



The Institute of  
Chartered Accountants  
of Pakistan

# THE NORTHERN REGIONAL COMMITTEE

CA  
PAKISTAN



ANNUAL REPORT  
**2017**



## MEMBERS OF THE NORTHERN REGIONAL COMMITTEE - ICAP (2013 - 17)



(From Left to Right): Mr. Rafqat Hussain, Mr. Kamran Iqbal Butt, Mr. Sajjad Hussain Gill (Chairman), Mr. Saifullah, M. Ali Latif (Honorary Secretary), Mr. Asad Feroze



# CONTENTS

About the Northern Regional Committee	3
CPD Committees 2016 - 2017	5
Library Committees 2016 -17	6
Year at a Glance	7
Members Statistics	17
Notice of Annual General Meeting	19
The Northern Regional Committee's Report to the Members of Northern Region	20
CPD Activities for the year ended June 30, 2017	26
Financial Statements	30



# ABOUT THE NORTHERN REGIONAL COMMITTEE (NRC)

The Northern Regional Committee “The Committee” is formed under the Chartered Accountants Bye - Laws, 1983, The Committee is represented by six elected members: five members from Zone A and one member from Zone B. The Zone “A” of northern region comprises of the Province of Punjab and Federal Capital Territory while the Zone “B” comprises of Khyber Pakhtunkhwa, Northern & Tribal Areas and Azad Kashmir.

The Committee is obliged to support the ICAP’s council in achieving its aims and objectives, to make representation to the Council in connection with matters of professional and business interest in the region, to organize seminars, workshops, symposia and conferences for Continuing Professional Development of the members in the region, to maintain libraries and reading rooms for the use of the members and students in the region and to arrange for regular meetings and get together of the members.

## OUR MISSION

Our mission at NRC is to achieve excellence in facilitating continued professional development and learning; add value to personal competencies, professional growth and skills development : up-holding ethical conventions while recognizing the needs of professionals.

## MANAGEMENT

### The Regional Committee

Mr. Sajjad Hussain Gill	Chairman
M. Ali Latif	Honorary Secretary
Mr. Asad Feroze	Chairman CASA
Mr. Kamran Iqbal Butt	Member
Mr. Rafqat Hussain	Member
Mr. Saifullah	Member

### Auditor

Mr. Syed Aftab Hameed

### Bankers

MCB Bank Limited, Silk Bank Limited, UBL Bank.  
Habib Metropolitan Bank, National Bank of Pakistan



# ABOUT THE NORTHERN REGIONAL COMMITTEE (NRC)



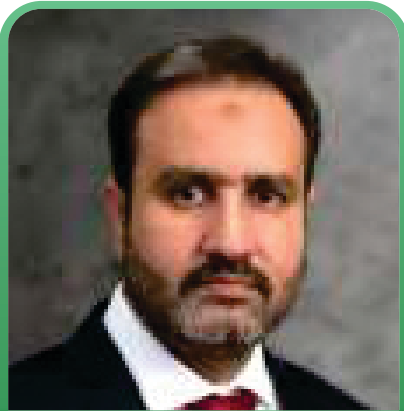
**Sajjad Hussain Gill**  
(Chairman)



**M. Ali Latif**  
(Honorary Secretary)



**Asad Feroze**  
(Chairman CASA)



**Saifullah**  
(Member)



**Kamran Iqbal Butt**  
(Member)



**Rafqat Hussain**  
(Member)



## LAHORE

<b>Sohail Ahmed Nisar, FCA (Chairman)</b>	R. No. 2992
<b>Asad Feroze, FCA</b>	R. No. 4882
<b>M. Ali Latif, FCA</b>	R. No. 4128
<b>Kamran Iqbal Butt, FCA</b>	R. No. 2453
<b>Faisal Ahmad Nisar, FCA</b>	R. No. 2859
<b>Faisal Iqbal Khawaja, FCA</b>	R. No. 3374
<b>Iftikhar Taj, FCA</b>	R. No. 2236
<b>Laeq Ahmed Rana, FCA</b>	R. No. 4487
<b>M. Daoud, FCA</b>	R. No. 3499
<b>M. Mubashar Bashir, FCA</b>	R. No. 3142
<b>Mustafa Ahmed Khan, FCA</b>	R. No. 3856
<b>Syed M. Hassan Ali, ACA</b>	R. No. 7119
<b>Sajjad Iftikhar FCA</b>	R. No. 4909
<b>Waqas Mahboob Butt, FCA</b>	R. No. 3396
<b>Saad Ali Rana, ACA</b>	R. No. 8453
<b>Imran Zafar, ACA</b>	R. No. 8211

## FAISALABAD

<b>Hamid Masood, FCA (Chairman)</b>	R. No. 1811
<b>Khan M., FCA</b>	R. No. 2304
<b>M. Zeeshan Abid, FCA</b>	R. No. 3909
<b>Ahmed Jabbar, FCA</b>	R. No. 3440
<b>Ghulam Mudassar, FCA</b>	R. No. 1881
<b>Haroon Sulaman, ACA</b>	R. No. 5178
<b>Masood Ur Rehman FCA</b>	R. No. 4007
<b>Usman Ghani, ACA</b>	R. No. 6157
<b>Ahsan Rasheed, ACA</b>	R. No. 6693
<b>Usman Ahsan, ACA</b>	R. No. 5957

## RAWALPINDI / ISLAMABAD

<b>JehanZeb Amin, FCA (Chairman)</b>	R. No. 3437
<b>Agha Mujeeb Ahmed Khan, FCA</b>	R. No. 3202
<b>Ahmed Ali Latif, ACA</b>	R. No. 6528
<b>Asad Azam, FCA</b>	R. No. 2636
<b>Masoom Akhtar, FCA</b>	R. No. 1954
<b>Nadia Saleem, ACA</b>	R. No. 5800
<b>Sharif Ud Din Khilji, ACA</b>	R. No. 5007
<b>Shibli Islam Rehan, FCA</b>	R. No. 1495
<b>Khawar Mustafa, FCA</b>	R. No. 4348
<b>M. Uzair, ACA</b>	R. No. 4122

## MULTAN

<b>M. Younas Ghazi, FCA (Chairman)</b>	R. No. 1213
<b>Abdul Sattar, FCA</b>	R. No. 1879
<b>Javed Anjum, FCA</b>	R. No. 3278
<b>M. Amin Pal, FCA</b>	R. No. 2330
<b>M. Waqas Khalid, ACA</b>	R. No. 3194
<b>M. Zubair Mahmood, ACA</b>	R. No. 5502
<b>Talat Javed, FCA</b>	R. No. 1861

## PESHAWAR

<b>Zeeshan Ali, FCA (Chairman)</b>	R. No. 3836
<b>Shahid Iqbal, ACA</b>	R. No. 4423
<b>M. Ahmad Shahid, FCA</b>	R. No. 1943
<b>Saifullah, FCA</b>	R. No. 4009
<b>Abdus Salam Jan, FCA</b>	R. No. 3266

## LIBRARY COMMITTEES 2016 - 2017

### LAHORE

Najeeb Sadiq, FCA (Chairman)	R. No. 1795
Fazal Mahmood, FCA	R. No. 1424
Kamran Iqbal Butt, FCA	R. No. 2453
Asad Feroze, FCA	R. No. 4882
M. Ali Latif, FCA	R. No. 4128
Rafqat Hussain, FCA	R. No. 5536
Salah-ud-Din FCA	R. No. 2597
Mian Bilal Zia ACA	R. No. 6463
Salman Ahson ACA	R. No. 8645

### RAWALPINDI / ISLAMABAD

Malik Mirza, ACA (Chairman)	R. No. 3920
M. Ahsan Shahzad, ACA	R. No. 5238
Salman Amin, FCA	R. No. 3928
Shibli Islam Rehan, FCA	R. No. 1495
Masood Pervaiz, ACA	R. No. 4212
M. Umar Zuberi, ACA	R. No. 4556
M. Uzair, ACA	R. No. 4122

### FAISALABAD

M. Zeeshan Abid, FCA (Chairman)	R. No. 3909
Rana M. Ather, FCA	R. No. 2159
M. Suleman Zahid, FCA	R. No. 0463
Ahsan Rasheed ACA	R. No. 6693
Kashif Saleem ACA	R. No. 7859

### PESHAWAR

Safdar Shabir Awan, ACA (Chairman)	R. No. 4746
M. Asif Jamil, ACA	R. No. 5604
Saifullah, FCA	R. No. 4009

### MULTAN

Abdul Sattar, FCA (Chairman)	R. No. 1879
M. Talib, FCA	R. No. 2657
Ashiq Hussain, FCA	R. No. 2988
Kanwar Abid Ali, ACA	R. No. 7051
M. Wasim Anwar, ACA	R. No. 5197

## LIST OF DEMISED MEMBERS DURING THE YEAR

With great sorrow and grief, we share list of members demised during the year. May Allah almighty bless there souls.

S-No.	R-No.	NAME OF MEMBER	REGION
1	0095	SHAMIM AHMED SYED, FCA	North
2	0504	M.F. ZAMAN QURESHI, FCA	North
3	0554	ZIAUDDIN BABRI, FCA	North
4	0985	ARSHAD SAEED SHEIKH, FCA	North



# YEAR AT A GLANCE

## Pre Budget Seminar 2017

Budget making is a very important exercise undertaken by Ministry of Finance each year. The Institute of Chartered Accountants of Pakistan in line with its practice for last many years prepared Budget Proposals and submitted these to Federal Board of Revenue. This exercise is led by Taxation Committee of ICAP.

The CPD Committee Lahore also organized a pre-budget seminar with the main aims of sharing with membership budget proposals given by ICAP and involving members in discussion and sharing any recommendations or issues faced by membership with representatives of FBR on April 20, 2017 at **ICAP House Lahore**. There were an elite panel of professionals who led the discussions.

This session was also live telecasted to ICAP Peshawar for our members. Mr. Rizwan Bashir, FCA gave his presentation on direct taxes After the presentations, a panel discussion took place in which Mr. Imran Afzal, FCA & Mr. Naeem Akhter Sheikh were the panelists followed by a detailed Q & A session.

The CPD Committee Islamabad/Rawalpindi of the Institute of Chartered Accountants of Pakistan (ICAP) organized the seminar on “Recommendations for the Federal Budget 2017 -2018” on Tuesday, May 09, 2017 at **ICAP House Islamabad**. The seminar commenced with opening remarks by Mr. JehanZeb Amin, FCA, (Chairman CPD Committee Islamabad). Followed by the opening remarks, Mr. Ejaz Hussain Rathore, was invited on stage to deliver his presentation on Direct Taxation. Followed by the presentation on Direct Taxation, Mr. Asif Kasbati, FCA, Member, ICAP Taxation Committee delivered his presentation on Indirect Taxation.





# YEAR AT A GLANCE

## ICAP GOLD MEDAL & CERTIFICATE DISTRIBUTION CEREMONY 2017, LAHORE

Keeping alive the tradition of honoring its most illustrious and bright students, the Northern Regional Committee of ICAP organized ICAP Gold Medal and Certificates Distribution Ceremony on May 15, 2017 at PC Hotel Lahore to honour the graduates of the year 2016.

The ceremony was graced by the Chief Guest Honorable Chief Justice Mr. Justice Syed Mansoor Ali Shah, Mr. Nadeem Yousaf Adil, (President ICAP), Mr. Nazir Ahmed Chaudhry, (Vice President ICAP), Council members of ICAP, past presidents of ICAP, members of Northern Regional Committee of ICAP and senior chartered accountants from industry, RAETs and practice. The Gold Medals and Certificates of Merit were conferred to qualified students by Honourable Chief Justice Mr. Justice Mansoor Ali Shah. The certificates were conferred to students by Mr. Shaukat Amin Shah, M. Naeem, Mr. Imran Afzal, Mr. Rashid Rahman Mir, M. Maqbool Mr. Rashid Ibrahim along with respected President ICAP.

Mr. Nazir Ahmed Chaudhry, (Vice President North) gave the opening remarks. He outlined the history of ICAP and role ICAP has played over the years in development of profession. He welcomed all guests.

Honorable Chief Justice Mr. Justice Syed Mansoor Ali Shah, Chief Justice of the Lahore High Court, was the Chief Guest on this occasion.





# YEAR AT A GLANCE

The ceremony honored the graduates and high achievers of the year 2016. More than 260 graduates were conferred with their certificates. Mr. Abdul Rafeh Faiz, M. Saad, Mr. Hamza Tariq and Ms. Fariha Javed were awarded Gold Medals. Merit certificates were awarded to Mr. Abdul Haseeb Ijaz, Roa Waqar Ali, M. Shahroz Inam, Arhum Abdullah, Furqan Butt, Samman Arshad, M. Saad, Suchal Pirzada, Asma Eman, Kalsoom Bashir, Syed Basit Hussain, Rabia Batool Shaukat, Usman Ashraf, Rida Aisha, Hamza Tariq, M. Hamza Suhail, Ahmed Ali, Sameen Bibi, M. Ozair Javed, Maheen Najmi, M. Aftab Khalid, Ahtasam Ahmad, Izz Ghanaa Ansari, Fariha Javed, Nimra Ehsan, Sarmad Sattar and Hassan Saeed on their distinctions in specific subjects. This event was attended by more than 950 people, which included parents of graduates, ICAP Council members, Past Presidents, representatives of educational institutions, MRT's, CAs from corporate sector, Executive Director North Mr. Razi Khan, Director MARCOM and media personnel. Newly qualified chartered accountants were given gift pack including a ball point, a ICAP memento cup and framed graduation photograph as a token of appreciation and hard work on behalf of ICAP. This event ended with a lavish dinner for guests at the end of the ceremony to celebrate success of graduates.





# YEAR AT A GLANCE

## “ICAP BUDGET DISCUSSION LAHORE-2017”

As per past practice and significance of the subject, the CPD Committee -Lahore of Northern Regional Committee of ICAP has organized a Post - Budget Seminar “ICAP BUDGET DISCUSSION LAHORE-2017” on Saturday, June 10, 2017 at PC Hotel Lahore to discuss & deliberate on the proposals tabled in Finance Bill 2017. Mr. Rehmatullah Khan Wazir, Member Inland Revenue (operations) FBR was the Chief Guest of this event with other senior officials of FBR comprising Mr. Zulqarnain Tirmizi, Chief Commissioner Large Taxpayers Unit FBR Lahore, Mr. Nadeem Hassan, Chief Commissioner RTO 1 and Mr. Khawaja Adnan Zaheer, Chief Commissioner RTO-2 attending as Guest of Honour.

The session commenced with Recitation of Holy Quran followed by National Anthem. Mr. Shaukat Amin Shah, FCA gave a detailed presentation on direct taxes. Mr. Asim Zulfiqar Ali, FCA explained the different proposals relating to all indirect taxes. These presentations covered in detail various new provisions added in taxation laws through Federal Budget 2017.

The presentations were followed by a comprehensive panel discussion participated by Mr. Shaukat Amin Shah FCA, Mr. Kamran Iqbal Butt FCA, Mr. Nadeem Butt FCA, Chaired by Chief guest Mr. Rematullah Khan Wazir and moderated by Sohail A Nisar FCA. The session proved to be very helpful in identification of the issues and understandings gained by both ICAP members and FBR officials. Members both from industry and practice gained useful knowledge from this moderated session and many of their concerns were duly answered by the panelists and the session Chairman. This session was followed by remarks from Chief Guest.

Furthermore, ICAP Post Budget Seminars were also held in Islamabad, Faisalabad and Multan.

These were addressed by Chairman Inland Revenue, Appellate Tribunal, Chief Commissioner and Commissioner Inland Revenue FBR, and prominent Chartered Accountants.





# YEAR AT A GLANCE

## Treasury Management in Today's Corporate World

The CPD Committee Lahore-ICAP organized an event titled “Treasury Management in Today's Corporate World” on May 25, 2017 at Royal Palm Golf and Country Club Lahore in which they discussed the thoughts of professionals working in the industry.

In today's corporate world, treasury management has taken a lot of lime light and institutions are now considering it as a major source of income alongside their operating profits. This enhanced focus of Corporate can very well be gauged with last 5 year performance of the Pakistan Stock Exchange. Returns and risks go side by side therefore risk management has enhanced attention in recent times and a lot of diversity comes into play in fixed income instruments as well when it boils down to risk versus return management.

Our Finance Professionals are increasingly developing treasury management expertise to convert finance function into a profit center from historic perception of being cost centers. To cope up with challenges in the investment/portfolio management; the CPD Committee Lahore had provided an opportunity to its members to discuss and understand Equity and Fixed Income markets from the professionals who are known for their fund management expertise. The speaker on “Economy and Equity Market Outlook” was Dr. Amjad Waheed, Chief Executive Officer NAFA. The speaker on “Fixed Income Opportunities” was Mr. Kashif Rafi, Chief Investment Officer ABL AMC. After the presentations, a panel discussion took place followed by a detailed Q & A session.



## YEAR AT A GLANCE

**The MOU was signed between (NRC - ICAP) and Knowledge Now (KN)** KN aims to provide NRC - ICAP members an exclusive access to an interactive webinars repository being archived after delivery of live webcast by NRC - ICAP to watch recorded versions at any given time. Through this understanding, NRC - ICAP members would now have the unique opportunity to avail best of the knowledge from global speakers at a much competitive market rate and instantly claim CPDs for the same from ICAP. This would ensure that the members can get guaranteed access to all the webinars which they missed out attending live. NRC - ICAP through this platform aims to provide its members the facilities of, Live Webinars, Archived videos of lectures/webinars, Follow up questionnaires, Presentations, A forum for members to stay in contact and many other learning opportunities.

### Web Based Learning

The Northern Regional Committee of ICAP in collaboration with Knowledge Now successfully arranged live webinars with speakers from Top Business Schools, such as IESE, IMD, LBS and many more.

The details of live webinars are given below which were held during 2016-2017.

1. Do great sales people really exist? By Mr. Neville Gaunt of Mind Fit, Ltd
2. The Urgency of Building Employee Engagement: Global Perspectives and Solutions by Dr. Jeffrey Yergler
3. Strategic Leadership for Accountants: Achieving Market Leadership in the Evolving Professional Services Landscape by Dr. Jeffrey Kuhn of Growth Leaders
4. Decoding Steve Jobs: 10 Steps for Building an Insanely Great Company by Dr. Mark Goulston
5. Living Business Models for Strategic and Operational Performance by Prof Kim Warren London Business School | Jan 30th | 1.5 CPDs
6. Entrepreneurship and the Lean Startup Methodology: How to Move from Ideas into Business by Prof Solon Moreira of IESE Business School
7. The Mindful Decision-Maker Is the Human Mind your Greatest Ally? by Dr. Ianna F. Contardo of IE Business School and Financial Times
8. Are You Leading at the Edge of Your Potential? by Prof. George Kohlrrieser Ph.D. of IMD Business School

Overall Webinars HTML Flyers Links:

- 1 - <http://knowledgenow.info/icap/andy-smith-march-2016.html>
- 2 - [http://knowledgenow.info/icap/Dr\\_lanna.html](http://knowledgenow.info/icap/Dr_lanna.html)
- 3 - <http://knowledgenow.info/icap/eric-kaufman-june-2016.html>
- 4 - [http://knowledgenow.info/icap/george\\_kohlrrieser.html](http://knowledgenow.info/icap/george_kohlrrieser.html)
- 5 - <http://knowledgenow.info/icap/jeffrey-kuhn-august-2016.html>

So far with Live Webinars, NRC ICAP has facilitated CPDs for more than **500** members

- 6 - <http://knowledgenow.info/icap/kim-warren-2017.html>

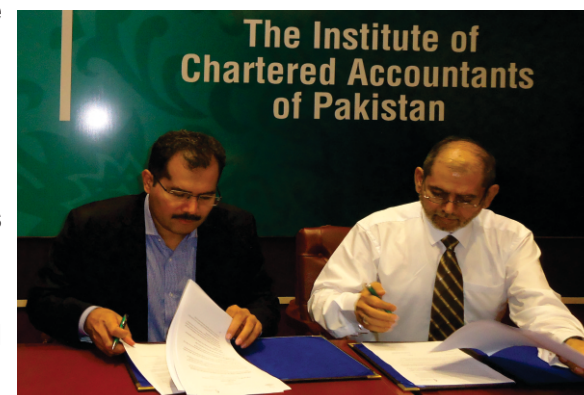
- 7 - <http://knowledgenow.info/icap/kittredge-jan-2016.html>

- 8 - <http://knowledgenow.info/icap/making-leadership-work.html>

- 9 - <http://knowledgenow.info/icap/mark-goulston-2017.html>

- 10 - <http://knowledgenow.info/icap/michael-j-ho-2015.html>

- 11 - [http://knowledgenow.info/icap/solon\\_moreira.html](http://knowledgenow.info/icap/solon_moreira.html)



# YEAR AT A GLANCE

## E-CPD Depository:

Currently e-CPD depository is offering webinar recordings accumulating to more than 20 CPDs, averaging 1.5 CPD per webinar recording. Members are frequently accessing it in fairly good numbers and find it extremely convenient to access global best practices at their own desktop and watch it on their own pace.

Overall the repository is hosting 23 webinar recordings, classified as per following:

- Business Management (4 - Webinars)
- Human Resource (4 - Webinars)
- Leadership Management (3 - Webinars)
- Operational Excellence (1 - Webinar)
- Performance Management (2 - Webinars)
- Sales (3 - Webinars)
- Strategy (6 - Webinars)

Webinar Recording(s) Library: <http://icap.knowledgenow.info/index.php/webinar-library>

Within span of three months of its launch, individual members have earned more than 300 CPDs from all across the globe as per following:

Country	CPD
Bahrain:	7
Canada:	22.5
Cayman Islands:	1.5
Egypt:	1.5
Oman:	10
Pakistan:	116.5
Saudi Arabia:	33
UAE:	30.5
United Arab Emirates:	6

## Creation of WhatsApp Groups:

During the year therefore (25) whatsapp groups have been created for each major cities in Pakistan and abroad to disseminate the information about the live and recorded webinars, which includes Islamabad, Rawalpindi, Lahore, Multan, Faisalabad, Gujranwala, Peshawar, America, Australia, UK, Canada, Bahrain, Qatar, Oman, UAE, KSA.



# YEAR AT A GLANCE

## ICAP Members Family Get Togethers

Accountant's family life is often obstructed with work pressures, late sitting & deadlines. A timely and energizing break is always welcome to get away from such routine patterns. This break is more vigor if it is enjoyed with family. In line with objective of organizing social events for ICAP members and their families, the Northern Regional Committee with joint efforts of CPD Committees of North Lahore, Islamabad, Gujranwala, Peshawar & Faisalabad organized get-togethers at individual cities. These events included lunch/brunch, tea, Children fun-activities, Jumping Castle, Trampoline, Puppet show, Face Painting, Music, Magic Show, Cartoon characters & other fun activities. More than 1000 participants including ICAP members and their families participated in these events.

Mr. Sajjad Hussain Gill, Chairman NRC welcomed the members and their families. The events start with children games. The day was filled with activities for both members and their children.

At the end of day a lucky draw was announced with various exciting prizes. Mr. Sajjad Hussain Gill, Chairman NRC distributed the prizes to the winner.





# YEAR AT A GLANCE





# CASA NORTH ACTIVITIES





# CLASSIFICATION OF MEMBERS IN NORTHERN REGION

CATAGORY	ACA	FCA	TOTAL
AGENCY / AUTHORITY/ ASSOCIATION	4	3	7
ASSET MANAGEMENT	2	1	3
AUTOMOTIVE	13	3	16
AVIATION	1	2	3
BANKS	63	37	100
CA FIRM	1		1
CABLE AND ELECTRICAL GOODS	4	3	7
CAPITAL MARKET	3	1	4
CATERING		1	1
CEMENT / CERAMICS	13	12	25
CHEMICALS / PAINTS	9	10	19
COMMERCE AND INDUSTRY	68	39	107
CONSTRUCTIONS	23	10	33
CONSUMER GOODS	22	10	32
CORPORATION	3	1	4
DISTRIBUTION & GENERATION BUSINESS	4		4
EDUCATION	45	26	71
ELECTRONICS	6	2	8
EMPLOYED IN PRACTICE	220	27	247
ENERGY & POWER	12	8	20
ENGINEERING	12	11	23
FASHION AND APPARELS	6	1	7
FERTILIZER / AGRICULTURE	32	21	53
FINANCIAL / MANAGEMENT CONSULTANCY	3	7	10
FINANCIAL / MANAGEMENT CONSULTING	13	5	18
FOOD, BEVERAGES AND RESTAURANTS	46	23	69
FUND MANAGERS	1	1	2
FUNDING & INVESMENTS	1		1
GLASS AND CERAMICS	8	2	10
GOVERNMENT	22	12	34
HARDWARE / METAL / MILL STORE	2		2
HEALTHCARE	23	7	30
HOSPITAL	8	2	10
HOTEL, TRAVEL AND TOURISM	7	2	9
INFORMATION TECHNOLOGY	15	3	18
INSURANCE	13	3	16
INVESTMENT / ADVISORY / MANAGEMENT COMPANY	10	2	12
LEATHER AND TANNERIES	1	1	2

# CLASSIFICATION OF MEMBERS IN NORTHERN REGION

CATAGORY	ACA	FCA	TOTAL
MANAGEMENT CONSULTANT	1		1
MEDIA / ENTERTAINMENT / EVENT MANAGEMENT	2	2	4
NGOS / SOCIAL SERVICES	24	13	37
NON BANKING FINANCE COMPANY	4	2	6
OIL AND GAS	36	42	78
OVERSEAS NON-PRACTICING	336	259	595
OVERSEAS PRACTICING	2	7	9
OVERSEAS SENIOR MEMBERS	2	12	14
PACKAGING	9	3	12
PAPER AND BOARD	2		2
PARTNERSHIP	44	229	273
PETROLEUM	4	2	6
PHARMACEUTICALS	7	7	14
POWER GENERATION AND DISTRIBUTION	21	13	34
PROFESSIONAL SERVICE PROVIDERS	2	1	3
PUBLIC PRACTICE	110	8	118
PUBLISHERS		1	1
REAL ESTATE	7	4	11
RETAIL / STORES / SUPERMARKETS	1	1	2
SENIOR MEMBER	6	74	80
SHIPPING/ MARINE / WATER	1	1	2
SOLE PROPRIETER	67	157	224
SPORTS	3	3	6
SUGAR AND ALLIED	6	11	17
TECHNOLOGY AND COMMUNICATION	11	13	24
TELECOMMUNICATION	60	27	87
TEXTILE	90	36	126
TOBACCO	3	1	4
TRADING	2	1	3
TRANSPORT / LOGISTICS / COURIER SERVICES	4	5	9
WITHOUT SECTOR	291	142	433
<b>TOTAL</b>	<b>1897</b>	<b>1376</b>	<b>3273</b>



# NOTICE OF THE ANNUAL GENERAL MEETING

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN NORTHERN REGIONAL COMMITTEE

### NOTICE OF ANNUAL GENERAL MEETING

The 56<sup>th</sup> Annual General Meeting of the Members of the Northern Region of the Institute of Chartered Accountants of Pakistan will be held on, Thursday, October 26, 2017 at 4:00 pm at ICAP House, Islamabad.\*

#### AGENDA

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

1. Confirmation of the minutes of the 55<sup>th</sup> Annual General Meeting.
2. Consideration and adoption of the Northern Regional Committee's Report and Financial Statements together with the Auditor's Report thereon for the year ended June 30, 2017
3. Any other business with the permission of the Chair.

\*The meeting will be followed by Hi-Tea.



M. Ali Latif, FCA  
Honorary Secretary  
Lahore: October 12, 2017



## THE NORTHERN REGIONAL COMMITTEE'S REPORT TO THE MEMBERS' OF NORTHERN REGION



# CHAIRMAN'S REPORT OF NORTHERN REGIONAL COMMITTEE (NRC)

I am pleased to report to my fraternity that this has been an exceptional year for improvements in Continuous Professional Development (CPD) program being organized by NRC viz-a-viz strengthening of E-Learning, initiation of webinars by foreign accredited speakers, initiation of online CPD portal, more than 260 hours of CPD was offered to membership in North. Furthermore, another hall mark of this year was achieved by holding of family get togethers in all stations in North and also holding of first ever cricket tournament for members of Multan.

Chartered Accountants (CA's) are playing a vital role as not only by being the backbone of organizations in Finance and Accounting divisions but also as business advisors, strategists and forefront administrators. Today, CA's hold influential positions around the world as business leaders, decision-makers and trusted advisers, from the largest Corporations to listed companies and then to the most influential Governmental organizations. In a rapidly changing environment with stiff competition, the NRC provides a platform to the ICAP members in shape of CPD so as to enable them to keep abreast of these changes, broaden their skills and be more effective in their professional work and can add the value addition to the corporate arena around the world as the CA's in any organizations are responsible for shaping the business success.

## **CPD ACTIVITIES**

The core responsibility of the Northern Regional Committee (NRC) is to conduct trainings in the form of Continuous Professional Development (CPD) for the ICAP members for betterment of their knowledge and skills. CPD is a commitment by the members to continually update their skills and knowledge in order to remain professionally competent and achieve their true potential, combining unrivalled knowledge, skill and commitment, which empowers them to enable businesses, organizations, individuals and communities to achieve their financial and strategic goals with rigor, integrity and vision.

## **WEBINARS & E – LEARNING**

I feel honored to announce that ICAP NRC has taken a new initiative to launch an interactive website (<http://icap.knowledgenow.info>) facilitating our members to abreast themselves with the global best practices by watching recorded versions of our webinars from a repository of systematic available archives. Live webinars, which our members at times are unable to attend based on their other professional/personal commitments, can now easily access online via this portal at any given time enabling them to instantly earn CPDs. However, we strongly proposed our members to attend our live webinars as it gives an opportunity to interact with world class speakers from the top IV league schools, such as, IMD, IE, Darden Business School, Rotman University, Carnegie Mellon, Virginia Tech and many more whom we are bringing live exclusively on our virtual platform to deliver exclusive webinars for our members.

ICAP NRC through this platform aims to provide its members the facilities of, Live Webinars, Archived videos of lectures/webinars, Follow up questionnaires, Presentations, a forum for members to stay in contact, and many other learning opportunities.

E-Learning is a big milestone that has achieved by Northern Regional Committee. Various CPD events were held during the year but countless problems and inconveniences such as long traveling, car parking hassle, traffic issues at peak times, time constraint etc., were being faced by our members in completion of their CPD hours. Keeping in mind the same, the Northern Regional Committee (NRC) initiated a new E-Learning platform, which enables ICAP members to directly log on to the event from their convenient place without the hassle of travelling to a specific location, just by using a computer and an internet connection. The E-Learning facilitates hassle free learning and has a potential of becoming a popular source of continuing professional development. This year most of the E - CPD activities new initiative of holding live webinars delivered by foreign speakers of accredited universities. This year topics included;

## CHAIRMAN'S REPORT OF NORTHERN REGIONAL COMMITTEE (NRC)

“Transforming your ability to benefit from globalization”, “Enterprise valuation for mergers and acquisitions”, “How to deal with emotional intelligence”, “Overcoming our biases against effective team work”, “Strategic Leadership for Accountant Achieving Market Leadership”, “How to spot and manage the Business Diseases”, “Developing Resilience”, “Living Business Model for Strategic and Operational Performance”, “10 Step for Building and Insanely Great Company”, “Are You Leading at the Edge of Your potential”, “The Mindful Decision Maker is the Greatest Ally”, “IFRS 13 Fair Value Measurement”,

### **ONLINE CPD PORTAL**

NRC has initiated a new online CPD portal which would give an excellent opportunity to members for obtaining Continuous Professional Development (CPD) at their own convenience and flexibility of timings. Key feature of this portal is that members can obtain CPD hours by watching online CPD activities which were already held by NRC. In future, NRC plans to hold live CPD activities through this portal. This would enable members a new and an effective way of getting CPD at minimum costs.

### **PHYSICAL CPD ACTIVITIES**

Various CPD activities were held in stations of Lahore, Islamabad, Peshawar, Faisalabad and Multan. Again this year in NRC accomplished trainers were invited by NRC to conduct Full day workshops, Trainings & Certification Courses. Various out of box themes were introduced this year including “Success in Professional Life” Seminar on “Management Innovation Program” Seminar on “offshore Assets” Seminar on “Accounting/ Taxation Dynamics enshrining the exploration and Production Sector” Seminar on “Financial Corruption and Real Estate Business” Seminar on “Cryptocurrencies - The currency today Onwards” & Workshops on “IFRS for Small and medium sized entities”

“Pre Budget Seminars” were held at all stations north to show case ICAP’s Budget Proposals. Post Budget Sessions were held in all stations and members in huge numbers attended these useful sessions. High profile guests including Advisor to Prime Minister on Finance, Former Finance Minister, Chairman Inland Revenue Appellate Tribunal, Chief Commissioners & Commissioners’ of Federal Board of Revenue (FBR) attended these sessions as guest of honour. We made sure that members had abundant CPD opportunities to gain useful knowledge and update them as well.

For the first time NRC has arranged activities supporting and facilitating members on routine basis. We are very keen to improve based on our learning in a next year. Following initiatives were taken in a complete year;

SAP Certification Course, Chinese Language learning Course, IFRS & IAS Course, and Financial Modeling Course.

### **CA GOLD MEDAL CEREMONY 2017**

Keeping alive the tradition of honoring its most illustrious and bright students, the Northern Regional Committee has successfully organized the Gold Medal and Certificate Distribution Ceremony of ICAP which was attended by more than 950 people. The ceremony was graced by the Chief Guest Honourable Chief Justice Mr. Justice Syed Mansoor Ali Shah, Mr. Nadeem Yousaf Adil, (President ICAP), Mr. Nazir Ahmed Chaudhry, (Vice President ICAP), Council members of ICAP, Past Presidents of ICAP, Members of Northern Regional Committee of ICAP and senior chartered accountants from industry, RAETS and practice. The Gold Medals and Certificates of Merit were conferred to qualified Students by Honourable Chief Justice Mr. Justice Mansoor Ali Shah. The certificates were conferred to students by Mr. Shaukat Amin Shah, M. Naeem, Mr. Imran Afzal, Mr. Rashid Rahman Mir, M. Maqbool Mr. Rashid Ibrahim along with respected President ICAP.

This event was covered extensively by media as well.



# CHAIRMAN'S REPORT OF NORTHERN REGIONAL COMMITTEE (NRC)

## **RECREATIONAL ACTIVITIES**

The NRC is also making effort in providing advanced socialization opportunities to the members and their families in shape of family get together and entertainment. The Northern Regional Committee (NRC) organized a members' family get together for first time covering all major stations including Lahore, Islamabad, Multan, Faisalabad, Gujranwala and Peshawar. in North for the first time ever. Family get togethers in Multan was held for first time and these events were also attended by Council members and Regional Committee Members. These events included exciting and engaging activities for members' children i.e. Magic Show, Puppet Show, Face painting, Cartoon Characters, Jumping Castle, Musical Chairs, Quiz competition, live music etc. The events had sumptuous buffet lunch, delightful socializing and networking opportunities for members & their families. The members and their families actively participated and appreciated the efforts of NRC for organizing such events.

## **FIRST OVER CRICKET TOURNAMENT OF MEMBERS**

This year NRC also organized a first of its kind members' cricket tournament at Multan. Members were provided with meals and colored kits especially designed for this event. Members' children were also provided with meals and colored kits for this special event. Members in large number participated in this tournament. The tournament was resulted a big success and opens more avenue of such recreational activities in the native areas.

## **MENTORING PROGRAM**

The "ICAP Members (North) Mentoring Scheme" has been launched which connects young / newly qualified members who want to be "Mentee" with our senior members who want to be "Mentors". This will not only provide valuable experience for the mentee but will also be a rewarding experience for the mentor. A good mentor & mentee relationship will be mutually beneficial and will have a positive impact on your career progression. The duration and frequency of meetings will be agreed between the mentor and mentee, however, it needs to be recognized that as the mentor's time and energy is precious so it needs to be used wisely.

This program is especially designed for our Industry Members as it will help them for their next finance role in the same organization or the next career move to another organization. ICAP Members (North) who have been designated as mentors will help and coach appointed mentee. Our Practicing Members will also greatly benefit from this program as it will provide them with the platform to discuss various technical issues and other matters affecting the profession. It will also be an excellent program for those members who are planning to start their own practicing firm and through this program they will gain valuable advice from the stalwarts of our profession.

## **MOU**

NRC also entered into MOU with Knowledge Now (KN) (Provide unmatched services of executive education, digital solutions, strategy and research development and consulting for ICAP members) and a discount of 30%. Further MOU's with clubs and other organizations are also in the pipeline and we are actively pursuing them for benefit of the membership.

Another (MoU) was signed between Northern Regional Committee (NRC - ICAP) and NShield Solutions (Eco- Friendly Protection). NShield Solutions provides NRC - ICAP members a premier surface protection services by Nano technology based ceramic coating products. Nano Ceramic Glass Coating protects the interior and exterior surfaces of car up to 3 years without harming the surface.

The MOU also covers ICAP Employees. Through this understanding, NRC - ICAP members & ICAP employees would now have the unique opportunity to enjoy a 20% special discount on all Ceramic Glass Coating Services on their cars. This would ensure that the members can get guaranteed protection the interior and exterior surface of car without harming the surface.

# CHAIRMAN'S REPORT OF NORTHERN REGIONAL COMMITTEE (NRC)

## **LIBRARIES**

Gaining Access to information and knowledge are fundamental for education and development necessary requirement for improving the quality of life for people living in regions. Libraries play rich role in the educational and research process.

The Committee manages and operates libraries in various cities of the country in order to satisfy the needs of the members and the students in the academic area. NRC played a leading role in providing books to all libraries in North. During the year, efforts were made to ensure all books at all libraries are updated. Rules for usage of libraries (Lahore, Islamabad, Faisalabad, Peshawar, Gujranwala and Mirpur) were developed and enforced at respective locations. Special emphasis was given to maintenance of discipline in libraries. Moreover, instructions were passed for cleanliness and up keep of libraries. The committee also framed new library rules for all the libraries in the North. The ambiance and the environment of the city Libraries have given attention to detail consideration. Moreover, the Committee also promotes professional nurturing growth of CA students.

## **CHARTERED ACCOUNTANTS STUDENT ASSOCIATION – NORTH (CASA)**

CASA-N organized CASA Cricket Tournament this year; an overwhelming response and positive feedback were received. Over thirty six teams from thirty eight chartered accountant firms participated in this activity and number of students from different firms visited and appreciated the event. This tournament was held for the first time in Faisalabad apart from Peshawar, Islamabad and Lahore. This tournament was sponsored by The Professionals' Academy of Commerce for which we are thankful for their continued patronage. CASA North Committee also arranged for the first time table tennis and chess tournament at Islamabad, Faisalabad, Peshawar and Lahore. CASA North held special revision classes physically at Lahore and Islamabad and were telecasted live through ICAP video Conferencing facility to students of Faisalabad, Multan and Peshawar. A full day ICAP Students' Conference for all students of North was also planned later in the year at Lahore. We are thankful to CASA North Committee members for their commitment towards ICAP activities during the year.

## **FINANCE AND ACCOUNTS**

The financial statements depict a deficit of Rs. (5,008,583) for the current year. During the year, Rs. (5,876,275) was collected from members for the purpose of conducting workshops, discussion forums, seminars etc. The reason for loss is giving subsidy to members and charging less than costs in organization of CPD events for members and family get togethers and cricket tournament for members. The introduction of webinars and involvement of foreign speakers have also contributed to more deficits in current year.

## **CA TOASTMASTERS ISLAMABAD**

NRC played an important role in setting up toastmasters club at Islamabad in establishment of this club along with senior members in Rawalpindi/ Islamabad. This club will nourish the soft skills of the young CA's.

# CHAIRMAN'S REPORT OF NORTHERN REGIONAL COMMITTEE (NRC)

## **CONDOLENCES**

I would like to offer condolences to families of chartered accounts who left us during the year. Moreover, I would also like to offer condolences to Chartered Accountants who lost their loved ones during the year.

## **ACKNOWLEDGEMENT**

I would like to express my sincere gratitude and thanks to all the members, in general; and, those who served on various committees, in particular, for their extended support, dedication and help in carrying out informative, attractive and diverse activities through the year. I am thankful to Secretary NRC, M. Ali Latif, and other members Mr. Kamran Iqbal Butt, Mr. Saifullah, Mr. Asad Feroze and Mr. Rafqat Hussain for making all out efforts during the year and making contributions to NRC affairs. Lastly, in this respect, CASA Management Committee as well as members and Chairs of CPD Committees at all stations North and Chairs of Library Committees of various cities merit to have my special thanks as well.

I also would like to show appreciation on the contributions made by all the guest speakers in CPD seminars/ workshops and would look forward to having their participation in future events.

I take this opportunity to show my gratitude to the sincere support of respected ICAP President, Vice Presidents (North & South), Council Members, Secretary/ COO ICAP, Past Presidents of ICAP, Heads of Departments and the Institute's staff for their valuable guidance and support for the smooth running of NRC affairs.

For and on behalf of the Committee

July 1, 2017  
Lahore

**Sajjad Hussain Gill, FCA**  
Chairman



# CPD Event From 1st July 2016 to June 30, 2017

## LAHORE

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Aug-05-2016	SECP Investor Education Seminar	Syed Murtaza Abbas Naqvi	3	ICAP House
2	Aug-06-2016	IFRS Workshop	M. Maqbool, FCA	8	ICAP House
3	Aug-19-2016	Success in Professional Life	Mr. Shaukat Amin Shah, FCA	2.5	ICAP House
4	Sep-02-2016	Interactive session on Net Capital Balance with SECP	Ahmed Abbas, Mustafa Farooq	3.5	ICAP House
5	Sep-03-2016	IFRS Workshop	M. Maqbool, FCA	8	ICAP House
6	Oct-30-2016	IFRS & IAS Workshop	M. Maqbool, FCA	8	ICAP House
7	Nov-18-2016	SECP Awareness Session - Practicing Members of ICAP	Mr. Liaqat Ali Dolla, Ms. Sidra	2	RPGCC
8	Jan-20-2017	Transition from Industry to Practice	Mr. Shaukat Amin Shah, FCA	3.5	ICAP House
9	Jan-21& 28-2017	Workshop Financial Modeling - Key Aspects	Mr. Bilal Zia, ACA	16	ICAP House
10	Feb-04-2017	SAP Financial End User Training Workshop (Certification Programme)	Excellence Deliver Team	40	ICAP House
11	Feb-24-2017	Off shore Assets	Syed M. Shabbar Zaidi, FCA	3	RPGCC
12	Apr-20-2017	Pre Budget	Mr. Javed Iqbal, Mr. Kamrna Iqbal	3.5	ICAP House
13	May-20-2017	Chinese Learning Class	Ms. Mehwish	-	ICAP House
14	May-20-2017	IFRS 15 - Revenue from Contract	Mr. Yasir Riaz, FCA	4	ICAP House
15	May-25-2017	Treasury Management	Dr. Amjad Waheed	3	RPGCC
16	Jun-10-20167	Post Budget Seminar 2017-18	Mr. Asim Zulfiqar, Shaukat Amin	4	PC Lahore
			<b>Total</b>	112	

## FAISALABAD

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Aug-03-2016	Provincial Laws on Sales Tax on Services - Comparative Study	Syed M. Ijaz, FCA	4	ICAP House
2	Aug-25-2016	Investor Education Seminar	Syed Murtaza Abbas Naqvi	2.5	ICAP House
3	Oct-21-2016	Success in Professional Life	Mr. Shaukat Amin Shah, FCA	3	IMS Office
4	Jan-03-2017	Seminar on New Auditor Report on Financial Statements	Mr. Jaffar Hussain, FCA	3	ICAP House
5	Mar-14-2017	Seminar on Helping SMPs Meet the Challenges and Seize the Opportunity of Tomorrow	Mr. Naeem Akhtar Sheikh, FCA	4	ICAP House
6	Apr-22-2017	Seminar on Anti-Money Laundering Act 2010	M. Maqbool, FCA		
7	May-25-2017	Seminar on Anti-Money Laundering Act 2010	SM Ijaz, FCA	3	ICAP House
8	Jun-13-2017	Seminar on Pakistan economy and capital market	Mr. Yasir Qadri, FCA	2	ICAP House
		Post Budget Seminar 2017-18	Mr. Shaukat Amin, FCA	3	ICAP House
			Mian M. Ramzan, FCMA		ICAP House
			<b>Total</b>	24.5	

# CPD Event From 1st July 2016 to June 30, 2017

## ISLAMABAD

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Aug-10-2016	Investor Education Program	Mr. Murtaza Abbas	3	ICAP House
2	Dec-01-2016	Companies Ordinance 2016	Mr. Jawed Hussain, Akram Qureshi, Faisal Lateef	3	ICAP House
3	Sep-26-2016	Success in Professional Life	Mr. Shaukat Amin Shah	2	IMS Office
4	Nov-07-2016	Management Innovation Program	M. Farooq Wasi	2.5	ICAP House
5	Feb-03-2017	Offshore Assets	Syed M. Shabar Zaidi	2.5	ICAP House
6	Feb-08-2017	The Change in Revenue Recognition	Mr. Ammar Ahmed	3	ICAP House
7	Mar-02-2017	Cryptocurrencies - The currency today Onwards	Mr. Faisal Shuja Khan	2	ICAP House
8	Mar-27-2017	Accounting/ Taxation Dynamics enshrining the exploration and Production Sector	Mr. Muneer Malik	3	ICAP House
9	May-09-2017	Pre- Budget 2017-2018	Mr. Ejaz Hussain Rathore, Mr. Asif Kasbati	3	ICAP House
10	May-23-2017	Financial Corruption and Real Estate Business	Mr. Abdul Wahid	2.5	ICAP House
11	Jun-07-2017	Post -Budget 2017	Mr. Shaukat Amin, Mr. Asim Zulfiqar Ali	3	Marriot Hotel
			<b>Total</b>	29.5	

## PESHAWAR

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Oct-27-2016	SECP- E Filing	Mr. Abdul Wahid, FCA	4	ICAP House
2	Dec-15-2016	Audit Documentation	Mr. Ziad Adnan, ACA	4	ICAP House
3	Dec-20-2016	Accounting & Auditing in Islamic Banking	Team of Premier Islamic Bankers	8	IMS Office
4	Dec-31-2016 Jan-07-2017	Briefing on Tax Laws in Pakistan & Deliberations on Functions of Federal Board of Revenue	Mr. Fazal Amin Shah, Deputy Collector, KPRA	15	ICAP House
5	Jan-13-2017	Success in Professional Life	Mr. Shaukat Amin Shah, FCA	4	ICAP House
6	Mar-21-2017	Helping SMPs Meet the Challenges and Seize the Opportunity of Tomorrow	Visual Cds	4	ICAP House
7	Apr-20-2017	Pre-Budget 2017-18	Video Conference, Lahore	3.5	ICAP House
8	May-22-2017	Financial Corruption & Real Estate Business	Mr. Abdul Wahid, FCA	3.5	ICAP House
9	Jun-15-2017	Post-Budget 2017-18	Mr. Amer Javed, FCA Mr. Kashif Maqbool, FCA	3.5	ICAP House
			<b>Total</b>	49.5	

## CPD Event From 1st July 2016 to June 30, 2017

### MULTAN

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Aug-22-2016	Seminar on Investor Education	Syed Murtaza Abbas Naqvi Joint Director - SECP	3	ICAP House
2	Nov-07-2016	Success in Professional Life	Mr. Shaukat Amin Shah - FCA	2	ICAP House
3	Dec-17-2016	Seminar on Developing Resilience – Through Webinar	Andy Smith	3	Online
4	Apr-12-2017	IAS & IFRS training Workshop	M. Maqbool - FCA	16	ICAP House
5	Jun-12-2017	Post Budget Seminar 2017-18	Mr. Shaukat Amin Shah - FCA, M. Safdar - FCA	4	ICAP House
			<b>Total</b>	28	

### WEBINAR

Sr No.	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	VENUE
1	Sep-08-2016	Strategic Leadership for Accountant Achieving Market Leadership	Dr. Jaffery Kahun	2.5	Online
2	Oct- 05-2016	How to spot and Manage the Business Diseases	Dr. Neville	2.5	Online
3	Dec-17-2016	Developing Resilience	Mr. Andy Smith	3.5	Online
4	Jan-30-2017	Living Business Model For Strategic and Operational Performamance	Mr. Kim Warren	1.5	Online
5	Feb-23-2017	10 Step for Building and Insanely Great Company	Mr. Mark Goulston	1.5	Online
6	Mar-15-2017	Are You Leading at the Edge of Your potential	Mr. George Kohlrieser	1.5	Online
7	May-10-2017	The Mindful Decision Maker is the Greatest Ally	Ms. Inna F. Contardo	1.5	Online
8	May-25-2017	IFRS 13 Fair Value Measurement	Mian Ahmed Farhan	2	Online
			<b>Total</b>	16.5	



A photograph of a business meeting around a table. Several people's hands are visible, some holding pens and pointing at documents. The documents feature various financial charts, including bar graphs and pie charts. A laptop and a glass of water are also on the table. The scene is brightly lit, and the overall atmosphere is professional and collaborative.

# FINANCIAL STATEMENTS

Syed Aftab Hameed, FCA  
Chartered Accountant,  
Amin Building 65-The Mall,  
Lahore.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### Opinion

I have audited the financial statements of **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN – NORTHERN REGIONAL COMMITTEE (NRC)**, which comprises the balance sheet as at June 30, 2017, and the statement of comprehensive income and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NRC as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as notified by the SECP.

### Basis for Opinion

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

### Other Matters

The financial statements for the year ended June 30, 2016 was audited by Mr. Abdul Hameed Chaudhri, Chartered Accountant who had expressed an unqualified opinion thereon vide his report dated October 06, 2016.

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

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

In preparing the financial statements, management is responsible for assessing the NRC'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 NRC or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 ISA as applicable in Pakistan, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 NRC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NRC's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the NRC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Lahore: 22 August 2017

  
Syed Aftab Hameed  
Chartered Accountant



# BALANCE SHEET AS AT JUNE 30, 2017

		2017	2016
		--- Rupees ---	
<b>Assets</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property and equipment	6	890,662	962,127
Intangible assets	7	413,600	-
		<b>1,304,262</b>	<b>962,127</b>
<b>Current Assets</b>			
Investments - held to maturity	8	5,112,018	9,080,665
Advances, accrued profit and other receivables	9	122,004	552,245
Income tax refundable	10	-	-
Cash and bank balances	11	1,123,138	2,408,927
		<b>6,357,160</b>	<b>12,041,837</b>
<b>Total Assets</b>		<b>7,661,422</b>	<b>13,003,964</b>
<b>Fund and Liabilities</b>			
Fund account	12	6,186,096	11,194,679
<b>Non-current liabilities</b>			
Deferred capital grant	13	425,817	454,232
Grant funds	14	32,841	59,017
		<b>458,658</b>	<b>513,249</b>
<b>Current Liabilities</b>			
Accrued and other liabilities	15	1,016,668	1,296,036
<b>Contingencies and Commitments</b>	16	-	-
<b>Total Fund and Liabilities</b>		<b>7,661,422</b>	<b>13,003,964</b>

The annexed notes form an integral part of these financial statements.



Honorary Chairman



Honorary Secretary

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 --- Rupees ---	2016
<b>Income:</b>			
Seminars and CPD activities		3,709,925	4,740,525
Share in membership fee		2,367,001	2,182,425
Deferred capital grant released	13	54,591	57,665
Profit on investments and saving accounts	17	316,767	545,080
NRC Family get together receipts		728,300	773,500
Students Conference receipts		816,500	-
E- Learning seminar		621,550	426,000
		<b>8,614,634</b>	<b>8,725,195</b>
<b>Expenditure:</b>			
Seminars and CPD activities	18	5,249,127	4,355,122
NRC Family get together expenses	19	1,596,702	1,698,104
Students Conference expenses	20	1,287,552	-
E- Learning seminar expenses	21	1,861,735	554,000
Administrative and general expenses	22	3,628,101	2,649,979
		<b>13,623,217</b>	<b>9,257,205</b>
Deficit carried forward to fund account		<b>(5,008,583)</b>	<b>(532,010)</b>

The annexed notes form an integral part of these financial statements.



Honorary Chairman



Honorary Secretary

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	--- Rupees ---	
<b>Cash flow from operating activities</b>		
Deficit for the year	(5,008,583)	(532,010)
Adjustments for non cash charges and other items:		
Depreciation	97,641	105,498
Amortization	206,800	-
Deferred capital grant released	(54,591)	(57,665)
Profit on investment and saving accounts	(316,767)	(545,080)
Provision for doubtful recovery of income tax refundable	8,528	232,077
	<u>(5,066,972)</u>	<u>(797,180)</u>
<b>Deficit before working capital changes</b>		
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Advances and other receivables	404,600	(163,820)
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	(279,368)	1,520,213
	<u>125,232</u>	<u>1,356,393</u>
<b>Cash (outflow) / inflow from operating activities</b>	<u>(4,941,740)</u>	<u>559,213</u>
Income tax paid	(8,528)	(4,367)
Profit received on investment and saving accounts	311,055	595,149
<b>Net cash (outflow) / inflow from operating activities</b>	<u>(4,639,213)</u>	<u>1,149,995</u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investment	4,000,000	-
Addition to property and equipment	(26,176)	(59,195)
Addition to intangible assets	(620,400)	-
<b>Net cash inflow / (outflow) from investing activities</b>	<u>3,353,424</u>	<u>(59,195)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(1,285,789)</u>	<u>1,090,800</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>2,408,927</u>	<u>1,318,127</u>
<b>Cash and cash equivalents at end of the year</b> (Note - 11)	<u>1,123,138</u>	<u>2,408,927</u>

The annexed notes form an integral part of these financial statements.



Honorary Chairman



Honorary Secretary



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 1 THE COMMITTEE AND ITS OPERATIONS

1.1 The Northern Regional Committee (the Committee) of the Institute of Chartered Accountants of Pakistan comprises of the Province of Punjab, including Federal Capital known as Zone A and Khyber Pakhtunkhwa, Gilgit - Baltistan, Tribal Areas and Azad Jammu & Kashmir, known as Zone B.

1.2 The Committee is engaged in performing duties and functions as specified in Bye-Law 90 of the Chartered Accountants Bye Laws, 1983.

### 2. BASIS OF PREPRATION

#### 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 repealed Companies Ordinance, 1984 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 also the Committee's functional currency. All the financial information presented in Pak Rupee has been rounded-off to the nearest Rupee.

#### 2.3 Basis Of measurement

These financial statements have been prepared under historical cost convention without taking the effects of inflation or current values.

### 3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on January 1, 2016 and are considered to be relevant to the Institute's operations:

- a) IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals?

Notes – confirmation that the notes do not need to be presented in a particular order

Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

- b) IAS 16, 'Property, Plant and Equipment' - Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.

IAS 38, 'Intangible Assets' - Amendments regarding the clarification of acceptable methods of depreciation and amortization.

The above amendments / interpretations do not have any significant impact on these financial statements

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

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant to Company's financial statements and hence have not been detailed here.

### 3.3 Standards, interpretations and amendments to publish approved accounting standards that are not yet effective and have not been early adopted by the Committee

The following are the new standards and amendments to approved accounting standards are not effective for the financial year beginning on or after July 1, 2016 and have not been early adopted by the Committee:

- a) IFRS 9, 'Financial Instruments' is applicable on accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. This IFRS is under consideration of SECP and the Committee. The Committee has yet to assess the impact of these changes on its financial statements.
- b) IFRS 15, 'Revenue from contracts with customers' is applicable on accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Committee has yet to

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not yet relevant to the Committee and, therefore, have not been presented here.

### 4. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates / judgments and associated assumptions are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects the both current and future periods. The areas where various assumptions and estimates are significant to the Committee's financial statements or where judgments were exercised in application of accounting policies are the residual values and useful lives of depreciable and amortized assets.

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the assets' carrying amount and recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Committee 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.

Depreciation is charged on reducing balance method at the rates specified in note no. 6. Depreciation on additions to assets is charged from the day in which an asset is acquired while no depreciation is charged for the day in which 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 recognized prospectively as a change in accounting estimate.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership have been transferred to buyers and when the flow of economic benefits embodied in the assets is not expected from its continued use or sale. Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognized in the statement of comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 5.2 Intangible Assets

Intangible assets, which are stated at cost less accumulated amortization and impairment losses, if any, represent the cost of computer software.

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 amortized using the straight line method over a period of 3 years. Amortization on addition is charged from the day on which asset is available for use while no amortization 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.

### 5.3 Investments

Investments are classified as held to maturity, comprising of securities with fixed maturity which the Committee has the intent and ability to hold until maturity. Short term investments are recorded at amortized cost with a maturity period of one year.

### 5.4 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalent comprise of cash in hand, balance with banks in current / saving accounts and other short term highly liquid investments that are readily convertible to known amounts of cash without any significant risks to change in value.

### 5.5 Restricted fund / Capital grant related to assets

Funds received directly as grants are classified as Restricted Funds / Grant Funds. Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Fair value signifies the amount received in cash.

Funds utilized for capital expenses i.e. to purchase or acquire long-term assets are transferred to the deferred capital grant account, with an amount equal to the annual charge for depreciation on assets purchased being released from this account and recognized as income and reflected as 'Deferred capital grants released' in the Statement of comprehensive income.

All other grants are recognized in the income and expenditure account in the year of receipt. Expenses incurred out of Grant funds are reflected in the Statement of comprehensive income, with an equal amount being recognized as income and reflected as 'Grant utilized'

### 5.6 Creditors, accrued and other liabilities

Liabilities for creditors and other liabilities 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 Committee.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 5.7 Provisions

Provisions are recognized when the committee has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 5.8 Related party transactions

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

### 5.9 Defined contribution plan

The ICAP 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 basic salary.

### 5.10 Operating segments

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

### 5.11 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 company, 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 Company.

### 5.12 Financial instruments

Financial assets are short term investments, advances, accrued profit & other receivables and cash & bank balances. These are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred; and the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are accrued and other liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### Types of Instruments

#### a) Held to Maturity

Financial assets with fixed or determinable payments and fixed maturities, where the committee's management has intention and ability to hold till maturity are classified in this category.

#### b) Loans, advances and other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are stated at their nominal values net of any allowance for uncollectable amounts which is the fair value of the consideration to be received in future.

Off setting of financial assets and financial liabilities

A financial asset and financial liability is off set and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognized amounts and indents either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 5.13 Impairment

#### a) Impairment of financial assets

A financial asset is impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that event has an impact on the estimated future cash flows of financial asset that can be reliably estimated.

#### b) Impairment of non financial assets

The carrying amounts of non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. 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.

### 5.14 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Committee and revenue can be reliably measured. Revenue from different sources is recognized on the following basis:

- Income from subscription, fee from members and from coaching classes is accounted for on receipt basis.
- Fee/Subscription receipts relating to periods beyond the current financial year are shown as fee received in advance and are recognized as income in the year to which these relate.
- Profit on investments is accrued on the basis of effective yield of respective investment.
- Profit on saving bank accounts is recognized on a time proportion basis using the applicable rate of return/interest.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 6. PROPERTY AND EQUIPMENT - TANGIBLE

	Furniture	Library Books	Office Equipment	Air Conditioner and Electrical Items	Total
			--- Rupees ---		
<b>OWNED</b>					
<b>As at July 1, 2015</b>					
Cost	932,910	1,183,692	390,874	235,531	2,743,007
Accumulated depreciation	(741,691)	(596,214)	(239,514)	(157,158)	(1,734,577)
<b>Net book value</b>	<b>191,219</b>	<b>587,478</b>	<b>151,360</b>	<b>78,373</b>	<b>1,008,430</b>
<b>Year ended June 30, 2016</b>					
Opening net book value	191,219	587,478	151,360	78,373	1,008,430
Additions	-	59,195	-	-	59,195
Depreciation charge for the year	(19,122)	(63,403)	(15,136)	(7,837)	(105,498)
<b>Closing net book value</b>	<b>172,097</b>	<b>583,270</b>	<b>136,224</b>	<b>70,536</b>	<b>962,127</b>
<b>As at July 1, 2016</b>					
Cost	932,910	1,242,887	390,874	235,531	2,802,202
Accumulated depreciation	(760,813)	(659,617)	(254,650)	(164,995)	(1,840,075)
<b>Net book value</b>	<b>172,097</b>	<b>583,270</b>	<b>136,224</b>	<b>70,536</b>	<b>962,127</b>
<b>Year ended June 30, 2017</b>					
Opening net book value	172,097	583,270	136,224	70,536	962,127
Additions	-	26,176	-	-	26,176
Depreciation charge for the year	(17,209)	(59,755)	(13,623)	(7,054)	(97,641)
<b>Closing net book value</b>	<b>154,888</b>	<b>549,691</b>	<b>122,601</b>	<b>63,482</b>	<b>890,662</b>
<b>As at June 30, 2017</b>					
Cost	932,910	1,269,063	390,874	235,531	2,828,379
Accumulated depreciation	(778,022)	(719,372)	(268,273)	(172,049)	(1,937,717)
<b>Net book value</b>	<b>154,888</b>	<b>549,691</b>	<b>122,601</b>	<b>63,482</b>	<b>890,662</b>
<b>Depreciation rate (%)</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

Depreciation related to grant assets and others are as follows:

	Grant Assets		Other Assets		Total	
	2017	2016	2017	2016	2017	2016
	--- Rupees ---					
Library books	50,739	53,385	9,016	10,018	59,755	63,403
Air Conditioners and electrical items	3,852	4,280	3,202	3,557	7,054	7,837
	<b>54,591</b>	<b>57,665</b>	<b>12,218</b>	<b>13,575</b>	<b>66,809</b>	<b>71,240</b>

### 7. INTANGIBLE ASSETS

Rupees

#### Year ended June 30, 2017

Opening net book value

-

Additions

620,400

Amortization

(206,800)

**Closing net book value**

**413,600**

**Rate of amortization**

**33%**

- 7.1 This represents amount incurred on the designing and development of web portal for the purpose of e-learning. This amount will be amortized over the period of three years.

### 8. INVESTMENTS - HELD TO MATURITY

Habib Islamic Certificates

**2017  
Rupees**

**2016  
Rupees**

**5,112,018**

**9,080,665**

These represent investment in Habib Islamic Certificates with a maturity period of one year and carries profit ranging from 3.47 % to 4.5% per annum (2016: 4% to 4.5% per annum). This investment will mature on January 05, 2018.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>9. ADVANCES, ACCRUED PROFIT AND OTHER RECEIVABLES</b>			
<b>Advances to employees against:</b>			
Expenses		87,600	-
Salary		12,000	-
		99,600	-
<b>Accrued profit on:</b>			
Saving accounts		22,404	48,045
<b>Due from related party</b>			
ICAP for Seminars		-	504,200
		<b>122,004</b>	<b>552,245</b>
<b>10. INCOME TAX REFUNDABLE</b>			
Balance at June 30,		240,605	232,077
Less: provision for doubtful of recovery	10.1	(240,605)	(232,077)
		-	-
<b>10.1</b>	The Committee has recommended to make a provision for doubtful of recovery against the balance of income tax refundable in view of the fact that the chances of recovery / adjustment of this amount is bleak.		
<b>11. CASH AND BANK BALANCES</b>			
Cash-in-hand		50,906	52,571
Cash at banks in:			
Saving accounts		349,249	1,728,246
Current accounts	11.1	722,983	628,110
		<b>1,072,232</b>	2,356,356
		<b>1,123,138</b>	2,408,927
<b>11.1</b>	These saving bank accounts are placed under interest / mark-up arrangements and carry profit rates ranging from 4.5% - 6% (2016: 4% - 5%) per annum.		



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>12. FUND ACCOUNT</b>			
Opening balance		11,194,679	11,726,689
Adjustment: Deficit for the year		<u>(5,008,583)</u>	<u>(532,010)</u>
		<u>6,186,096</u>	<u>11,194,679</u>
<b>13. DEFERRED CAPITAL GRANT</b>			
Library books	13.1	669,859	643,683
UPS for Islamabad library		52,300	52,300
		<u>722,159</u>	<u>695,983</u>
<b>Less: Deferred capital grant released as at June 30,</b>			
Opening balance		(241,751)	(184,086)
Amortization (equivalent to depreciation charge) for the year	6.1	<u>(54,591)</u>	<u>(57,665)</u>
Closing balance		<u>(296,342)</u>	<u>(241,751)</u>
		<u>425,817</u>	<u>454,232</u>
<b>13.1 The movement in this head of account is as follows:</b>			
Opening balance		643,683	584,488
Add: Grant utilized during the year		26,176	59,195
Closing balance		<u>669,859</u>	<u>643,683</u>
<b>14. GRANT FUND</b>			
Total grant received	14.1	755,000	755,000
Less: Grant utilized as at June 30, - treated as deferred capital grant		<u>722,159</u>	<u>695,983</u>
		<u>32,841</u>	<u>59,017</u>
<b>14.1</b> These grants are received from ICAP for the upgradation of libraries, which will be transferred to deferred capital grant on the acquisition of professional books.			
<b>15. ACCRUED AND OTHER LIABILITIES</b>			
Due to related parties	15.1	580,148	769,991
Advance membership fee		299,250	330,750
Audit fee		66,000	50,000
Others		71,270	145,295
		<u>1,016,668</u>	<u>1,296,036</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

- 15.1 This represents amounts payable to related parties namely Chartered Accountants Students Association (CASA) amounting to Rs. 566,675 (2016: Rs. 532,459) on account of share of CASA in the member fee and to the ICAP amounting to Rs.13,473 (2016: Rs. 237,532) on account of payment made on behalf of the Committee in the form of salaries and expenses.

	Note	2017 Rupees	2016 Rupees
<b>16. CONTINGENCIES AND COMMITMENTS</b>			
The Committee is not exposed to any contingencies and commitments.			
<b>17. PROFIT ON INVESTMENT AND SAVING ACCOUNTS -</b>			
<i>Income from financial assets</i>			
Profit on investments		271,808	458,635
Profit on saving bank accounts		44,959	86,445
		<u>316,767</u>	<u>545,080</u>

### 18. SEMINAR AND CPD EXPENSES

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
	--- Rupees ---					
Refreshment	2,248,449	865,531	292,515	69,995	147,713	3,624,203
Speaker honorarium and shield	781,800	72,600	23,800	20,000	7,250	905,450
Printing stationery and postage	230,721	25,000	-	-	4,432	260,153
Traveling and related expenses	33,554	78,067	1,480	10,865	32,720	156,686
Photography video and multimedia	255,410	10,000	-	-	1,000	266,410
Hall rent	-	-	-	-	-	-
Other expenses	15,995	15,400	1,750	-	3,080	36,225
<b>JUNE 2017</b>	<b>3,565,929</b>	<b>1,066,598</b>	<b>319,545</b>	<b>100,860</b>	<b>196,195</b>	<b>5,249,127</b>
Refreshment	1,847,397	502,982	242,840	99,746	-	2,692,965
Speaker honorarium and shield	387,850	438,786	28,000	23,400	-	878,036
Printing stationery and postage	153,099	41,420	3,965	2,190	-	200,674
Traveling and related expenses	138,269	30,350	11,000	1,270	-	180,889
Photography video and multimedia	321,000	29,100	-	-	-	350,100
Hall rent	-	3,600	-	-	-	3,600
Other expenses	41,113	3,445	3,400	900	-	48,858
<b>JUNE 2016</b>	<b>2,888,728</b>	<b>1,049,683</b>	<b>289,205</b>	<b>127,506</b>	<b>-</b>	<b>4,355,122</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 19. NRC FAMILY GET TOGETHER

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
	--- Rupees ---					
Refreshment	250,860	475,612	-	81,000	254,295	1,061,767
Magic show	54,000	60,780	-	-	-	114,780
Postage	-	-	-	-	-	-
Children activity	19,400	86,900	-	58,610	5,000	169,910
Photography video and multimedia	12,900	6,250	-	-	-	19,150
KITS and ground booking	-	-	-	-	201,095	201,095
Others	30,000	-	-	-	-	30,000
<b>JUNE 2017</b>	<b>367,160</b>	<b>629,542</b>	<b>-</b>	<b>139,610</b>	<b>460,390</b>	<b>1,596,702</b>

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Total
	--- Rupees ---					
Refreshment	427,630	226,500	193,418	89,385	-	936,933
Magic show	49,500	15,000	-	-	-	64,500
Postage	14,040	8,060	-	-	-	22,100
Children activity	-	85,911	46,323	55,000	-	187,234
Photography video and multimedia	25,000	-	-	-	-	25,000
KITS and ground booking	295,772	65,000	-	-	-	360,772
Others	44,665	31,900	25,000	-	-	101,565
<b>JUNE 2016</b>	<b>856,607</b>	<b>432,371</b>	<b>264,741</b>	<b>144,385</b>	<b>-</b>	<b>1,698,104</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>20. STUDENTS CONFERENCE EXPENSES</b>			
Refreshment		621,412	-
Speaker honorarium and shield		220,600	-
Printing stationery and postage		102,900	-
Traveling and related		100,190	-
Photography video and multimedia		240,850	-
Others		1,600	-
		<u>1,287,552</u>	<u>-</u>
<b>21. E- LEARNING EXPENSES</b>			
Speaker honorarium		1,677,500	554,000
Hosting charges		180,000	-
Others		4,235	-
		<u>1,861,735</u>	<u>554,000</u>
<b>22. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and allowances	22.1	1,631,968	1,332,136
Printing and stationery		156,484	219,184
Meeting expenses		580,344	210,381
Traveling and conveyance - Members and staff		771,559	424,075
Auditors remuneration:	22.2	76,000	55,000
Repair and maintenance		90,213	47,400
Bank charges		8,564	24,228
Provision for income tax refundable doubtful of recovery	10.1	8,528	232,077
Depreciation		97,641	105,498
Amortization		206,800	-
		<u>3,628,101</u>	<u>2,649,979</u>
<b>22.1</b> Salaries and allowances include contribution to provident fund amounting to Rs. 49,848 (2016: Rs. 45,312).			
<b>22.2</b> Auditor's remuneration			
Audit fee		66,000	50,000
Out of pocket expenses		10,000	5,000
		<u>76,000</u>	<u>55,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 23. OPERATING SEGMENT RESULTS

The committee was engaged into four main activities. These are as follows:

- (i) Seminar & CPD Activities
- (ii) NRC Family Get-together
- (iii) Student Conference
- (iv) E- learning Seminars

	Seminar & CPD Activities		NRC Family Get-together		Student Conference		E- Learning / webinars		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>Receipts</b>	<b>3,709,925</b>	4,740,525	<b>728,300</b>	773,500	<b>816,500</b>	-	<b>621,550</b>	426,000	<b>5,876,275</b>	5,940,025
<b>Others - unallocated income</b>									<b>2,367,001</b>	2,182,425
Share in membership fee									<b>54,591</b>	57,665
Deferred capital grant released									<b>316,767</b>	545,080
Profit on investments and saving accounts									<b>2,738,359</b>	2,785,170
<b>Total Income</b>									<b>8,614,634</b>	8,725,195
<b>Expenditures</b>										
Refreshment	<b>3,624,203</b>	2,692,965	<b>1,061,767</b>	936,933	<b>621,412</b>	-	-	-	<b>5,307,382</b>	3,629,898
Speaker honorarium and shield	<b>905,450</b>	878,036	-	-	<b>220,600</b>	-	<b>1,677,500</b>	554,000	<b>2,803,550</b>	1,432,036
Printing stationery and postage	<b>260,153</b>	204,274	-	22,100	<b>102,900</b>	-	-	-	<b>363,053</b>	226,374
Traveling and related	<b>156,686</b>	180,889	-	-	<b>100,190</b>	-	-	-	<b>256,876</b>	180,889
Photography video and multimedia	<b>266,410</b>	350,100	<b>19,150</b>	25,000	<b>240,850</b>	-	-	-	<b>526,410</b>	375,100
Hall rent	-	48,858	-	-	-	-	-	-	-	48,858
Others	<b>36,225</b>	-	<b>401,005</b>	649,571	<b>1,600</b>	-	<b>4,235</b>	-	<b>443,065</b>	649,571
Hosting charges	-	-	-	-	-	-	<b>180,000</b>	-	<b>180,000</b>	-
Magic show	-	-	<b>114,780</b>	64,500	-	-	-	-	<b>114,780</b>	64,500
<b>Total expenditures</b>	<b>5,249,127</b>	4,355,122	<b>1,596,702</b>	1,698,104	<b>1,287,552</b>	-	<b>1,861,735</b>	554,000	<b>9,995,116</b>	6,607,226
<b>Segment results - Operating loss</b>	<b>(1,539,202)</b>	385,403	<b>(868,402)</b>	(924,604)	<b>(471,052)</b>	-	<b>(1,240,185)</b>	(128,000)	<b>(1,380,482)</b>	2,117,969
<b>Administrative and general expenses</b>									<b>(3,628,101)</b>	(2,649,979)
<b>Deficit for the year</b>									<b>(5,008,583)</b>	(532,010)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial Risk Factors

The Committee's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Committee's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Committee's financial performance.

#### 24.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and equity price risk.

##### a) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Committee is not exposed to any currency risk at the terminal date.

##### b) Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period. The short term investments and bank deposits in profit and loss accounts by the committee has variable rate pricing . The Committee's financial instruments as at the reporting date are as follows:

	2017 Rupees	2016 Rupees
Short term investments	5,112,018	9,080,665
Bank balances	<u>349,249</u>	<u>1,728,246</u>
	<u>5,461,267</u>	<u>10,808,911</u>

The effective interest rates on these financial instruments are mentioned in the relevant notes to these financial statements.

#### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, deficit would have been decreased / (increased) by Rs. 54,613 (2016: Rs. 108,089).

##### c) Equity Price risk

Equity Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. At the reporting date the Committee's activity does not expose it to any type of such risk.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 24.2 Liquidity risk

The Committee maintains cash and cash equivalent balances to manage working capital requirements and, therefore, it does not have significant liquidity risk. Cash flows are projected on monthly basis to closely monitor the liquidity need of the Committee and excess fund is then invested in line with the forecast requirements. The contractual maturities of financial liabilities are as follows:

Particulars	Carrying amount	Contractual cash flows	Less than one year
		--- Rupees ---	
<b>30-Jun-17</b>			
<b>Accrued and other liabilities</b>	<b>717,418</b>	<b>717,418</b>	<b>717,418</b>
June 30, 2016			
Accrued and other liabilities	965,286	965,286	965,286

### 24.3 Credit Risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Committee attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing their credit worthiness.

Credit risk primarily arises from receivables, investment and balances with banks. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk as at June 30, 2017 along with comparative is tabulated below:

	2017 Rupees	2016 Rupees
Investments	5,112,018	9,080,665
Accrued profit and other receivables	34,404	552,245
Bank balances	<u>1,072,232</u>	<u>2,356,356</u>
	<u><b>6,218,654</b></u>	<u><b>11,989,266</b></u>

#### Credit risk related to financial instruments and bank deposits

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Banks and financial institutions have external credit ratings determined by various credit rating agencies. Credit quality of customers and other receivables are assessed by reference to historical defaults rates and present ages.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

<u>Balances with banks:</u>	Rating		2017	2016
	Short term	Agency	Rupees	Rupees
United Bank Limited	A1+	JCR-VIS	582,311	498,556
MCB Bank Limited	A1+	PACRA	297,150	1,203,298
National Bank of Pakistan	A1+	JCR-VIS	85,973	83,067
Silk Bank Limited	A-2	JCR-VIS	58,687	56,742
Habib Metropolitan Bank	A1+	PACRA	48,111	514,693
			<u>1,072,232</u>	<u>2,356,356</u>

#### 24.4 Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities reflected in the financial statements are approximate their fair values.

#### 24.5 Financial instruments by category

	2017			
	Held to maturity	Loans and Receivables	Liabilities measured at amortized cost	Total
	( R u p e e s )			
<b>Financial assets</b>				
Investments	5,112,018	-	-	5,112,018
Accrued profit and other receivables	-	34,404	-	34,404
Cash and bank balances	-	1,123,138	-	1,123,138
	<u>5,112,018</u>	<u>1,157,542</u>	<u>-</u>	<u>6,269,560</u>
<b>Financial liabilities</b>				
Accrued and other liabilities	-	-	717,418	717,418
	<u>-</u>	<u>-</u>	<u>717,418</u>	<u>717,418</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

2016

	Held to maturity	Loans and Receivables	Liabilities measured at amortized cost	Total
( R u p e e s )				
<b>Financial assets</b>				
Investments	9,080,665	-	-	9,080,665
Accrued profit and other receivables	-	552,245	-	552,245
Cash and bank balances	-	2,408,927	-	2,408,927
	<u>9,080,665</u>	<u>2,961,172</u>	<u>-</u>	<u>12,041,837</u>
<b>Financial liabilities</b>				
Accrued and other liabilities	-	-	965,286	965,286
	<u>-</u>	<u>-</u>	<u>965,286</u>	<u>965,286</u>

### 25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of Institute of Chartered Accountants of Pakistan (ICAP), NRC members, Chartered Accountants Students Association (CASA) and Employees Provident Fund. The company has carried out transactions with related parties on arm's length basis. The details of transactions with related parties during the year and outstanding balances with them are as follows:

Name of party	Relationship	Nature of transaction	2017 Rupees	2016 Rupees
ICAP	Associate	Payment of expenses on behalf of the committee	581,943	384,354
ICAP	Associate	Remittance of the committee's share in the membership fee.	2,367,001	2,182,425
ICAP	Associate	Remittance of the committee share in the membership fee related to 2018.	299,250	330,750
Post employment benefit plans	Employees benefits	Employee contribution for the year	49,848	45,312
<b>Balances as at June 30,</b>				
Due to ICAP			13,473	237,532
Due to CASA			566,675	532,459
Due from ICAP			-	504,200

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2017

### 26. GENERAL

26.1 The Committee had one (2016: one) full time employee and two (2016: two) part time employees as at June 30, 2017.

26.2 The Committee has been making payments/contributions of its employees on account of their retirement benefits, which have been maintained by Institute of Chartered Accountants of Pakistan (ICAP). Accordingly, the related disclosure as regard to the Employees Retirement Benefits have also been made in the financial statements of the ICAP.

### 27. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 22-08-2017 by the Committee Members.

### 28. CORRESPONDING FIGURES

Corresponding figures have been rearranged / reclassified where necessary to facilitate comparison. The material reclassification made in these financial statements during the year is as follows:

<b>Balances with banks:</b>	2016 Rupees	Reclassification	
		From	To
Current liabilities	237,532	Due to ICAP	Accrued and other liabilities
Current liabilities	330,750	Advance membership fee	Accrued and other liabilities



Honorary Chairman



Honorary Secretary





The Institute of  
Chartered Accountants  
of Pakistan

CA  
PAKISTAN

## FOR INFORMATION, PLEASE CONTACT:

### Karachi Office:

ICAP Head Office  
Chartered Accountants Avenue  
Clifton, Karachi.  
Tel: (92 21) 35820694-6  
Fax: (92 21) 99251626  
E-mail: [info@icap.org.pk](mailto:info@icap.org.pk)

### Lahore Office: (NRC Secretariat)

ICAP House 155-156,  
West Wood Colony Thokar Niaz  
Baig, Raiwind Road Lahore  
Tel: (92 42) 37515911-12  
Fax: (92 42) 37515913  
E-mail: [lahore@icap.org.pk](mailto:lahore@icap.org.pk)

### Islamabad Office:

ICAP House  
G-10/4, Mauve Area, Islamabad  
Tel: (92 51) 9266281  
Fax: (92 51) 9106095  
E-mail: [islamabad@icap.org.pk](mailto:islamabad@icap.org.pk)

### Multan Office:

3rd Floor, Park Lane Tower  
Officer Colony Near Eid Gah  
Chowk Khanewal Road, Multan.  
Tel: (92 61) 6510511, 6510611  
Fax: (92 61) 6510411  
E-mail: [multan@icap.org.pk](mailto:multan@icap.org.pk)

### Faisalabad Office:

P-3/33 East Canal Road,  
Muhammadi Colony, Near Govt.  
College of Commerce Abdullah  
Pur, Faisalabad..  
Tel: (92 41) 8531028  
Fax: (92 41) 8712626  
E-mail: [faisalabad@icap.org.pk](mailto:faisalabad@icap.org.pk)

### Peshawar Office:

House # 30, Old Jamrud Road,  
University Town, Peshawar.  
Tel: (92 91) 5851648  
Fax: (92 91) 5851649  
E-mail: [peshawar@icap.org.pk](mailto:peshawar@icap.org.pk)

### Gujranwala Office:

ICAP House, 2nd Floor,  
Gujranwala Business Center,  
Opp. Chamber of Commerce,  
Main G.T. Road, Gujranwala  
Tel: (92 55) 3252710  
E-mail: [gujranwala@icap.org.pk](mailto:gujranwala@icap.org.pk)

### Mirpur AJK Office:

Basic Health Unit (BHU)  
Building, Sector D,  
New City Mirpur,  
Azad Jammu & Kashmir.  
E-mail: [mirpur@icap.org.pk](mailto:mirpur@icap.org.pk)