, FCA	0	Rauf Ali Jan, FCA**	3
Muhammad Awais, FCA	1	Syed Asif Zaman, ACA*	2
Muhammad Kamran, FCA	1	Syed Najmul Hussain, FCA	4

Muhammad Shoaib Jan Memon, FCA	1	Syed Shamshad Husain, FCA*	1
Rauf Ali Jan, FCA*	1	Mohammad Iqbal, FCA*	0
Riaz A. Rehman Chamdia, FCA	1		
Syed Najmul Hussain, FCA	2		
*Previous Chapter Chairman  ** Existing Chapter Chairman  *** Muhammad Abdullah Yusuf left the committee in February 2019		*Previous Chapter Chairman ** Existing Chapter Chairman	

# **MEMBERS AFFAIRS COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (2)		Meetings Held (4)	
Name	Attended	Name	Attended
Muhammad Awais, FCA (chairman)	2	Muhammad Awais, FCA (chairman)	4
Hina Usmani, FCA	2	Hina Usmani, FCA	2
Muhammad Shoaib Jan Memon, FCA	1	Iftikhar Taj, FCA	3
Syed Najmul Hussain, FCA	2	Muhammad Shoaib Jan Memon, FCA	2
Iftikhar Taj, FCA	2	Syed Najmul Hussain, FCA	4

## **BENEVOLENT FUND COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Imran Afzal, FCA (chairman)	4	Imran Afzal, FCA (chairman)	3
Abdul Qadeer, FCA	3	Abdul Qadeer, FCA	2
Adeel Ahmad Khan, FCA	4	Adeel Ahmad Khan, FCA	1
Kamran Iqbal Butt, FCA	2	Kamran Iqbal Butt, FCA	2
Liaquat Ali, FCA	3	Liaquat Ali, FCA	2
Mahmood A. Qureshi, FCA	2	Mahmood A. Qureshi, FCA	1
Masoom Akhtar, FCA	2	Masoom Akhtar, FCA	2
Mohammed Ali, ACA	3	Mohammed Ali, ACA	0
Mohammed Rafiuddin Hyder, FCA	4	Mohammed Rafiuddin Hyder, FCA	2
Muhammad Ahmad Shahid, FCA	3	Muhammad Ahmad Shahid, FCA	2
Muhammad Awais, FCA	1	Muhammad Awais, FCA	0
Qamar UI Islam, FCA	2	Qamar Ul Islam, FCA	1
Rana Muhammad Usman Khan, FCA	2	Rana Muhammad Usman Khan, FCA	2
Rehan Mobin, FCA	2	Rehan Mobin, FCA	2
Rashid Ibrahim, FCA	2	Rashid Ibrahim, FCA	2
Rashid Masood Alam, FCA	4	Rashid Masood Alam, FCA	1

# **PUBLICATIONS COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (1)		Meetings Held (2)	
Name	Attended	Name	Attended
Muhammad Awais, FCA (chairman)	1	Muhammad Awais, FCA (chairman)	2
Ammara Shamim Gondal, FCA	0	Aneel Peter, ACA	1
Aneel Peter, ACA	1	Haris Bin Mohsin, ACA	0
Faryal Riaz Chatha	0	Hina Kazi, FCA	2
Fauzia Safdar Khan, FCA	1	Iftikhar Taj, FCA	1
Hina Kazi, FCA	1	Jafar Husain, FCA	2
Hina Shahrukh, ACA	1	Mian Bilal Zia, ACA	2
Khayyam Mushir, FCA	1	Nadeem Butt, FCA	1
Muhammad Furqan Atique, ACA	0	Naseer Ahmed, ACA	1
Naseer Ahmed, ACA	1	Nouman Razaq Khan, FCA	2
Omair Haroon, FCA	1	Omair Haroon, FCA	1
Syed Athar Hussain Zaidi, FCA	1	Sadia Shakoor, ACA	0
Syed Huzaifah Musharraf, ACA	0	Shahid Jamal Kazi, FCA	1
Zuhair Akram Shaikh, ACA	0	Syed Athar Hussain Zaidi, FCA	2
		Syed Jawwad Ul Haq Haqqi, ACA	1
		Syed Muhammad Hassan Ali, ACA	1
		Tariq Feroz Khan, FCA	1
		Usman Zafar, ACA	1
		Waqas Latif, ACA	1

# IT COMMITTEE

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (4)		Meetings Held (1)	
Name	Attended	Name	Attended
Iftikhar Taj, FCA (chairman)	4	Iftikhar Taj, FCA (chairman)	1
Abdul Ghaffar, FCA	4	Abdul Ghaffar, FCA	0
Asad Feroze, FCA	1	Faisal Shujaa Khan, FCA	1
Faisal Shujaa Khan, FCA	4	Muhammad Awais, FCA	0
Muhammad Awais, FCA	2	Saad Kaliya, FCA	1
Saad Kaliya, FCA	2	Saira Nasir, FCA	0
Shakaib Arif, FCA	0	Shakaib Arif, FCA	0
Syed Najmul Hassain, FCA	4	Syed Najmul Hassain, FCA	1

# DIGITAL ASSURANCE AND ACCOUNTING BOARD

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (1)		Meetings Held ()	
Name	Attended	Name Attended	
Syed Najmul Hassain, FCA (chairman)	1		
Arsalan Salahuddin Vardag, FCA	1		
Ashfaq Yousuf Tola, FCA	0		
Asif Peer	0		
Dr. Omair Haroon	1		
Haroon Tabraze, FCA	1		
Iftikhar Taj, FCA	1		
Imran Batada	1		
Khursheed Kotwal, FCA	1		
Masood Pervaiz, FCA	1		
Muhammad Imran, FCA	1		
Muhammad Samiullah Siddiqui	1		
Munawar Hussain	1		
Naseer Ahmad Akhtar	0		
Nouman Razaq Khan, FCA	1		
Riaz Nazarali Chunara	1		
Syed Asad Ali Shah, FCA	0		
Syed Asjad Ali Rizvi	1		
Waqar Ahmed Khan	0		

# MARKETING COMMITTEE

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (1)		Meetings Held (1)	
Name	Attended	Name	Attended
Iftikhar Taj, FCA (chairman)	1	Jafar Husain, FCA (chairman)	1
Khalilullah Shaikh, FCA	1	Khalilullah Shaikh, FCA	1
M. Sharif Tabani, FCA	1	Khalid Rahman, FCA	0
Rana Muhammad Usman Khan, FCA	1	Saifullah, FCA	1
*The Committee was formed in 2018			

# **ICAP BUILDING COMMITTEE**

2018-2019 from October 01, 2018 to September 30, 2019		2017-2018 from October 27, 2017 to September 30, 2018	
Meetings Held (3)		Meetings Held (3)	
Name	Attended	Name	Attended
Jafar Husain, FCA (chairman)	3	Jafar Husain, FCA (chairman)	3
Ashfaq Yousaf Tola, FCA	0	Ashfaq Yousaf Tola, FCA	3
Asim Zulfiqar Ali, FCA	0	Asim Zulfiqar Ali, FCA	0
Iftikhar Taj, FCA	1	Iftikhar Taj, FCA	3
Imran Afzal, FCA	3	Imran Afzal, FCA	3
Khalid Yaqoob, FCA	3	Khalid Yaqoob, FCA	3
Mohammad Maqbool, FCA	1	Mohammad Maqbool, FCA	2
Muhammad Ali Latif, FCA	0	Muhammad Ali Latif, FCA	0
Muhammad Awais, FCA	2	Muhammad Awais, FCA	1
Naeem Akhtar Shaikh, FCA	1	Naeem Akhtar Shaikh, FCA	1
Osman Hameed Chaudhri, FCA	0	Osman Hameed Chaudhri, FCA	0
Qamar-ul-Islam, FCA	0	Qamar-ul-Islam, FCA	3
Rana Muhammad Usman Khan, FCA	3	Rana Muhammad Usman Khan, FCA	0
Rashid Rahman Mir, FCA	2	Rashid Rahman Mir, FCA	1
Sarfraz Mahmood, FCA	0	Sarfraz Mahmood, FCA	0

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