

The Northern Regional Committee

Learning reshaped



CA
PAKISTAN

Annual Report 2015

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



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

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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. Saifullah	Chairman
Mr. Asad Feroze	Secretary
Mr. Kamran Iqbal Butt	CPD Convener
Mr. Muhammad Ali Latif	Member
Mr. Rafqat Hussain	Member
Mr. Sajjad Hussain Gill	Chairman CASA

Auditor

Mr. Abdul Hameed Chaudhri

Bankers

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

ABOUT THE NORTHERN REGIONAL COMMITTEE (NRC)



Saifullah
Chairman



Asad Feroze
Honorary Secretary



Kamran Iqbal Butt
(CPD Convener)



Muhammad Ali Latif
Member



Rafqat Hussain
Member



Sajjad Hussain Gill
(Chairman CASA)

CPD COMMITTEES 2014-15

Lahore

Asad Feroze, FCA (Chairman)	R.No.4882
Kamran Iqbal Butt, FCA	R.No.2453
Rafqat Hussain, FCA	R.No.5536
Faisal Ahmad Nisar, FCA	R.No.2859
Faisal Iqbal Khawaja, FCA	R.No.3374
Hammad Ali Ahmad, ACA	R.No.4094
Muhammad Mubashir Bashir, FCA	R.No.3142
Mustafa Ahmed Khan, FCA	R.No.3856
Shahid Mehmood, FCA	R.No.4010
Shaukat Hussain, ACA	R.No.7200
Waqas Mahboob Butt, FCA	R.No.3396

Faisalabad

Muhammad Maqsood, FCA (Chairman)	R.No.3500
Ahmed Jabbar, FCA	R.No.3440
Ghulam Mudassar, FCA	R.No.1881
Haroon Sulaman, ACA	R.No.5178
Masood ur Rehman, FCA	R.No.4007
Muhammad Zeeshan Abid, FCA	R.No.3909

Peshawar

Shahid Iqbal Khatak, ACA (Chairman)	R.No.4423
Saifullah, FCA	R.No.4009
Abdus Salam Jan, FCA	R.No.3266
Muhammad Ahmad Shahid, FCA	R.No.1943
Zeeshan Ali, FCA	R.No.3836

Islamabad

Sajjad Hussain Gill (Chairman)	R.No.3119
Muhammad Ali Latif, ACA	R.No.4128
Agha Mujeeb Ahmed Khan, FCA	R.No.3202
Amir Shafique Topra, FCA	R.No.3094
Asad Azam, FCA	R.No.2636
Jehan Zeb Amin, FCA	R.No.3437
Masoom Akhtar, FCA	R.No.1954
Muhammad Nayyer Aqib, FCA	R.No.2889
Sara Ansari,	R.No.6275
Sharif Ud Din Khilji, ACA	R.No.5007

Gujranwala

Shafaqat Ali, FCA (Chairman)	R.No.4339
Asjad Amin, ACA	R.No.5062
Iyaz Ahmad, FCA	R.No.3736
Muhammad Iqbal, FCA	R.No.3306
Sheikh Ghazanfar Mahmood, FCA	R.No.2286
Umer Farooq, ACA	R.No.7038

Multan

Mohammad Younas Ghazi, FCA (Chairman)	R.No.1213
Javed Anjum, FCA	R.No.3278
Mohammad Amin Pal, FCA	R.No.2330
Muhammad Waqas Khalid, ACA	R.No.3194
Muhammad Zubair Mahmood, ACA	R.No.5502

LIBRARY COMMITTEES 2014-15

Lahore

Kamran Iqbal Butt, FCA (Chairman)	R.No.2453
Asad Feroze, FCA	R.No.4882
Rafqat Hussain, FCA	R.No.5536
Fazal Mahmood, FCA	R.No.1424
Muhammad Ahsan Shahzad, ACA	R.No.5238
Muhammad Nasir, ACA	R.No.6908
Salah-ud-Din, FCA	R.No.2597
Sohail Ahmed Nisar, FCA	R.No.2992

Faisalabad

Khan Mohammad, FCA (Chairman)	R.No.2304
Ahsan Rasheed, ACA	R.No.6693
Kashif Saleem, ACA	R.No.7859
Muhammad Zeeshan Abid, FCA	R.No.3909
Rana Muhammad Ather, FCA	R.No.2159

Peshawar

Safdar Shabir Awan, ACA (Chairman)	R.No.4746
Muhammad Asif Jamil, ACA	R.No.5604

Islamabad

Sajjad Hussain Gill (Chairman)	R.No.4128
Muhammad Ali Latif, ACA	R.No.4128
Malik Mirza, ACA	R.No.3920
Masood Pervaiz, ACA	R.No.4212
Muhammad Umar Zuberi, ACA	R.No.4556
Muhammad Uzair, ACA	R.No.4122
Salman Amin, FCA	R.No.3928
Shibli Islam Rehan, FCA	R.No.1495

Gujranwala

Iyaz Ahmad, FCA (Chairman)	R.No.3736
Asjad Amin, ACA	R.No.5062
Muhammad Iqbal, FCA	R.No.3306
Sheikh Ghazanfar Mahmood, FCA	R.No.2286

Multan

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

NOTICE OF THE ANNUAL GENERAL MEETING

The 54th Annual General Meeting of the Members of the Northern Region of the Institute of Chartered Accountants of Pakistan will be held on, October 16, 2015 at 7:00 pm at ICAP Office, House No. 30, old Jamrud Road, University Town, Peshawar.

Agenda

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

1. Confirmation of the minutes of 53rd Annual General Meeting held on Tuesday September 30, 2014.
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, 2015.
3. Appointment of auditor(s) for the year ending June 30, 2016.
4. Any other business with the permission of the Chair.



Asad Feroze, FCA
Honorary Secretary

Lahore : September. 22, 2015.



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

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

Chartered Accountants (CAs) are playing an important role as the backbone of organizations in finance and accounting but as well as business advisors, strategists and forefront administrators. In this age of information explosion and the rapid changes in technology, trade and industrial environment, the need for continual professional updation is supreme. The Northern Regional Committee (NRC) provides a platform to the ICAP members in form of Continuous Professional Development (CPD) so as to enable them to keep abreast of aforesaid changes, broaden their skills and be more effective in their professional work and to add value to the corporate arena around the world.

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, by 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.

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

The NRC's CPD program strives to provide highest quality of professional development opportunities to meet the rapidly evolving CPD needs of our members.

Whilst planning for professional development, we strived to ensure that a diverse range of topics are carried out from the NRC platform. This year, the NRC organized 56 seminars and workshops addressing areas and topics of professional interest. Various CPD activities were held in Lahore, Islamabad, Peshawar, Faisalabad, Multan and Gujranwala. This year first time in history of the NRC a foreign accomplished trainer was invited by the NRC to conduct two day workshop on IFRS/IAS. Various out of box themes were introduced this year including Creativity, Self and Time Management, Career Stagnation, Communication Skills, How to sell and market your expertise etc. Pre Budget Seminars were held after many years to showcase 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 Federal Secretary Finance, Member Inland Revenue Federal Board of Revenue (FBR), Chief Commissioner, and Commissioners of 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. Free of cost CPD events on QCR Framework, SECP awareness events were also held for members during the year.

During the year, the NRC has also live telecasted various CPD activities through video conferencing to Multan, Faisalabad and Peshawar to enable members of these cities to participate in CPD programs conducted in Lahore and Islamabad. A total number of 281 hours of CPD activities were collectively held in the region through workshops and seminars as compared to 190.5 CPD hours during the previous year. During the year CPD committee Gujranwala was formed to cater to the specific needs of the Gujranwala members.

INITIATION OF E-LEARNING PLATFORM

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. To facilitate members particularly those who are working at remote locations or who do not find sufficient time to physically attend the required CPD sessions, NRC has initiated E-Learning platform, which enables ICAP members to directly log on to the event from their convenient place without the hassle of traveling to a specific location, just by using a computer and an internet connection. E-Learning facilitates hassle free learning and has a potential of becoming a popular source of CPD. The NRC is all geared up for the future to extend E-learning facility to our overseas members.

GOLD MEDAL AND CERTIFICATE DISTRIBUTION CEREMONY

Keeping alive the tradition of honoring its most illustrious and bright students, the Northern Regional Committee has organized the Gold Medal and Certificate Distribution Ceremony in April 2015. The ceremony honored high achievers of the year 2014. More than 200 students were awarded their certificates. The event was attended by more than 700 people including parents, senior chartered accountants, media personnel and dignitaries from different walks of life. The certificates and gold medals were distributed by the guest speaker, president, vice president, past presidents, council and regional committee members.

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

MEET WITH PRESIDENT AND COUNCIL MEMBERS-NORTH

To engage the members as well as to benefit from a large pool of wisdom, the NRC organized an interactive session with the President ICAP and council members-North in Lahore in July 2014. Members from industry practice and education participated in the session. The members were appraised about the various initiatives taken by the council. The session also provided an opportunity to the council to receive invaluable insight from the members and use the information to deliberate on matters of professional interest. The discourse was energetic and candid and President and council members responded to various observations of the audience.

RECREATIONAL ACTIVITIES

The NRC is also making effort in providing social and recreational opportunities to the members and their families in form of family get togethers and entertainments. NRC organized a members' family get together on June 12, 2015 at Greens Hut, Peshawar. The evening was filled with exciting and engaging activities for kids i.e. Magic Show, Puppet Show, Face painting, Tall-Man, Cartoon Characters, Jumping Castle, Musical Chair and Quiz competition. The event had sumptuous buffet dinner, delightful socializing and networking opportunities for members and their families. Members and their families actively participated and appreciated the efforts of NRC for organizing such events. Similar functions are also being planned in other cities of the region.

LIBRARIES

Libraries play rich role in the educational and research process. Gaining access to information and knowledge are fundamental for education purposes and for improving the quality of life for people living in different regions.

The Committee manages and operates eight libraries in various cities of the country in order to satisfy the needs of the members and the students in the academic area. With the initiation of satellite office of ICAP Gujranwala & Muzaffarabad, NRC played a leading role in providing books to these centers.

A comprehensive review of libraries at various centers has been conducted to identify the requirements for improving the existing as well as providing additional facilities. Based on the review, major up-gradation of libraries has been planned during the coming months.

MEMBERSHIP STRENGTH

The membership in the Region as on 30 June 2015 is 2,847 (2014: 2,663). A large number i.e. 2041 members are serving the industry and other commercial organizations followed by 806 members either in public practice or employed in practice. The membership also includes 59 Life members.

CHARTERED ACCOUNTANTS STUDENT ASSOCIATION – NORTH (CASA)

The Committee also promotes professional development and growth of CA students. During the year, for the first time in history of CASA-N, Cricket Tournaments were arranged in Lahore, Islamabad and Peshawar during March & April this year. An overwhelming response and positive feedback was received from all the three locations. The tournament success was due to the participating teams, cheering and enthusiastic crowd, institute staff and CASA management committee who gave their heartiest efforts to make it a successful event.

An interactive session on career development was organized for CA students which provided an excellent opportunity to the participants to learn the tips and tools for career development.

AUDITORS' APPOINTMENT

The Committee has unanimously recommended re-appointing Mr. Abdul Hameed Chaudhri as the auditor of NRC for the year ending June 30, 2016, on a remuneration to be mutually agreed.

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

FINANCE AND ACCOUNTS

The financial statements depict a deficit of Rs. 341,258/- for the current year. During the year, Rs. 3,366,850/- was collected from members for the purpose of conducting workshops, discussion forums, seminars etc. The committee directly spent Rs. 4,773,856/- on CPD activities. The deficit is due to providing subsidy to members in CPD events and charging very nominal or no fee at all from member for get togethers.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude 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, engaging and diverse activities throughout the year. In this respect CASA Management Committee as well as CPD and Library Committees of various cities merit to have my special thanks.

I am particularly grateful for the efforts made by the guest speakers in CPD activities and would like to show appreciation on the contributions made by all of them. I look forward to having their participation in future events as well.

I consider there are three crucial components for the success and effective conduct of NRC affairs: support, coordination and innovation. I would therefore like to extend my gratitude for the support and valuable guidance by ICAP President, Vice Presidents (North & South) and Council Members.

The committee looks forward to a more eventful and productive year ahead and hope that we continue to be more innovative in our future events.

For and on behalf of the Committee



Saifullah
Chairman

August 06, 2015
Lahore

CPD ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

LAHORE

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	25/08/2014	NPO Accounting Standard Seminar	Mr. Muhammad Maqbool, Mr. Salahuddin & Mr. Usman Tahir	3	LIVE
2	20/09/2014	Corporate Governance	Mr. Abdul Rahim Suria	4	LIVE
3	11/12/2014	Islamic Finance Seminar	Mufti Najeeb Khan & Hassan Kaleem	4.5	LIVE
4	24/12/2014	QCR Seminar	Mr. Muhammad Maqbool, Mr. Farrukh Rehman, Mr. Nazir Ahmed Chaudri, Mr. Asad Feroze (Moderator)	3	LIVE
5	1/1/2015	Tax Structure & Withholding Taxes	Mr. Shaukat Amin Shah, Mr. Mohsin Nasrullah	3.5	LIVE
6	29/01/2015	SECP Seminar Capital Market and Mutual Funds	Ms. Musarat Jabeen (SECP), Mr. Shahzad Jawahar	3	LIVE
7	6/2/2015	ACCOUNTING STANDARDS FOR NPOs	Mr. Usman Tahir, & Mr. Salahuddin	3	LIVE
8	12/2/2015	Career Stagnation for Members	Mr. Hammad Siddique	3.5	LIVE
9	28/02/2015	Creativity/the Contagious	Muhammad Farooq Wasi	5.5	LIVE
10	8/3/2015	Workshop on Excel	Mr. Ather Saleem	8	LIVE
11	31/03/2015 & 01/04/2015	Two Days Workshop on (IFRS)	Mr. Mike Turner	16	LIVE
12	15/05/2015	Statutory Compliance in E services Regime	Mr. Liaqat Ali Dolla, Ms. Sidra Mansoor Mr. Tahir Safiuddin	3.5	LIVE
13	22/05/2015	How to Market and sell you expertise	Mr. Iftikhar Taj, Mr. Javed Munir, Mr. Najeeb Sadiq, Mr. Asad Feroze (Moderator)	3	LIVE
14	13/06/2015	Post Budget Discussion Lahore 2015-16	Mr. Rashid Ibrahim, Mr. Muhammad Awais, Dr. Ali Cheema (Economic out-look) Mr. Naeem Akhtar Sheikh (Panelist), Mr. Mustafa Ashraf (Panelist) Mr. Asad Feroze (Moderator)	5.5	LIVE
15	17/06/2015	Proposed sales tax on services rendered by chartered accountants	ICAP Council Members	2	LIVE
Total				71	

GUJRANWALA

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	9/3/2015	Workshop on Excell	Mr. Ather Saleem	8	LIVE
Total				8	

CPD ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

ISLAMABAD

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	29/9/2014	Provincial Sales Taxes on Services (ICT + Punjab + KPK + Sindh)	Mr. Rashid Ibrahim Mr. Agha Mujeeb Ahmed Khan	4	LIVE
2	22/11/2014	New International & Financial Reporting Standards	Mr. Rajkumar S. Adukia	6	LIVE
3	03/12/2014	Exposure Draft On Framework Of Qcr Program 2014	Mr. Mohammad Maqbool Mr. Masoom Akhtar	3	LIVE
4	23/12/2014	Consumer Insights for CFOs and Finance People	Mr. Moqees UI Haque	3	LIVE
5	31/01/2015	Advance Excel	Mr. Ather Saleem	8	LIVE
6	09/02/2015	Capital Markets and Mutual Funds	Mr. Kamal Ali Mr. Tariq Naseem Mr. Muhammad Arshad	3	LIVE
7	12/02/2015	Accounting Standards for NPOs	Mr. Usman Tahir	2	LIVE
8	28/03/2015	Leadership, Delegation	Mr. Haroon Malik & KP Malik	8	LIVE
9	31/04/2015 & 01/04/2015	Two Days Workshop on (IFRS)	Mr. Mike Turner	16	VC
10	23/04/2015	Pre-Budget	Mr. Habib Fakhruddin, Mr. Awais	3	LIVE
11	11/05/2015	Presentation Skills	Mr. Khusro P. Malik	8	LIVE
12	10/06/2015	Post - Budget	Mr. Rashid Ibrahim Mr. Muhammad Awais Mr. Muhammad Waheed	4	LIVE
13	20/06/2015	Sales Tax on Services Rendered by Chartered Accountants	Mr. Rashid Ibrahim	2	LIVE
Total				70	

FAISALABAD

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	01/01/2015	Tax Structure and Withholding Taxes	Mr. Shaukat Amin Shah (Tax Framework) Mr. Mohsin Nasrullah (Withholding Taxes)	3.5	VC
2	26/02/2015	Time Management	Mr. Shaukat Amin Shah, FCA	3	LIVE
3	10/03/2015	Workshop Advance Excell	Ather Saleem	8	LIVE
4	31/04/2015 & 01/04/2015	Two Days Workshop on (IFRS)	Mr. Mike Turner	16	VC
5	15/05/2015	Statutory Compliance in E services Regime	Mr. Liaqat Ali Dolla, Ms. Sidra Mansur Mr. Tahir Saifuddin	3	VC
6	22/05/2015	Discuss - How to market and sell your expertise	Mr. Iftikhar Taj Mian, FCA, Mr. Javed Munir, FCA Mr. Najeeb Sadiq, FCA	3	VC
7	15/06/2015	Post Budget Seminar 2015-16	Mr. Rashid Ibrahim, FCA (Direct Taxes) Mr. Muhammad Awais, FCA (Indirect Taxes)	4.5	LIVE
Total				41	

CPD ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

PESHAWAR

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	25/08/2014	Discussion Session on : Imposition of Sales Tax on Services of Auditors & Accountants	Moderator. Mr. Amer Javed Ahmad, FCA	3	LIVE
2	24/10/2014	International Financial Reporting Standard (IFRS)	Visual CDs	2.5	Visual Cds
3	31/10/2014	Audit Planing & Risk Assessment	Visual CDs	2.5	Visual Cds
4	07/11/2014	Unleashing Creativity to Deliver Strategic Excellence (Session I)	Visual CDs	4	Visual Cds
5	14/11/2014	Unleashing Creativity to Deliver Strategic Excellence (Session II)	Visual CDs	2.5	Visual Cds
6	22/11/2014	Self & Time Management	Mr. Basheer Juma, FCA	3	LIVE
7	28/11/2014	Interpersonal Skills for Finance Professionals	Visual CDs	2	Visual Cds
8	01/01/2015	Tax Structure and Withholding Taxes	Mr. Shaukat Amin Shah, Mr. Mohsin Nasrullah	3.5	VC
9	11/02/2015	Audit Evidence and Documentation	Mr. Safdar Shabir Awan	3	LIVE
10	14/03/2015	Advance Excel	Mr. Ather Saleem, FCMA	8	LIVE
11	31/03/2015 & 01/04/2015	Two Days Workshop on (IFRS)	Mr. Mike Turner	16	VC
12	10/10/2015	Post Budget 2015-16	Through Video Conferencing, Islamabad	4	VC
Total				54	

MULTAN

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	01/01/2015	Tax Structure and Withholding Taxes	Mr. Shaukat Amin Shah, Mr. Mohsin Nasrullah	3.5	LIVE
2	31/03/2015	Workshop on IFRS	Mr. Mike Turner	16	VC
3	04/04/2015	Sales Tax on Cotton ginners & Oil Mills Under SRO 188 (Dated 05/03/2015)	Mr. Younas Ghazi, FCA	3	LIVE
4	15/05/2015	Statutory Compliance in E services Regime	Mr. Liaqat Ali Dolla, Ms. Sidra Mansur, Mr. Tahir Saifuddin	3	VC
5	22/05/2015	Discussion How to Market & Sell your Expertise	Mr. Javed Munir, FCA, Mr. Najeeb Sadiq, FCA, Mr. Iftikhar Mian Taj, FCA	3	VC
6	16/06/2015	Post Budget 2015-16	Mr. Shoukat Amin Shah, FCA, Mr. M. Younis Ghazi, Ch. Shahid Saleem, Advocate, Dr. Imran Shareef	4	LIVE
Total				32.5	

E LEARNING SESSIONS

Sr. No	DATE	SEMINAR NAME	SPEAKER NAME	CREDIT HOURS	LIVE OR VC
1	13/01/2015	Practical Aspect of Corporate Governance	Mr. Muhammad Maqbool	2.5	Webinar
2	27/02/2015	Provincial Sales Tax on Services	Mr. Rashid Ibrahim	2	Webinar
Total				4.5	



FINANCIAL STATEMENTS

A. HAMEED CHAUDHRI
F. C. A.
HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

P.O. BOX 386
H. M. HOUSE
7 - BANK SQUARE
LAHORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN REGION - INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

I have audited the annexed financial statements of Northern regional Committee - Institute of Chartered Accountants of Pakistan, which comprise the Statement of Financial Position as at June 30, 2015 and the Statement of Comprehensive Income and Statement of Cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statement based on my audit. I conducted my audit in accordance with International Standards on Auditing as applicable in Pakistan. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the annexed financial statements give a true and fair view of the financial position of Northern Regional Committee - Institute of Chartered Accountants of Pakistan as at June 30, 2015 and of its financial performance and case flows for the year then ended in accordance with International Financial Reporting Standards.



ABDUL HAMEED CHAUDHRI
CHARTERED ACCOUNTANT

Lahore
06 August 2015

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

	Note	2015 --- Rupees ---	2014
Assets			
Non-current Assets			
Property, plant and equipment	6	1,008,430	1,036,776
Current Assets			
Investment - held to maturity	7	9,000,000	9,000,000
Due from ICAP	8	1,571,501	107,505
Accrued profit & other receivables	9	509,559	337,333
Income tax refundable		227,710	209,302
Cash and bank balances	10	1,318,127	2,928,405
		<u>12,626,897</u>	<u>12,582,545</u>
Total Assets		<u>13,635,327</u>	<u>13,619,321</u>
Fund and Liabilities			
Fund account	11	11,726,689	12,067,947
Non-current Liabilities			
Deferred capital grant	12	452,702	427,896
Restricted grants			
Grant received from ICAP for libraries up-gradation	13	118,212	198,117
Current Liabilities			
Accrued expenses and other liabilities	14	959,049	632,111
Advance membership fee		378,675	293,250
		<u>1,337,724</u>	<u>925,361</u>
Contingencies and Commitments	15		
Total Fund and Liabilities		<u>13,635,327</u>	<u>13,619,321</u>

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



Chairman



Secretary

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 --- Rupees ---	2014
Income:			
Seminars and CPD activities		3,149,100	3,074,200
Share in membership fee		2,079,760	2,024,575
Deferred capital grant released	12	55,099	51,586
Profit on investment and saving accounts	16	851,956	945,007
NRC Family get together	18	182,250	381,100
E-Learning seminar		35,500	-
Others		6,800	-
		<u>6,360,465</u>	<u>6,476,468</u>
Expenditure:			
Seminars and CPD activities	17	4,159,829	3,521,202
NRC Family get together	18	495,056	744,871
E-Learning seminar		118,971	-
Administrative and general expenses	19	1,927,867	1,649,465
		<u>6,701,723</u>	<u>5,915,538</u>
(Deficit) / surplus carried to fund account		<u>(341,258)</u>	<u>560,930</u>

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


Chairman


Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

	2015 --- Rupees ---	2014
Cash flow from operating activities		
(Deficit) / surplus for the year	(341,258)	560,930
Adjustments for non-cash charges and other items:		
Depreciation	108,251	115,198
Deferred capital grant released	(55,099)	(51,586)
Profit on investment & saving accounts	(851,956)	(945,007)
Deficit before working capital changes	(1,140,062)	(320,465)
Effect on cash flow due to working capital changes		
Increase in current assets:		
Due from ICAP	(1,463,996)	(102,255)
Other receivables	(243,380)	(43,900)
Increase in current liabilities:		
Accrued expenses and other liabilities	326,938	137,460
Advance membership fee	85,425	73,650
	<u>(1,295,013)</u>	<u>64,955</u>
Cash used in operating activities	(2,435,075)	(255,510)
Income tax paid	(18,408)	(9,994)
Profit received on investment & saving accounts	923,110	868,394
Net cash (used in) / generated from operating activities	(1,530,373)	602,890
Cash outflows from investing activities		
Addition to property, plant and equipment	(79,905)	-
Net cash outflows from investing activities	(79,905)	-
Net (decrease) / increase in cash and cash equivalents	(1,610,278)	602,890
Cash and cash equivalents - at beginning of the year	2,928,405	2,325,515
Cash and cash equivalents - at end of the year	1,318,127	2,928,405

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


Chairman


Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, Tribal Areas and Azad 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 PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan 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.

3 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

3.1 Standards and amendments to approved accounting standards and interpretations effective in the current year and are relevant to the Committee's financial reporting

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2014:

- (a) IAS 32 (Amendments), 'Financial instruments: presentation'. These amendments update the application guidance in IAS 32, 'Financial instruments: presentations', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The application of these amendments has no material impact on the Committee's financial statements.
- (b) IAS 36 (Amendment), 'Impairment of assets'. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of these amendments has no material impact on the Committee's financial statements.

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2014 are considered not to be relevant or to have any significant effect on the Committee's financial statements.

3.3 Standards, amendments to approved accounting standards that are not yet effective and have not been early adopted

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2014 and have not been early adopted by the Committee:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

- (a) IFRS 13 'Fair value measurement' (effective for annual periods beginning on or after January 01, 2015). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will not effect the determination of fair value and its related disclosures in the financial statements of the Committee.
- (b) IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IFRS 9 replaces the parts of IAS 39, 'Financial instruments: recognition and measurement' that relate to classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories; those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the requirements of IAS 39. The Committee is yet to assess the full impact of IFRS 9; however, initial indications are that it may not significantly affect the Committee's financial assets.
- (c) Annual improvements 2014 applicable for annual periods beginning on or after January 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5 'Non current assets held for sale and discontinued operations', IFRS 7 'Financial instruments: disclosures', IAS 19 'Employee benefits', and IAS 34, 'Interim financial reporting'. The Committee does not expect to have a material impact on its financial statements due to application of these amendments.

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

4. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention.

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 recognised 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 residual values and useful lives of depreciable 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

5.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. 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 recognised prospectively as a change of accounting estimate.

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

Subsequent costs are included in the assets' carrying amount and recognised as a separate asset as appropriate, 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.

5.2 FINANCIAL INSTRUMENTS

All the financial assets and financial liabilities are recognised at the time when the Committee becomes a party to the contractual provisions of the instrument. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to Statement of Comprehensive Income.

5.3 IMPAIRMENT

5.3.1 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.

5.3.2 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.

5.4 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 cost.

5.5 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

These are stated at their nominal values net of any allowance for uncollectable amounts (if any). Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

5.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of Statement of Cash Flows, cash and cash equivalent comprises of cash in hand, balance with banks and other short term highly liquid investments with original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

5.7 RESTRICTED FUND / CAPITAL GRANT RELATED TO ASSETS

Funds received directly as grants or received as contribution from the donors are classified as Restricted Funds. Restricted funds representing direct grants are classified as Grant funds. Expenses incurred out of Grant funds are reflected in the Statement of comprehensive income, with an equal amount being recognised as income and reflected as 'Grant utilised'.

Funds utilised for capital expenses 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 recognised as income and reflected as 'Deferred capital grants released' in the Statement of comprehensive income.

5.8 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.

5.9 PROVISIONS

Provisions are recognised 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.

5.10 REVENUE RECOGNITION

Revenue is recognised to the extent that the economic benefits will flow to the Committee and revenue can be reliably measured. Revenue from different sources is recognised 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 recognised 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 savings accounts is recognised on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Library Books	Office Equipment	Air Conditioners and electrical items	Total
	----- Rupees -----				
As at July 1, 2013					
Cost	932,910	1,103,787	390,874	235,531	2,663,102
Accumulated depreciation	(696,833)	(471,512)	(204,012)	(138,771)	(1,511,128)
Net book value	236,077	632,275	186,862	96,760	1,151,974
Year ended June 30, 2014					
Opening net book value	236,077	632,275	186,862	96,760	1,151,974
Depreciation charge for the year	(23,608)	(63,228)	(18,686)	(9,676)	(115,198)
Closing net book value	212,469	569,047	168,176	87,084	1,036,776
As on July 1, 2014					
Cost	932,910	1,103,787	390,874	235,531	2,663,102
Accumulated depreciation	(720,441)	(534,740)	(222,698)	(148,447)	(1,626,326)
Net book value	212,469	569,047	168,176	87,084	1,036,776
Year ended June 30, 2015					
Opening net book value	212,469	569,047	168,176	87,084	1,036,776
Additions	-	79,905	-	-	79,905
Depreciation charge for the year	(21,250)	(61,474)	(16,816)	(8,711)	(108,251)
Closing net book value	191,219	587,478	151,360	78,373	1,008,430
As on June 30, 2015					
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)
Net book value	191,219	587,478	151,360	78,373	1,008,430
Depreciation rate (%)	10	10	10	10	

7. INVESTMENT - HELD TO MATURITY

This represents investment made in Habib Islamic Certificate with a maturity period of one year and carried profit at 8.27 % per annum (2014: 8.54 % per annum). This investment will mature on April 23, 2016.

8. DUE FROM ICAP

This represents receivable in respect of share of the Committee in members' subscription fee received by the Institute of Chartered Accountants of Pakistan (ICAP).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

9. ACCRUED PROFIT AND OTHER RECEIVABLES

Accrued profit on account of:

	2015	2014
	--- Rupees ---	
Investment	125,732	143,862
Saving accounts	43,447	96,471

Receivable from:

ICAP for seminar	340,380	-
Others	-	97,000
	509,559	337,333

10. CASH AND BANK BALANCES

Cash-in-hand	68,890	36,073
Cash at banks:		
Saving accounts	1,003,621	2,774,888
Current accounts	245,616	117,444
	1,249,237	2,892,332
	1,318,127	2,928,405

11. FUND ACCOUNT

Opening balance	12,067,947	11,507,017
Adjustment: (Deficit) / surplus for the year	(341,258)	560,930
	11,726,689	12,067,947

12. DEFERRED CAPITAL GRANT

Library books	584,488	504,583
UPS for Islamabad library	52,300	52,300
	636,788	556,883
Less: Deferred capital grant released as at June 30,		
Opening balance	128,987	77,401
Depreciation for the year:		
- on library books	50,344	46,837
- on UPS	4,755	4,749
Deferred capital grant released during the year	55,099	51,586
Closing balance	184,086	128,987
	452,702	427,896

13. GRANT RECEIVED FROM ICAP FOR LIBRARIES UP GRADATION

Total grant received	755,000	755,000
Less: Grant utilised as at June 30, - treated as deferred capital grant (note. 12)	636,788	556,883
	118,212	198,117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

14. ACCRUED EXPENSES AND OTHER LIABILITIES	2015	2014
	--- Rupees ---	
Audit fee	30,000	25,000
Payable to Chartered Accountant Students' Association North (CASA)	510,772	404,620
Payable to Faisalabad CPD	-	137,181
Honorarium of Mike Turner	406,800	-
Others	11,477	65,310
	959,049	632,111

15. CONTINGENCIES AND COMMITMENTS

The Committee is not exposed to any contingencies and commitments.

16. PROFIT ON INVESTMENT & SAVING ACCOUNTS

Profit on investment	744,609	766,495
Profit on saving accounts	107,347	178,512
	851,956	945,007

17. SEMINAR AND CPD EXPENSES

	Lahore	Islamabad	Faisalabad	Peshawar	Multan	Gujranwala	Total
	----- Rupees -----						
Refreshment	1,525,414	374,541	180,868	88,157	90,433	13,847	2,273,260
Speaker honorarium & shield	491,363	404,637	47,941	62,773	23,609	15,000	1,045,323
Printing, stationery & postage	282,110	8,065	8,340	8,658	2,370	720	310,263
Traveling and related expenses	220,937	21,164	17,669	15,157	5,183	-	280,110
Photography, video & multimedia	146,921	560	3,000	-	-	-	150,481
Hall rent	35,000	-	-	-	-	-	35,000
Others expenses	45,198	8,790	1,777	1,300	6,805	1,522	65,392
June 30, 2015	2,746,943	817,757	259,595	176,045	128,400	31,089	4,159,829
Refreshment	1,487,157	316,274	232,874	53,384	21,290	-	2,110,979
Speaker honorarium & shield	45,000	79,963	17,998	22,710	1,400	-	167,071
Printing, stationery & postage	330,761	135,729	3,102	3,800	1,160	-	474,552
Traveling and related expenses	120,570	249,560	6,774	3,000	-	-	379,904
Photography, video & multimedia	89,590	10,304	-	-	9,500	-	109,394
Hall rent	145,000	51,307	-	-	2,500	-	198,807
Others expenses	29,525	41,410	100	4,100	5,360	-	80,495
June 30, 2014	2,247,603	884,547	260,848	86,994	41,210	-	3,521,202

18. NRC FAMILY GET TOGETHER

Fee received from members	182,250	381,100
Less: expenditures incurred on events	495,056	744,871
	(312,806)	(363,771)

18.1 NRC during the year arranged family get together of members at Peshawar and Lahore (2014: Islamabad and Lahore).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

19. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2015	2014
		--- Rupees ---	
Salaries & allowances	19.1	1,216,631	992,552
Printing and stationery		162,150	167,950
Postage, telephone and telegram		39,129	31,088
Meeting expenses		89,737	80,032
Traveling and conveyance		229,480	170,653
Library expenses		37,014	33,265
Auditors' remuneration:			
- statutory audit		25,000	25,000
- out-of-pocket expenses		5,000	-
		30,000	25,000
Bank charges		8,375	3,527
Repair and maintenance		7,100	30,200
Depreciation		108,251	115,198
		1,927,867	1,649,465

19.1 Salaries and allowances include Rs.40,464 (2014: Rs.26,970) in respect of contribution to staff provident fund.

20. 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 minimise potential adverse effects on the Committee's financial performance.

20.1 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 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 exposed to currency risk in U.S. Dollar. The Committee's exposure to foreign currency risk for U.S. Dollar is as follows:

As at June 30, 2015	Rupees	U.S.\$
Net balance sheet exposure		
Honorarium of Mike Turner	406,800	4,000

The following significant exchange rates have been applied:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	Average rate		Balance sheet date rate	
	2015	2014	2015	2014
U.S. \$ to Rupee	103.40	-	101.70	-

Sensitivity analysis

At June 30, 2015, if Rupee had strengthened by 10% against U.S.\$ with all other variables held constant, deficit for the year would have been lower by the amount shown below mainly as a result of net foreign exchange gains on translation of foreign currency financial liabilities.

Effect on deficit for the year	2015 Rupees
U.S. \$ to Rupee	40,680

The weakening of Rupee against U.S. \$ would have had an equal but opposite impact on deficit for the year.

The sensitivity analysis prepared is not necessarily indicative of the effects on deficit for the year and liabilities of the Committee.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the Committee has invested in fixed rate financial instruments so it is not exposed to any interest rate risk.

c) Price risk

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.

20.2 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 -----			
June 30, 2015			
Accrued and other liabilities	959,049	959,049	959,049
June 30, 2014			
Accrued and other liabilities	632,111	632,111	632,111

20.3 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 the credit worthiness of counterparties.

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, 2015 along with comparative is tabulated below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	--- Rupees ---	
Investment	9,000,000	9,000,000
Due from ICAP	1,571,501	107,505
Accrued profit and other receivables	509,559	337,333
Bank balances	1,249,237	2,892,332
	<u>12,330,297</u>	<u>12,337,170</u>

20.4 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.

20.5 Financial instruments by category

	Held to maturity	Loans and Receivables	Liabilities measured at amortised cost	Total
----- Rupees -----				
June 30, 2015				
Financial assets				
Investment	9,000,000	-	-	9,000,000
Due from ICAP	-	1,571,501	-	1,571,501
Accrued profit and other receivables	-	509,559	-	509,559
Cash and bank balances	-	1,318,127	-	1,318,127
	<u>9,000,000</u>	<u>3,399,187</u>	<u>-</u>	<u>12,399,187</u>
Financial liabilities				
Accrued expenses and other liabilities	-	-	959,049	959,049
	Held to maturity	Loans and Receivables	Liabilities measured at amortised cost	Total
----- Rupees -----				
June 30, 2014				
Financial assets				
Investment	9,000,000	-	-	9,000,000
Due from ICAP	-	107,505	-	107,505
Accrued profit and other receivables	-	337,333	-	337,333
Cash and bank balances	-	2,928,405	-	2,928,405
	<u>9,000,000</u>	<u>3,373,243</u>	<u>-</u>	<u>12,373,243</u>
Financial liabilities				
Accrued expenses and other liabilities	-	-	632,111	632,111

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties transactions of the Committee comprise of share from ICAP membership fee, transactions with CASA and traveling and other expenses reimbursed to NRC members. Transaction and balances with ICAP, CASA and NRC members are as follow:

	2015	2014
	--- Rupees ---	
Transaction during the year		
Traveling and other expenses reimbursed to NRC members	168,640	170,653
Share in membership fee received from ICAP	2,079,760	2,024,575
Advance membership fee received	378,675	293,250
Balances as at June 30,		
Due from ICAP	1,571,501	107,505
Payable to Chartered Accountant Students' Association North (CASA)	510,772	404,620

22. DATE OF AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 06, August 2015 by the Committee.

23. CORRESPONDING FIGURES

Corresponding figures have neither been rearranged nor reclassified.


Chairman


Secretary



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

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