



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

Southern Regional Committee

2015

ANNUAL REPORT

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NOTICE OF MEETING

Notice is hereby given that the Fifty Fourth Annual General Meeting of the Southern Regional Committee of the Institute of Chartered Accountants of Pakistan will be held on September 11, 2015 at 6:00p.m. at ICAP - Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

1. Confirmation of the minutes of the Fifty Third Annual General Meeting.
2. Consideration of the Southern Regional Committee's (the Committee) report and audited financial Statements' for the year ended June 30, 2015 together with the auditor's report thereon.
3. Any other business with the permission of the Chair.

Mohammad Zulfikar Akhtar, FCA
Honorary Secretary

Karachi: August 28, 2015

The Committee for the year 2014 - 2015



Arslan Khalid, FCA
Chairman SRC



Mohammad Zulfikar Akhtar, FCA
Honorary Secretary



Abdul Rab, FCA
CPD Convener



Muhammad Junaid Shekha, FCA
Coordinator for CASA Activities / Library



Syed Muhammad Adnan Rizvi, FCA
Coordinator for CASA Activities / Library



Syed Asmatullah Shakerzai, ACA
CPD / CASA Coordinator

CHAIRMAN'S REPORT TO THE MEMBERS

Dear Members

On behalf of the SRC, I am pleased to present this annual report of the year which was full of events and activities undertaken by your Committee not only in relation to the CPD events but also due to the pleasant and entertaining social gatherings and networking events organized for the members.

CONTINUOUS PROFESSIONAL DEVELOPMENT

We believe that our members deserve the highest quality of technical and professional training which is most relevant to their professional work. When planning for the **Continuous Professional Development (CPD)** events our objective is to focus on the core professional topics, however, we also always endeavor to have diversity by including soft skill courses and subjects of economic and social interest.

This year the SRC organized 18 seminars and workshops spread over 103 CPD Hours. (2013-14 : 93 hours) covering various subjects such as Accounting Standards, Taxation and Fiscal measures, Corporate Governance, Information Technology, Interpersonal Skills, Investor Education and Leadership skills. The programmes were attended by both, members and non-members. The summary of the programmes is as follows.

CORE TOPICS	2014 - 15		2013 - 14	
	Number of Seminars	CPD Credit Hours	Number of Seminars	CPD Credit Hours
International Financial Reporting Standards (IFRS)	4	26	5	14.5
Auditing Standards	-	-	4	14
QCR Programme 2014	1	2.5	-	-
Corporate Governance	1	4	1	3
Islamic Finance	1	2	-	-
Taxation (including Pre and Post Budget Seminars)	3	12.5	2	7.5
Supply Chain	-	-	1	2
Strategy	-	-	1	14
Macro Economics	-	-	1	3.5
Sub Total	10	47	15	58.5
NON-CORE TOPICS				
Microsoft office-Excel trainings	2	30	-	-
Investor's Education	1	2	-	-
Information Technology	1	3	1	16
Soft Skills / HR	4	21.5	2	18.5
Sub Total	8	56.5	3	34.5
Total	18	103.5	18	93

The SRC would like to thank the members for their participation and encouragement due to which the seminars and workshops were a success.

NUMBER OF PARTICIPANTS	2014 -2015	2013 -2014
Members	1,902	1,593
Non -members	704	726
Total	2,606	2,319

SOCIAL EVENTS

We hold close to us the aim of promoting social activities and networking for members and their families. The SRC organized an Annual Dinner in September 2014 for all the members of the Southern Region which was attended by about 450 members.

Consistent with the previous years, we hosted the "Annual Family Get-together" in March 2015 at Sindbads' Wonderland which was thoroughly enjoyed by the members and their families.

The SRC also organized a "Zafrani Mushaira" at Alliance Française Karachi and was well-received by the members.

CERTIFICATE DISTRIBUTION CEREMONY

As per the regular practice, the bi-annual Certificate Distribution Ceremony was held for the newly qualified Chartered Accountants themed "**Milestone for a new Beginning**" and "**Ready.Set.Go!.**" in November 2014 and April 2015, respectively.

CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION - SOUTH (CASA-S)

The CASA, CA Students Conference 2014 "**Move Outside the Box**" was successfully organised in a very short time frame. Amongst other highlights were the elections and appointment of the management committee of the Chartered Accountants Students Association, South (CASA-S). Exam based seminars and workshops were also organised for the finalists for better revision and exam preparation techniques.

FINANCE AND ACCOUNTS

The financial statements reflect a surplus of Rs. 2.45 million for the current year. During the year Rs. 2.81 million was received from ICAP on account of Members' subscription fee.

Rs. 12.13 million was collected from members for CPD activities and social events. Rs. 9.9 million was spent on CPD activities. Rs. 1.68 million was spent on Social Events

ACKNOWLEDGEMENT

On behalf of the SRC, I would like to thank the President, Past Presidents, Council Members, Fellow Members for their guidance, support and patronage.

We are also thankful to the ICAP and the SRC Secretariat for their help and assistance provided by them to the SRC.

Best regards

- Sd -

ARSLAN KHALID, FCA
Chairman SRC

COMMITTEE MEETINGS

During the year 10 meetings were held. Details of attendance are listed below:

Arslan Khalid	09
Mohammad Zulfikar Akhtar	08
Abdul Rab	10
Muhammad Junaid Shekha	10
Syed Muhammad Adnan Rizvi	08
Syed Asmat Ullah Shakerzai	02 (via telephone)

CONDOLENCES

The following members of our Institute from the Southern Region departed

S.NO.	NAME	MEMBERSHIP NO.
1	Ebrahim Shaikh Hussainbhai Dahodwala	0032
2	Badrul Anwar	0073
3	Aspy Nariman Fatakia	0136
4	Ebrahim Alimahomed Merchant	0154
5	Fida Hussain R. Merchant	0177
6	Shahab Azfar	0195
7	Mohammad Yacoob Naviwala	0360
8	Muhammed Ali	1946

The SRC acknowledges the valuable contribution by the deceased members towards the institute. We pray that may Allah Almighty give them a place in heaven and may their families have the strength to bear with this irrecoverable loss.

CPD ACTIVITIES HELD FROM JULY 01, 2014 TO JUNE 30, 2015

S. No.	Date	Seminar / Workshop	CPD Hours	Speaker / Session Chairperson
1	Aug 28, 2014	Seminar on Zakat and Alternatives to Interest	2	Speaker: Mr. Abdul Wahid, FCA
2	Sep 02, 2014	Seminar on Unleashing Creativity to Deliver Strategic Excellence	4.5	Speaker: Dr. Sunil Gupta
3	Sep 09, 2014	Seminar on Interpersonal Skills For Finance Professionals	2	Speaker: Ms. Shireen Naqvi
4	Oct 29-30, 2014	2-day Workshop on Power Excel-An Advance Excel 2010 Program	14	Trainer: Mr. Saad Usman, ACA
5	Nov 12, 2014	Seminar on An Update on the Significant Changes in International Financial Reporting Standards	7	Trainer: Mr. Mike Turner, ACA Session Chairman: Syed Najmul Hussain, FCA
6	Nov 27, 2014	Workshop on Interpersonal Skills	7	Trainer: Ms. Shireen Naqvi
7	Dec 04, 2014	Seminar on Sales Tax on Franchising	3	Speaker: Mr. Adnan Mufti, FCA Session Chairman: Mr. Tashfeen Khalid Niaz
8	Dec 05, 2014	Consultative Session on Exposure Draft on Framework of QCR Programme 2014	2.5	Speaker: Mr. Farrukh Rehman, FCA Facilitators: Mr. Mohammad Maqbool, FCA Syed Najmul Hussain, FCA
9	Dec 16, 2014	Seminar on Accounting Standards for Non-Profit Organisations	2	Speaker: Mr. Khurram Jameel, FCA Session Chairperson: Ms. Shagufta Hassan, FCA
10	Jan 15, 2015	Seminar on IFRS 10 Consolidated Financial Statements	3	Speaker: Mr. Shabbir Yunus Khairullah, FCA Representative from SECP: Mr. Shahid Naseem Session Chairman: Mr. Farrukh Rehman, FCA

11	Jan 27, 2015	Seminar on Information Security-Opportunities and Challenges	3	Speaker: Mr. Humayun Akhlaque Session Chairman: Mr. Waqar Ahmed Khan, FCA Moderator: Mr. Fazal H. A Gaffoor, FCA Panelists: Mr. Zain Ansari Mr. Asif Shah Mr. Zahid Jameel
12	Feb 03, 2015	Seminar on Investor Education	2	Speakers: Ms. Musarat Jabeen Mr. Asif Iqbal Mr. Mohammad Shoaib
13	Mar 24-25, 2015	2-day Workshop on International Financial Reporting Standards (IFRS)	14	Trainer: Mr. Mike Turner, ACA
14	Apr 28, 2015	Pre-Budget Seminar 2015-16	4	Speakers: Mr. Naeem Akhter Sheikh, FCA * Mr. Asif Kasbati, FCA * Panelists: Mr. Saquib Shirazi Mr. Sakib Sherani Mr. Shahid Hussain Asad Moderator: Mr. Shuja Qureshi Session Chairman: Mr. Masoud Ali Naqvi, FCA * * Also joined as Panelists.
15	May 21, 2015	Transforming Self, Transforming Others-1-day Workshop on Increasing Leadership Effectiveness	8	Trainer: Ms. Shireen Naqvi
16	May 26, 2015	Seminar on Corporate Governance-Current State, Challenges and Way Forward	4	Speaker: Mr. Asad Ali Shah, FCA Session Chairman: Mr. Zafar Hijazi, FCA Panelists: Mr. Parvez Ghias Mr. Nadeem Naqvi Mr. Zaffar A. Khan Mr. Nasim Beg, FCA Moderator: Mr. Fuad Azim Hashimi, FCA

17	Jun 11, 2015	Post Budget Seminar 2015-16	5.5	Speakers: Mr. Shaikh Saqib Masood, FCA Mr. Adnan Mufti, FCA Dr. Salman Shah * Dr. Irshad Ahmed Session Chairman: Dr. Miftah Ismail * Panelists: Mr. S.M. Shabbar Zaidi, FCA Mr. Naeem Akhter Sheikh, FCA Mr. Khalid Mansoor Mr. Iftikhar Allawala Moderator: Mr. Mehmood Abdul Razzak, FCA * Also joined as Panelists.
18	Jun 15-16, 2015	2- day Workshop on Power Excel- An Advance Excel 2010 Program	16	Trainer: Mr. Saad Usman, ACA
Total			103.5	

CLASSIFICATION OF MEMBERS			
CATEGORY	June 30, 2015		
	ACA	FCA	TOTAL
SOUTHERN REGION - PAKISTAN			
Public Practice-Sole Proprietor	13	83	96
Public Practice-Partnership	24	174	198
Employed in Practice	533	27	560
Financial Institutions/Banks	194	132	326
Education	27	25	52
Government	8	12	20
Power Generation and Distribution	30	16	46
Engineering	23	19	42
Telecommunication	6	11	17
Oil and Gas	57	47	104
Information Technology	20	14	34
Chemicals/Paints	15	11	26
Cement/Ceramics	14	9	23
Consumer Goods	48	6	54
Automotive	24	7	31
Textile	25	30	55
Construction	9	5	14
Fertilizer/Agriculture	8	2	10
Food, Beverages and Restaurants	25	14	39
Transport / Logistics/Courier Services	16	8	24
NGOs/Social Services	7	2	9
Shipping & Marine	12	5	17
Healthcare and Pharmaceutical	55	41	96
Financial/Management Consulting	10	7	17
Electronics	5	3	8
Sugar and Allied	5	5	10
Commerce and Industry	478	256	734
Senior Members	5	184	189
Sub Total	1696	1155	2851
OVERSEAS			
Public Practice	1	15	16
Other than Public Practice	548	422	970
Senior Members	0	36	36
Sub Total	549	473	1022
Total	2245	1628	3873

Auditor's Report to the Members

I have audited the accompanying financial statements of the Southern Regional Committee, of the Institute of Chartered Accountants of Pakistan, which comprise of the balance sheet as at June 30, 2015, and the statement of income and expenditure, statement of cash flows and statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Southern Regional Committee, of the Institute of Chartered Accountants of Pakistan is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Southern Regional Committee, of the Institute of Chartered Accountants of Pakistan determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to express an opinion on these financial statements based on audit. I have conducted the audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 misstatement 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 Southern Regional Committee, of the Institute of Chartered Accountants of Pakistan, as well as evaluating the overall presentation of the financial statements.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Southern Regional Committee, of the Institute of Chartered Accountants of Pakistan as at June 30, 2015 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

- Sd -

Najeeb Moochhala
Chartered Accountant

Karachi

Dated: August 18, 2015

SOUTHERN REGIONAL COMMITTEE - ICAP
BALANCE SHEET
AS AT JUNE 30, 2015

		2015	2014
	NOTE	-----Rupees-----	
NON-CURRENT ASSETS			
Property, plant and equipment	3	388,224	421,891
Long-term investments	4	12,800,033	13,667,184
Long-term fund investments	5	-	137,448
		13,188,257	14,226,523
CURRENT ASSETS			
Short-term investments	6	6,086,602	6,520,325
Other receivables	7	2,905,081	587,305
Cash and bank balances	8	4,529,654	2,727,072
		13,521,337	9,834,702
CURRENT LIABILITIES			
Creditors and other payables	9	929,983	636,571
Balance held on behalf of the Chartered Accountants Students' Association (CASA) - South	10	32,947	118,306
		962,930	754,877
NET CURRENT ASSETS		12,558,407	9,079,825
LONG TERM LIABILITIES AND FUNDS			
Deferred income			
Library Development fund	11	66,332	83,275
Restricted Funds			
Library Development Fund - for renovation	12	592,180	592,180
NET ASSETS		25,088,152	22,630,893
REPRESENTED BY			
Accumulated Fund		24,941,120	22,493,445
H. J. Irani Memorial Fund		147,032	137,448
		25,088,152	22,630,893

The annexed notes 1 to 19 form an integral part of these financial statements.

- Sd -
ARSLAN KHALID
CHAIRMAN

- Sd -
MOHAMMAD ZULFIKAR AKHTAR
HONORARY SECRETARY

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2015**

	NOTE	2015 -----Rupees-----	2014
INCOME			
Members' subscriptions		2,807,750	2,699,050
Members' programmes		12,127,252	9,748,950
Amortization of Library Development Fund		16,943	21,655
Return on investments		1,783,532	1,625,571
Others		3,396	2,640
		<u>16,738,873</u>	<u>14,097,866</u>
EXPENDITURE			
Expenses incurred on members' programmes	13	11,667,676	9,629,834
Operating expenses	14	1,850,771	1,559,188
CASA conference expenses - net	15.1	538,751	300,516
Annual general meeting expenses		184,000	107,930
Audit fee		50,000	50,000
		<u>14,291,198</u>	<u>11,647,468</u>
NET SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND		<u>2,447,675</u>	<u>2,450,398</u>

The annexed notes 1 to 19 form an integral part of these financial statements.

- Sd -

**ARSLAN KHALID
CHAIRMAN**

- Sd -

**MOHAMMAD ZULFIKAR AKHTAR
HONORARY SECRETARY**

SOUTHERN REGIONAL COMMITTEE - ICAP
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	NOTE	2 0 1 5	2 0 1 4
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,447,675	2,450,398
Return on investment held under H. J. Irani Memorial Fund		9,584	9,577
		2,457,259	2,459,975
Adjustment for non-cash and other items			
Depreciation		93,567	77,855
Return on investments		(1,783,532)	(1,625,571)
Return on investments held under H. J. Irani Memorial Fund		(9,584)	(9,577)
Amortization of deferred income		(16,943)	(21,655)
		(1,716,492)	(1,578,948)
(Increase) / Decrease in current assets			
Other receivables		(2,317,776)	(436,660)
(Decrease) / Increase in current liabilities			
Creditors and other payables		293,412	(232,375)
Balance held on behalf of CASA - South		(85,359)	(45,194)
		208,053	(277,569)
Net cash (used) / generated from operating activities		(1,368,956)	166,798
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(59,900)	(55,700)
Return on investments received		3,231,438	2,384,153
Investments made during the year		-	(2,650,000)
Net cash generated / (used) in investing activities		3,171,538	(321,547)
Net Increase / (Decrease) in cash and cash equivalents		1,802,582	(154,749)
Cash and cash equivalents at the beginning of the year		2,727,072	2,881,821
Cash and cash equivalents at the end of the year	8	4,529,654	2,727,072

The annexed notes 1 to 19 form an integral part of these financial statements.

- Sd -
ARSLAN KHALID
CHAIRMAN

- Sd -
MOHAMMAD ZULFIKAR AKHTAR
HONORARY SECRETARY

**SOUTHERN REGIONAL COMMITTEE - ICAP
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Accumulated Fund</u>	<u>H. J. Irani Memorial Fund</u>	<u>Total</u>
	----- Rupees -----		
Balance as at July 1, 2013	20,043,047	127,871	20,170,918
Net surplus for June 30, 2014	2,450,398	9,577	2,459,975
Balance as at June 30, 2014	<u>22,493,445</u>	<u>137,448</u>	<u>22,630,893</u>
Net surplus for June 30, 2015	2,447,675	9,584	2,457,259
Balance as at June 30, 2015	<u><u>24,941,120</u></u>	<u><u>147,032</u></u>	<u><u>25,088,152</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

- Sd -

**ARSLAN KHALID
CHAIRMAN**

- Sd -

**MOHAMMAD ZULFIKAR AKHTAR
HONORARY SECRETARY**

SOUTHERN REGIONAL COMMITTEE - ICAP
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015

1. LEGAL STATUS

The Southern Regional Committee (the Committee) has been constituted by the Council of the Institute of Chartered Accountants of Pakistan under section 20 of the Chartered Accountants Ordinance 1961, to carry out the functions as laid down in bye-law 90 of the Chartered Accountants Bye- Laws 1983.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Chartered Accountants Ordinance 1961, and the Chartered Accountants Bye-Laws 1983. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as are notified under the provisions of the Companies Ordinance 1984.

2.2 Basis of preparation of these financial statements

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

2.3 Changes in accounting standards

There are no new standards effective in the current period and in the future periods that are expected to have any material effect on the financial statements of the Committee.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged using the reducing balance method at the rates specified in note 3. Depreciation on additions is charged from the month in which an asset is purchased, whereas on disposals, depreciation is charged upto the month prior to the month of disposal.

Normal repairs and maintenance are charged to income as and when incurred. The carrying amounts of the Committee's assets are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognised in the statement of income and expenditure. Reversal of impairment loss is restricted to the original cost of the asset.

Any item of Property, plant & equipment received free of cost are recognised on nominal values.

2.5 Investments

The Committee determines the appropriate classification of its investments at the time of purchase and classifies these investments as 'loans and receivables', 'available for sale' or 'held to maturity'. These are initially recognised at cost being the fair value of the consideration given including the acquisition cost.

Subsequent to initial recognition at cost, these investments are measured at amortised cost or fair value as appropriate, less provision for impairment in value, if any. Amortised cost is calculated taking into account any discount or premium on acquisition by using the effective interest rate method.

2.6 Revenue recognition

- Members' programmes represent fees from CPD activities that are recognised as income when CPD activities are held.
- Sponsorships are recognised when a firm commitment is received.
- Members' subscriptions are taken as income on receipt basis.
- Profit on investments is accounted for as income through the amortisation process using the effective interest rate method.
- Return on PLS deposits is accounted for on accrual basis.
- Donations are accounted for on a receipt basis.

2.7 Restricted Funds

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.

Funds utilised for capital expenses including capital work-in-progress are transferred to the deferred income 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 'Amortization of deferred income' in the Income and Expenditure Statement.

2.8 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with the basis as stated in note 2.2 requires the use of certain critical accounting estimates. It also requires the Committee to exercise its judgement in the process of applying the Committee's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements includes determination of the useful life and residual value of operating fixed assets.

3. PROPERTY, PLANT AND EQUIPMENT

Description	LIBRARY				OTHERS				Total
	Books	Furniture	Air Conditioners	Equipment	Furniture	Equipment	Air Conditioners	Computers	
COST									
Balance as at July 01, 2013	652,302	721,383	475,381	23,800	174,623	61,050	75,235	376,697	2,560,471
Additions	-	-	-	-	5,700	-	-	50,000	55,700
Balance as at June 30, 2014	652,302	721,383	475,381	23,800	180,323	61,050	75,235	426,697	2,616,171
Balance as at July 01, 2014	652,302	721,383	475,381	23,800	180,323	61,050	75,235	426,697	2,616,171
Additions	-	-	-	-	-	11,400	-	48,500	59,900
Balance as at June 30, 2015	652,302	721,383	475,381	23,800	180,323	72,450	75,235	475,197	2,676,071
ACCUMALATED DEPRECIATION									
Balance as at July 01, 2013	618,688	552,471	359,570	14,638	147,069	35,961	65,279	322,749	2,116,425
Charge for the year	9,597	16,160	21,206	877	2,823	2,401	1,825	22,966	77,855
Balance as at June 30, 2014	628,285	568,631	380,776	15,515	149,892	38,362	67,104	345,715	2,194,280
Balance as at July 01, 2014	628,285	568,631	380,776	15,515	149,892	38,362	67,104	345,715	2,194,280
Charge for the year	7,926	15,275	18,921	829	3,043	3,219	1,626	42,729	93,567
Balance as at June 30, 2015	636,211	583,906	399,697	16,344	152,935	41,581	68,730	388,444	2,287,847
CARRYING AMOUNT - JUNE 2015	16,091	137,477	75,684	7,457	27,388	30,869	6,505	86,753	388,224
CARRYING AMOUNT - JUNE 2014	24,017	152,752	94,605	8,285	30,431	22,688	8,131	80,982	421,891
RATE OF DEPRECIATION (%)	33	10	20	10	10	10	20	33	

		2015	2014
	NOTE	-----Rupees-----	
4. LONG-TERM INVESTMENTS			
Certificates of Islamic Investment	4.1	<u>12,800,033</u>	<u>13,667,184</u>
4.1	These represent Certificates of Islamic Investment, issued by a bank costing Rs. 12,613,693 (2014: Rs. 13,472,318). Expected markup on these certificates ranges between 7.11% and 9.07% (2014: 8.74% and 9.00%) per annum. These certificates will mature on various dates latest by June 30, 2019. Profits are receivable quarterly. Profits accumulated thereon, to date, amounting to Rs. 186,340 (2014 : Rs.194,866) is included therein.		
5. LONG-TERM FUND INVESTMENTS			
	NOTE	2015	2014
		-----Rupees-----	
H. J. Irani Memorial Fund	5.1	<u>-</u>	<u>137,448</u>
5.1	This represents a Certificate of Islamic Investment, issued by a bank, for a period of three years. Expected markup ranges between 7.11% and 8.03% (2014: 7.88% and 8.05%) per annum on this certificate. The certificate will mature on October 31, 2015. Profit accrued thereon, amounting to Rs. 16,250 is included herein.		
6. SHORT-TERM INVESTMENTS			
	NOTE	2015	2014
		-----Rupees-----	
Certificates of Islamic Investment	6.1	<u>5,939,570</u>	<u>6,520,325</u>
H. J. Irani Memorial Fund	6.2	<u>147,032</u>	<u>-</u>
		<u>6,086,602</u>	<u>6,520,325</u>
6.1	These represent Certificates of Islamic Investment, issued by a bank of Rs. 5,922,318 (2014: Rs. 6,008,094). Expected markup ranges between 5.96% and 8.94% per annum (2014: 7.36% to 7.58%) on these certificates. Profit accrued thereon amounting to Rs. 17,252 (2014: Rs. 512,231) is included herein.		
6.2	This represents a Certificate of Islamic Investment, issued by a bank, for a period of three years. Expected markup ranges between 7.11% and 8.03% per annum on this certificate. The certificate will mature on October 31, 2015. Profit accrued thereon, to date, amounting to Rs. 25,834 is included herein.		
7. OTHER RECEIVABLES			
	NOTE	2015	2014
		-----Rupees-----	
Receivable from ICAP			
- subscription fee		-	12,753
- on account of Seminar fee		808,650	482,000
- on account of CASA		116,282	25,350
- on account of Award Ceremony		971,453	-
Receivable on account of profit on certificate of islamic investments / bank deposits		185,868	1,702
Seminar fee receivable from members		822,828	65,500
		<u>2,905,081</u>	<u>587,305</u>
8. CASH AND BANK BALANCES			
Cash in hand		24,386	8,386
Cash at banks in:			
Current account		<u>1,230,248</u>	<u>1,430,420</u>
Savings account		<u>3,275,020</u>	<u>1,288,266</u>
		<u>4,505,268</u>	<u>2,718,686</u>
		<u>4,529,654</u>	<u>2,727,072</u>

	2015	2014
	-----Rupees-----	
9. CREDITORS AND OTHER PAYABLES		
Creditors and accrued liabilities	96,982	91,321
Subscriptions received in advance from members	626,561	545,250
Payable to ICAP	206,440	-
	<u>929,983</u>	<u>636,571</u>
10. BALANCE HELD ON BEHALF OF CASA - SOUTH		
Opening balance	118,306	163,500
Received / receivable on behalf of CASA	130,900	96,700
Expenses incurred on behalf of CASA	(216,259)	(141,894)
	<u>32,947</u>	<u>118,306</u>
11. DEFERRED INCOME - LIBRARY DEVELOPMENT FUND		
Opening balance	83,275	104,930
Amortization for the year	(16,943)	(21,655)
	<u>66,332</u>	<u>83,275</u>
12. LIBRARY DEVELOPMENT FUND - FOR RENOVATION		
The Committee received a grant aggregating Rs. 755,000 from the Council of the Institute of Chartered Accountants of Pakistan for renovation of library in 2012.		
The Balance of Rs. 592,180 represent the un-utilized fund as of June 30, 2015.		
	2015	2014
	-----Rupees-----	
13. EXPENSES INCURRED ON THE MEMBERS' PROGRAMMES		
CPD Events		
Salaries and allowances	1,391,193	1,323,467
Advertisement	79,930	123,043
Printing, stationery and postage charges	1,098,830	1,659,024
Dinners and refreshments - pre and post budget seminar	3,418,536	2,283,151
Dinners and refreshments - other seminars and workshops	1,436,695	1,253,234
Speakers' fees and other charges	1,815,806	828,497
Photographs, videos, projector, screen and sound system	545,800	447,575
Blood donation drive	-	26,104
Mementos / Gifts	70,700	89,390
Others	128,034	194,158
	<u>9,985,524</u>	<u>8,227,643</u>
Non-CPD / Social Events		
Members Eid Milan / Family Get-together	271,700	1,026,681
Members annual dinner	1,013,952	-
Others	396,500	375,510
	<u>1,682,152</u>	<u>1,402,191</u>
	<u>11,667,676</u>	<u>9,629,834</u>

	NOTE	2015	2014
		-----Rupees-----	
14. OPERATING EXPENSES			
Salaries and allowances		1,540,731	1,261,159
Travelling cost		19,200	29,629
IT and communication expenses		35,237	57,776
Conveyance		16,870	18,310
Depreciation	3	93,567	77,855
Refreshment for students		50,000	60,000
Others		95,166	54,459
		<u>1,850,771</u>	<u>1,559,188</u>

	2015	2015	2015	2014
	-----Rupees-----		-----Rupees-----	

15. OPERATING RESULTS BY ACTIVITIES

	Income	Expenditure	Surplus / (deficit)	Surplus / (deficit)
CPD programs	11,407,002	9,985,524	1,421,478	1,547,411
Social events	720,250	1,682,152	(961,902)	(1,428,295)
Library operations	16,943	1,043,832	(1,026,889)	(818,065)
	<u>12,144,195</u>	<u>12,711,508</u>	<u>(567,313)</u>	<u>(698,949)</u>
Members subscription			2,807,750	2,699,050
Return on investments			1,783,532	1,625,571
Other Income			3,396	2,640
			<u>4,594,678</u>	<u>4,327,261</u>
Unallocated Expenses				
Operating expenses			(806,939)	(719,468)
CASA conference		15.1	(538,751)	(300,516)
Annual general meeting expenses			(184,000)	(107,930)
Audit fees			(50,000)	(50,000)
			<u>(1,579,690)</u>	<u>(1,177,914)</u>
Net surplus for the year			<u>2,447,675</u>	<u>2,450,398</u>

15.1 During the year, SRC has contributed Rs. 538,751/- to meet the deficit in respect of CASA Conference.

	2015	2014
	-----Rupees-----	
16. FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets - Loans and receivables		
Long-term investments		
Long-term fund investment	12,800,033	13,667,184
Short-term investments	147,032	137,448
Other receivables	6,086,602	6,520,325
Cash and bank balances	2,905,081	587,305
	<u>4,529,654</u>	<u>2,727,072</u>
	<u>26,468,402</u>	<u>23,639,334</u>
Financial liabilities		
Financial Liabilities measured at amortised cost		
- Creditors and other payables		
- Balance held on behalf of CASA	929,983	91,321
	32,947	118,306
	<u>962,930</u>	<u>209,627</u>

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Committee finances its operations from the revenue received through members subscriptions and program fees. Apart from this, the Committee also earns income from markup received on investments.

17.1 FINANCIAL RISK FACTORS

The Committee has overall responsibility for the establishment and oversight of the risk management framework. The Committee's operations expose it to financial risk, credit risk, liquidity risk and interest rate risk.

17.1.1 CREDIT RISK

Credit risk represents the accounting loss that would be recognised at the reporting date, if counter parties failed completely to perform as contracted.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Committee is exposed to credit risk on all financial assets except cash in hand. The Committee seeks to minimize the credit risk exposure through having exposures only with the banks having minimum credit rating of 'A' in long term and 'A1' in short term rated by independent credit rating agencies. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

17.1.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

	2015	2014
	-----Rupees-----	
A1+	1,230,248	1,430,420
AA-	22,308,687	15,092,898
	<u>23,538,935</u>	<u>16,523,318</u>

17.1.3 LIQUIDITY RISK

Liquidity risk is the risk that the Committee will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Committee could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Committee's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Committee's reputation.

2015				
	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years
----- (Rupees) -----				
Non-Derivative				
Financial liabilities				
Creditors and other payables	929,983	929,983	-	-
Balance held on behalf of the Chartered				
Accountants Students' Association - South	32,947	-	32,947	
	<u>962,930</u>	<u>929,983</u>	<u>32,947</u>	<u>-</u>
----- (Rupees) -----				
	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years
----- (Rupees) -----				
Non-Derivative				
Financial liabilities				
Creditors and other payables	91,321	91,321	-	-
Balance held on behalf of the Chartered				
Accountants Students' Association - South	118,306	-	118,306	-
	<u>209,627</u>	<u>91,321</u>	<u>118,306</u>	<u>-</u>

17.1.4 MARKET RISK

17.1.4.1 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 changes in market interest rates. The financial instruments which are exposed to interest rate risk comprise of long term investments, short term fund investment and short term investments. As at year end, had there been an increase / decrease of 100 basis points in the profit rates, with all other variables held constant, total comprehensive surplus for the year would have been higher / lower by Rs. 227,459.

17.1.4.2 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Committee does not have any financial instruments in foreign currencies at the reporting date.

17.1.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The committee is not exposed to other price risk as at year end.

17.1.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

18. DATE OF AUTHORISATION

These financial statements have been authorised for issue on August 18, 2015 by the Southern Regional Committee.

19. GENERAL

19.1 There were no material reclassifications that could affect the financial statements materially.

19.2 Amounts have been rounded off to the nearest rupees unless otherwise stated.

- Sd -

**ARSLAN KHALID
CHAIRMAN**

- Sd -

**MOHAMMAD ZULFIKAR AKHTAR
HONORARY SECRETARY**

Southern Regional Committee

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