



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

ANNUAL REPORT 2019

Southern Regional Committee

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NOTICE OF THE MEETING

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Southern Regional Committee (SRC) of the Institute of Chartered Accountants of Pakistan (ICAP) will be held on Wednesday, October 23, 2019 at 6:30 p.m. at ICAP - Moosa D. Desai Auditorium, ICAP House, Clifton, Karachi to transact the following business:

- 1 Confirmation of the minutes of Fifty Seventh Annual General Meeting.
2. Consideration of the Southern Regional Committee's (the Committee) report and audited financial Statements' for the year ended June 30, 2019 together with the auditor's report thereon.
3. Any other business with the permission of the Chair.

-Sd-

Arslan Khalid, FCA
Honourary Secretary

Karachi: October 9, 2019

The Committee for the year 2018 - 2019



Abdul Rab, FCA
Chairman



Arslan Khalid, FCA
Honourary Secretary



Mohammad Zulfikar Akhtar, FCA
CPD Convener



Hasnain R. Badami, ACA
Coordinator for CASA Activities / Library



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



Naureen Al Amin, FCA
CPD / CASA Coordinator



CHAIRMAN'S REPORT TO THE MEMBERS

Dear Members

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

On behalf of the SRC, I am pleased to apprise you that during the current year 25 CPD events including 14 seminars, 11 web-based seminars and 2 social events were organized for the members.

Following is a detailed breakdown of CPD Activities & attendance at the events

Category	2018 – 19		2017 – 18	
	Number of Seminars	CPD Credit Hours	Number of Seminars	CPD Credit Hours
International Financial Reporting Standards (IFRS)	2	24	2	10.5
Audit	3	12.5	1	8
Strategy	1	8	-	-
Macro Economics / Law	-	-	7	23.5
Taxation(including Pre and Post Budget Seminars)	3	8	3	11
Soft Skills / Entrepreneurship / Other	16	63.5	8	47.5
Total	25	116	21	100.5

Eleven of the above listed events in 2018-19 and three in 2017-18 were webinars.

SOCIAL EVENTS

Continuing the pursuit of work-life balance, the SRC also considers important to arrange social events for the members and their families. The Annual Dinner, previously an only-members social-networking event was extended for the spouses of the members as well. This year it was clubbed with a musical evening in which a classical musical artist performed and enjoyed by a vast audience; ranging from senior professionals to the recently qualified chartered accountants. In addition as per the tradition, SRC also organized Family Fun Fest together in January 2019 at Chunky Monkey Park, Karachi

CERTIFICATES' DISTRIBUTION CEREMONY

The bi-annual Certificates' Distribution Ceremony for the new members of the Institute of Chartered Accountants continue to be administered this year by the Southern Regional Committee.

The theme selected for the ceremony was "**Unlock your Potential**" in January 2019 and "**A New Dawn**" in June 2019.

CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION, SOUTH (CASA-S)

In addition to catering for the CPD requirements of members, the SRC also oversees the affairs of the Chartered Accountants Students' Association, South (CASA-S) and the library. A role of mentoring and guidance is provided to the elected members and opportunities for learning and development are created for the students.

Exam based seminars and workshops were organised for the finalists to provide them with an opportunity for better revision and examination techniques. A Sports League was also organised this year in which the finalists of each sport competed at the national level.

FINANCE AND ACCOUNTS

During the year, the total amount spent on various CPD activities and social events amounted to Rs 16.82 million as compared to Rs 18.20 million last year. The fee charged to the members for the above events amounted to Rs 15.85 million (2018: Rs 18.20 million) and the members subscription amount allocated to SRC amounted to Rs 3.45 million (2018: Rs3.25 million)

COMMITTEE MEETINGS

During the year 5 meetings were held. Details of attendance are listed below:

Abdul Rab	5
Arslan Khalid	5
Mohammad Zulfikar Akhtar	5
Syed Muhammad Adnan Rizvi	5
Hasnain R. Badami	4
Noureen Al Amin	1 (via telephone)

CONDOLENCES

The following members of our Institute from the Southern Region departed for heavenly abode.

S #	Member's Name	Reg No.
1	M. Afzal Munif	0096
2	Masood Akhtar Mufti	0164
3	Inayat ullah Sandhu	0176
4	Khalid Anwer	0501
5	Najmul Islam Chaudhri	0563
6	Fazal Husain Saiffee	0653
7	Maad	10181
8	Khalil-ur-Rahman	1258
9	Agha Jamshed	1285
10	Carlyle Fredrick Miranda	2667
11	Bilal Ahmed khan	4771
12	Salman Mujtaba	9558

The SRC acknowledges the valuable contribution of 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.

ACKNOWLEDGMENT

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

The SRC is also thankful to the ICAP COO/Secretary and his entire team as well as all staff members working at the SRC office for the support provided by them throughout the year.

Thanks and regards,

-Sd-

Abdul Rab
Chairman SRC

October 9, 2019

CPD ACTIVITIES HELD FROM JULY 01, 2017 TO JUNE 30, 2018

S#	Date	Seminar / Workshop	CPD Hours	Number of Participants (Members)	Number of Participants (Non-Members)	Total Number of Participants	Speaker(s) / Session Chairperson
1	July 19, 2018	Seminar on Revised Auditors Report	3	139	51	190	Speakers: Arslan Khalid, FCA Kamran Y. Mirza, FCA Yasir Masood, FCA Panellists: Amir Jamil Abbasi, FCA Mehmood Abdul Razzak, FCA Session Chairman: Farrukh Rehman, FCA Moderator: Hena Sadiq, FCA
2	June 30, 2018	Live Webinar on Corporate Governance: Principles and Challenges in the 21st Century	1.5	37	2	39	Speaker: Prof. Vanessa Serret
3	Aug 16, 2018	Seminar on Combined Name Reservation, Incorporation Process and Incorporation of LLPs	1.5	20	15	35	Speakers: Muhammad Naeem Khan Kashif Mahmood
4	Aug 28, 2018	Live Webinar on Digital Economy- Key Principles of Business Architecture and Value Disclosure	1.5	39	0	39	Speaker: Alexei Blagirev
5	Aug 30, 2018	1 Day Workshop on CEO-Chief Energy Officer	7.5	6	8	14	Trainer: Ali Syed
6	Oct 31, 2018	Live Webinar on How to Effectively Manage Your Finance Employees	1.5	37	1	38	Speaker: Nevilee Gaunt
7	Nov 28, 2018	1 Day CFO: Driving Value Creation	8	26	9	35	Trainer: Saleem Sufi
8	Dec 19, 2018	Live Webinar on Blockchain beyond Crypto Introduction-Exploring Blockchain Based on Practical Use Cases	1.5	74	1	75	Speaker: Dr. Johannes Drooghaag
9	Dec 27-28, 2018	2-day Workshop on Advance Excel	16	7	10	17	Trainer: Sheikh Usman, FCA

S#	Date	Seminar / Workshop	CPD Hours	Number of Participants (Members)	Number of Participants (Non-Members)	Total Number of Participants	Speaker(s) / Session Chairperson
10	Jan 30, 2019	Live Webinar on Personal and Professional	1.5	36	2	38	Speaker: Robert Fenlon
11	Feb 19, 2019	Workshop on Coaching & Feedback	8	5	5	10	Trainer: Shireen Naqvi
12	Feb 20, 2019	Seminar on Indirect Tax in Emerging E-Business Models	2	87	52	139	Speaker: Adnan Mufti, FCA Session Chairman: Saqib Masood, FCA
13	Feb 26, 2019	Live Webinar on Great Leaders are Great Coaches	1.5	34	0	34	Speaker: Kim Ades
14	Feb 28, 2019	Workshop on Internal Audit Communication & Report Writing	7	5	27	32	Trainer: Muhammad Shehzad Yousuf, FCA
15	Mar 26, 2019	Live Webinar on From Control to Engagement	1.5	18	0	18	Speaker: Don Phin
16	April 11, 2019	Seminar on The New Outlook: IFRS 9, IFRS 16 & Emerging Trends	8	182	108	290	Speakers: Mohammad Zulfikar Akhtar, FCA Arslan Khalid, FCA Amin Malik, FCA Adnan Afaq, FCA Chungwoo Shu Panellists: Hena Sadiq, FCA Sohail Malik, FCA Zulfikar Ali Causer, FCA Session Chairman: Farrukh Rehman, FCA
17	April 17, 2019	Seminar on Code of Ethics: Restructured & Simplified	2.5	59	29	88	Speaker: Haroon Tabraze, FCA Panellists: Zaid Kaliya, FCA Mehmood A. Razzak, FCA Moderator: Shariq Ali Zaidi Session Chairman: Rana M. Usman Khan, FCA
18	April 23-24, 2019	2-Day Workshop on Communication & Negotiation Skills	14	3	13	16	Trainer: Nadir A. Jamal, FCA

S#	Date	Seminar / Workshop	CPD Hours	Number of Participants (Members)	Number of Participants (Non-Members)	Total Number of Participants	Speaker(s) / Session Chairperson
19	April 24, 2019	Live Webinar on Strategy: we know the meaning, Insights from neuroscience but why don't we use it more? Insights from neuroscience	1.5	72	0	72	Speaker: Dr. Ianna F. Contardo
20	May 15, 2019	Live Webinar on Three (3) Steps to Prosperous Conflict Management System	1.5	156	0	156	Speaker: Michael Walker
21	May 28, 2019	Live Webinar on Leadership Performance & Alignment? Al Quran's Perspective	1.5	138	2	140	Speaker: Bilal Hamadah
22	May 29, 2019	Seminar on The Assets Declaration Ordinance, 2019 and relevant aspects of the Benami Transactions (Prohibition) Act, 2017	2	98	29	127	Speaker: Asif Haroon, FCA Panellists: Ashfaq Tola, FCA Syed Masood Ali Naqvi, FCA
23	June 15, 2019	Post Budget Conference 2019: Pakistan back on track?	4	506	294	800	Speakers & Panellists: Jafar Husain, FCA Ashfaq Yousuf Tola, FCA Saqib Masood, FCA Asif Haroon, FCA Mohammad Zulfikar Akhtar, FCA Asim Zulfiqar Ali, FCA Rana Muhammad Usman Khan, FCA Jehanzeb Amin, FCA Imran Afzal, FCA Saqib Masood, FCA Haider Patel, FCA Muhammad Raza, FCA Naeem Akhtar Shaikh, FCA Ejaz Hussain Rathore, FCA Rafqat Hussain, FCA Asad Ali Shah, FCA Ghias Khan Wamiq Zuberi Siraj Kassim Teli Sakib Sherani Guest of Honor: Shabbar Zaidi, FCA Chief Guest: Dr. Abdul Hafeez Sheikh

S#	Date	Seminar / Workshop	CPD Hours	Number of Participants (Members)	Number of Participants (Non-Members)	Total Number of Participants	Speaker(s) / Session Chairperson
24	June 24-25, 2019	2-Day Workshop on IFRS 15, 13 and Practical Issues for IFRS 9 & 16	16	32	11	43	Trainer: Mike Turner
25	June 26, 2019	Live Webinar on The Missing Element in Leadership: A result Focus	1.5	146	2	148	Trainer: Dr. Marry Lippitt
		Total	116				

JOB SECTOR INFORMATION OF MEMBERS

Based in Pakistan

June 30, 2019

Category	Associates	Fellows	Total
Public Practice	67	255	322
Employed in Practice	711	42	753
Automotive	36	7	43
Cement / Ceramics / Glass	16	9	25
Chemicals/ Paints	21	12	33
Commerce and Industry	120	55	175
Construction and Real Estate	23	10	33
Consumer Goods	43	7	50
Education	33	28	61
Electronics and Electrical Goods	11	5	16
Engineering	31	21	52
Fertilizer / Agriculture	10	5	15
Financial Institutions / Banks	202	134	336
Financial / Management Consulting	47	24	71
Food / Beverages / Tourism	42	9	51
Government	14	15	29
Healthcare and Pharmaceutical	74	43	117
Information & Communication Technology	29	19	48
NGOs / Social Services	8	2	10
Oil and Gas	63	58	121
Power Generation and Distribution	52	25	77
Shipping and Marine	15	6	21
Sugar and Allied	9	5	14
Textile / Fashion and Apparels	41	31	72
Transport / Logistics / Courier Services	32	11	43
Print and Digital Media / Event Management	20	14	34
Miscellaneous	447	236	683
Senior Members	7	210	217
Sub Total	2224	1298	3522
Public Practice	1	12	13
Employed in Practice	181	55	236
Other than Public Practice	458	410	868
Senior Members	0	53	53
Sub Total	640	530	1170
Total	2864	1828	4692

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the financial statements of Southern Regional Committee - ICAP (the "Committee") which comprise the statement of financial position as at June 30, 2019, the related statement of total comprehensive income, the statement of cash flows and statement of changes in funds 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 Committee as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP.

Basis for Opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs) 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 Committee in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and 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.

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

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

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

Those charged with governance are responsible for overseeing the Committee'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 ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ⁿ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for 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.
- ⁿ 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 Committee's internal control.
- ⁿ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ⁿ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether the material uncertainty exists related to events or conditions that may cast significant doubt on the Committee'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 and conditions may cause the Committee to cease to continue as a going concern.
- ⁿ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The annual financial statements of the Committee for the year ended June 30, 2018 was audited by Mr. Qasim Ebrahim Causer, Chartered Accountant, whose audit report dated August 30, 2018 expressed an unmodified opinion on the aforementioned financial statements.

- Sd -

**MUHAMMAD SHABBIR KASBATI
CHARTERED ACCOUNTANT
KARACHI**

DATED: AUGUST 28, 2019

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Note	2019 -----Rupees-----	2018
NON-CURRENT ASSETS			
Property and equipment	3	284,584	1,204,242
Long-term investments	4	-	16,640,678
		<u>284,584</u>	<u>17,844,920</u>
CURRENT ASSETS			
Short-term investments	5	23,229,860	7,676,567
Other receivables	6	9,384,477	1,782,148
Due from Chartered Accountants Students' Association (CASA) - South	7	533,945	-
Cash and bank balances	8	4,481,193	2,163,249
		<u>37,629,475</u>	<u>11,621,964</u>
CURRENT LIABILITIES			
Creditors and other payables	9	9,640,993	661,940
Due to Chartered Accountants Students' Association (CASA) - South	7	-	117,212
		<u>9,640,993</u>	<u>779,152</u>
NET CURRENT ASSETS		<u>27,988,482</u>	<u>10,842,812</u>
LONG TERM LIABILITIES AND FUNDS			
Deferred income			
Library Development Fund	10	29,941	35,569
Restricted Funds			
Library Development Fund	11	592,180	592,180
CONTINGENCIES AND COMMITMENTS	12		
NET ASSETS		<u>27,650,945</u>	<u>28,059,983</u>
REPRESENTED BY			
Accumulated Fund		<u>27,650,945</u>	<u>28,059,983</u>
		<u>27,650,945</u>	<u>28,059,983</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 -----Rupees-----	2018
INCOME			
Members' subscriptions		3,445,964	3,246,138
Members' programmes		14,995,771	18,698,510
Fees charged on social events		845,500	700,000
Students' Conference		-	1,653,574
Others		8,028	8,993
		<u>19,295,263</u>	<u>24,307,215</u>
EXPENDITURE			
Cost incurred on members' programmes	13	12,552,091	16,068,733
Cost incurred on social events	14	4,271,177	2,125,566
Other expenses	15	2,595,389	1,837,706
Library operations	16	1,632,388	1,391,599
Students' Conference		-	2,489,220
		<u>21,051,045</u>	<u>23,912,824</u>
(Deficit) / excess of income over expenditure before income from investment		<u>(1,755,782)</u>	<u>394,391</u>
Income from investments		<u>1,346,744</u>	<u>1,321,142</u>
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(409,038)</u>	<u>1,715,533</u>
OTHER COMPREHENSIVE INCOME		-	-
(DEFICIT) / SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUND		<u><u>(409,038)</u></u>	<u><u>1,715,533</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 -----Rupees-----	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received against:			
Members' subscription		3,637,214	3,189,888
Members' programmes		7,237,135	19,135,403
Fees charged on social events		845,500	700,000
		<u>11,719,849</u>	<u>23,025,291</u>
Cash paid against:			
Salaries, allowances and other benefits		4,822,393	4,363,499
Supplies and services		7,118,256	19,306,100
		<u>11,940,649</u>	<u>23,669,599</u>
Net cash used in operating activities		(220,800)	(644,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments		(1,527,694)	(507,642)
Purchase of property and equipment		-	(89,975)
Return on investments received		2,066,438	1,241,924
Net cash generated from investing activities		<u>538,744</u>	<u>644,307</u>
Net increase in cash and cash equivalents		317,944	-
Investment realizable within three months		23,229,860	2,000,000
Cash and cash equivalents at the beginning of the year		4,163,249	2,163,249
Cash and cash equivalents at the end of the year	17	<u><u>27,711,053</u></u>	<u><u>4,163,249</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

- Sd -
CHAIRMAN

- Sd -
HONOURARY SECRETARY

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Accumulated Fund
	--- Rupees ---
Balance as at June 30, 2017	26,344,450
Surplus for the year	1,715,533
Balance as at June 30, 2018	28,059,983
Deficit for the year	(409,038)
Balance as at June 30, 2019	<u>27,650,945</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

**- Sd -
CHAIRMAN**

**- Sd -
HONOURARY SECRETARY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019****1. LEGAL STATUS**

The Southern Regional Committee (the Committee) has been constituted by the Council of the Institute of Chartered Accountants of Pakistan (Institute) 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. The registered address of the Committee is situated at Chartered Accountants Avenue, Clifton, Karachi.

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. 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 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Committee.

2.4 New Standards, interpretations and amendments to published approved accounting standards**2.4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and are relevant**

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

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting. The Committee has applied IFRS 9 and the related consequential amendments to IFRS 7 Financial Instruments: Disclosures. Following review and assessment of Committee's existing financial instruments, the adoption of this standard has not resulted in a change in the Committee's classification or measurement of its financial instruments except for the designation and revocation of the previous designations based on IAS 39. The application of IFRS 9 has had no impact on the cash flows of the Committee.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

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

IFRS 15 does not have a material impact on the current and prior year figures as well as the accounting policies applied for the recognition of revenue.

2.4.2 Standards, Interpretations and amendments to published approved accounting standards that are effective but not relevant.

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

2.4.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective but relevant

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

2.5 Property and equipment

Property 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 day on which the asset becomes available for use and on disposals, up to the day the asset has been in use.

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

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

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

2.6 Financial instruments

The Committee has classified its Financial Assets based on the requirements as set out in IFRS 9 Financial Instruments. IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classifications categories of financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS39 categories of held to maturity, loans and receivables, available for sale and held for trading.

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

- The determination of business model within which a financial asset is held
- The designation and revocation of previous designations pertaining to financial assets and liabilities.

2.6.1 Financial assets

(a) At Amortised Cost

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

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

(b) At Fair Value through Other Comprehensive Income

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

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

(c) At Fair Value through Profit or Loss

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

Recognition and measurement

Financial Asset at initial recognition is measured at its fair value of the consideration given.

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

2.6.2 Financial liabilities

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

2.6.3 Offsetting of financial instruments

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

2.7 Impairment

2.7.1 Impairment in financial assets

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

If a financial asset has low credit risk at the date of initial application of IFRS 9, then the Committee has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

2.7.2 Impairment in non-financial assets

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

2.8 Cash and cash equivalents

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

2.9 Creditors, accrued and other liabilities

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

2.10 Provisions

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

2.11 Revenue recognition

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

- 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 to income on receipt basis.
- Profit on investments is accrued on the basis of effective yield of respective investments
- Profit on savings account is recognised on accrual basis.

2.12 Related party transactions

Transactions with related parties are based on arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

2.13 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 statement of total comprehensive income.

2.14 Critical accounting estimates and judgments

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 judgment in the process of applying the Committee's accounting policies. The area involving a higher degree of judgment 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 AND EQUIPMENT

Description	Library				Others				Total
	Books	Furniture	Air Conditioners	Equipment	Furniture	Air Conditioners	Computers	Vehicle	
As at July 01, 2017									
Cost	730,702	624,793	275,381	16,600	180,323	45,515	405,647	1,141,290	3,420,251
Accumulated depreciation	(669,682)	(538,106)	(237,549)	(12,412)	(157,952)	(34,418)	(280,592)	(74,205)	(2,004,916)
Net book value	61,020	86,687	37,832	4,188	22,371	11,097	125,055	1,067,085	1,415,335
Year ended June 30, 2018									
Opening net book value	61,020	86,687	37,832	4,188	22,371	11,097	125,055	1,067,085	1,415,335
Additions	-	-	-	-	89,975	-	-	-	89,975
Disposals	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation for the year	(20,137)	(8,669)	(5,675)	(628)	(9,609)	(1,665)	(41,268)	(213,417)	(301,068)
Closing net book value	40,883	78,018	32,157	3,560	102,737	9,432	83,787	853,668	1,204,242
Year ended June 30, 2018									
Cost	730,702	624,793	275,381	16,600	270,298	45,515	405,647	1,141,290	3,510,226
Accumulated depreciation	(689,819)	(546,775)	(243,224)	(13,040)	(167,561)	(36,083)	(321,860)	(287,622)	(2,305,984)
Net book value	40,883	78,018	32,157	3,560	102,737	9,432	83,787	853,668	1,204,242
Year ended June 30, 2019									
Opening net book value	40,883	78,018	32,157	3,560	102,737	9,432	83,787	853,668	1,204,242
Additions	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	(1,141,290)	(1,141,290)
Accumulated depreciation	-	-	-	-	-	-	-	373,690	373,690
Depreciation for the year	(13,492)	(7,802)	(4,824)	(534)	(10,274)	(611)	(28,453)	(767,600)	(767,600)
Closing net book value	27,391	70,216	27,333	3,026	92,463	8,821	55,334	(86,068)	(152,058)
Year ended June 30, 2019									
Cost	730,702	624,793	275,381	16,600	270,298	45,515	405,647	-	2,368,936
Accumulated depreciation	(703,311)	(554,577)	(248,048)	(13,574)	(177,835)	(36,694)	(350,313)	-	(2,084,352)
Net book value	27,391	70,216	27,333	3,026	92,463	8,821	55,334	-	284,584
Annual rate of depreciation (% per annum)	33	10	15	15	10	15	33	20	

3.1 Depreciation for the year has been allocated as follows:

Note	2019	2018
	---Rupees---	

Operating expenses	15	125,406	265,959
Library operations	16	26,652	35,109
		<u>152,058</u>	<u>301,068</u>

	Note	2019 -----Rupees-----	2018
4. LONG-TERM INVESTMENTS			
Financial Assets at Amortised Cost			
Certificates of Islamic Investments	4.1	-	16,640,678
4.1 This represents Certificates of Islamic Investments of a bank aggregating to NIL (2018: Rs. 16,634,980) These certificates carry profit at rates ranging from NIL (2018: 5.26% to 5.59%) per annum. Accrued profit aggregating to NIL (2018: Rs. 5,698) is included in the carrying value.			
5. SHORT-TERM INVESTMENTS			
Financial Assets at Amortised Cost			
Islamic Investment Certificate	5.1 & 5.3	23,024,575	-
Certificates of Islamic Investments	5.2	205,285	7,676,567
		<u>23,229,860</u>	<u>7,676,567</u>
5.1 This represents Islamic Investment Certificate issued by a bank having face value of Rs. 23,000,000. These certificates carry profit at rate of 13% per annum for 90 days period from June 28, 2019. Accrued profit aggregating to Rs. 24,575 is included in the carrying value.			
5.2 This represents Certificates of Islamic Investments issued by a bank having face value aggregating to Rs. 200,000 (2018: Rs. 7,097,046). These certificates carry profit at rates ranging from 4.80% to 9.54% (2018: 4.69% to 5.59%) per annum and are maturing on various dates upto March 07, 2020. Accrued profit aggregating to Rs. 5,285 (2018: 579,521) is included in the carrying value.			
5.3 Pursuant to the decision of the council dated: April 25-26, 2019, these investments have been made in the name of ICAP and SRC has the beneficial interest in such investments.			
6. OTHER RECEIVABLES			
Current account with Institute			
on account of expenses		443,000	63,500
on account of Seminar fee		4,261,780	349,500
on account of Sponsorship in Post Budget Conference		166,667	-
on account of CASA conference		-	850,000
on account of Members' Convocation Ceremony		1,290,817	-
on account of CASA		134,700	12,600
Profit receivable on bank deposits		26,513	190,848
Seminar fee receivable		3,061,000	313,000
Other		-	2,700
Advance income tax		811,510	404,222
Less: Impairment allowance against advance income tax		<u>(811,510)</u>	<u>(404,222)</u>
		<u>9,384,477</u>	<u>1,782,148</u>

	Note	2019 -----Rupees-----	2018
7 DUE FROM / (TO) CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION (CASA) - SOUTH			
Opening balance		(117,212)	24,690
Received on behalf of CASA		(226,800)	(169,950)
Expenses incurred on behalf of CASA		877,957	28,048
		<u>533,945</u>	<u>(117,212)</u>
8 CASH AND BANK BALANCES			
Cash in hand		26,840	50,736
Cash at banks in:			
Current account	8.1	3,868,406	1,249,745
Savings account		585,947	862,768
		<u>4,454,353</u>	<u>2,112,513</u>
		<u>4,481,193</u>	<u>2,163,249</u>
8.1	This carries mark-up at rate from 2.40% to 6.26% (2018: 2.40%) per annum.		
9 CREDITORS AND OTHER PAYABLES			
Creditors and accrued liabilities		7,267,810	201,742
Subscriptions received in advance from members		492,000	300,750
Advance seminar fees received from members		-	52,000
Current account with Institute		1,881,183	107,448
		<u>9,640,993</u>	<u>661,940</u>
10 DEFERRED INCOME - LIBRARY DEVELOPMENT FUND			
Opening balance		35,569	42,412
Amortization for the year		(5,628)	(6,843)
		<u>29,941</u>	<u>35,569</u>
11 LIBRARY DEVELOPMENT FUND			

The Committee received income of the Library Development Endowment Fund aggregating to Rs. 755,000 from the Institute for renovation / upgradation of library in 2012. The balance of Rs. 592,180 (2018: Rs. 592,180) represents the un-utilized fund.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date.

	Note	2019	2018
		-----Rupees-----	
13 COST INCURRED ON MEMBERS' PROGRAMMES			
Salaries, allowances and other benefits	13.1	2,661,380	2,344,581
Advertisement		106,106	481,705
Printing, stationery and postage charges		707,516	2,042,710
Venue & meals charges		4,653,378	8,505,074
Speakers' fees and other charges		2,275,636	911,886
Travelling and accommodation		268,456	191,575
Photographs, projector, screen and sound system		829,475	1,336,453
Mementos / gifts		887,300	133,730
Others		162,844	121,019
		<u>12,552,091</u>	<u>16,068,733</u>
13.1	This include Rs. 138,316 (2018: 122,412) in respect of staff retirement benefit.		
14 COST INCURRED ON SOCIAL EVENTS			
Family get-together		1,990,617	1,634,640
Mushaira		-	490,926
Members annual dinner		2,280,560	-
		<u>4,271,177</u>	<u>2,125,566</u>
15 OTHER EXPENSES			
Salaries, allowances and other benefits	15.1	1,578,432	885,772
Printing and stationery		215,731	74,362
IT and communication expenses		36,233	73,057
Annual general meeting expenses		36,130	22,860
Audit fee		55,000	55,000
Conveyance		8,980	5,520
Depreciation	3.1	125,406	265,959
Impairment allowance against advance income tax		407,288	403,822
Others		132,189	51,354
		<u>2,595,389</u>	<u>1,837,706</u>
15.1	This include Rs. 78,815 (2018: 43,860) in respect of staff retirement benefit.		
16 LIBRARY OPERATIONS			
Salaries, allowances and other benefits	16.1	673,984	1,234,623
Depreciation	3.1	26,652	35,109
Refreshment for students		72,000	66,000
Newspaper, journals and magazine		4,260	15,022
Maintenance charges		841,223	-
Others		14,269	40,845
		<u>1,632,388</u>	<u>1,391,599</u>

16.1 This include Rs. 30,866 (2018: 55,524) in respect of staff retirement benefit.

2019 **2018**
-----Rupees-----

Note

17 CASH AND CASH EQUIVALENTS

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

Cash and bank balances		4,481,193	2,163,249
Short term investments realizable within three months	5	23,229,860	2,000,000
		<u>27,711,053</u>	<u>4,163,249</u>

18 OPERATING RESULTS BY ACTIVITIES

ACTIVITIES	Income	Expenditure	2019	2018
			Surplus / (deficit)	Surplus / (deficit)
			-----Rupees-----	
Member' programs	14,995,771	(12,552,091)	2,443,680	2,629,776
Social events	845,500	(4,271,177)	(3,425,677)	(1,425,566)
Students' Conference	-	-	-	(835,646)
Library operations	5,628	(1,632,388)	(1,626,760)	(1,384,757)
	<u>15,846,899</u>	<u>(18,455,656)</u>	<u>(2,608,757)</u>	<u>(1,016,192)</u>
Members subscription			3,445,964	3,246,138
Return on investments			1,346,744	1,321,142
Other income			2,400	2,150
			<u>4,795,108</u>	<u>4,569,430</u>
Other expenses			(2,595,389)	(1,837,706)
Deficit / surplus for the year			<u>(409,038)</u>	<u>1,715,533</u>

18.1 During the year, SRC has contributed Rs. Nil (2018: Rs. 835,646) to meet the deficit in respect of CASA Conference.

19 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Committee	Nature of Transactions	2019 -----Rupees-----	2018
Transactions during the year:			
Staff retirement benefit plans	Contribution paid to Provident fund	247,997	221,796
The Institute:	Reimbursement of expenses	443,000	3,580,084
Balances at year end:			
The Institute:	Receivable from the Institute	4,428,447	1,275,600
	Payable to the Institute	1,881,183	107,448

20 FINANCIAL INSTRUMENTS BY CATEGORY

20.1 Financial Instruments by category 2019

Financial Assets	Amortised Cost	FVOCI - equity instruments	Other financial liabilities	Total
Short term investments Debt securities	23,229,860	-	-	23,229,860
Loans, advances and other receivables	9,891,909	-	-	9,891,909
Profit receivable on bank deposit	26,513	-	-	26,513
Bank balances	4,454,353	-	-	4,454,353
				<u>37,602,635</u>
Financial Liabilities				
Creditors, accrued and other liabilities	-	-	9,148,993	<u>9,148,993</u>

Financial Instruments by category 2018

Financial Assets	Held to maturity	Available for sale	loans and receivables	Total
Long term investments Debt securities	16,640,678	-	-	16,640,678
Short term investments Debt securities	7,676,567	-	-	7,676,567
Loans, advances and other receivables	-	-	1,782,148	1,782,148
Bank balances	-	-	2,112,513	2,112,513
				<u>28,211,906</u>
Financial Liabilities				
Creditors, accrued and other liabilities carried at amortised cost	-	-	-	<u>478,402</u>

20.2 Classification and measurement of financial assets and financial liabilities

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

2019 Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Short term investments - Debt securities	Held to maturity	Amortised Cost	23,229,860	23,229,860
Loans, advances and other receivables	Loans & Receivables	Amortised Cost	9,891,909	9,891,909
Profit receivable on bank deposit	Held to maturity	Amortised Cost	26,513	26,513
Bank balances	Loans & Receivables	Amortised Cost	4,454,353	4,454,35
			<u>37,602,635</u>	<u>37,602,635</u>
2019 Financial Liabilities				
Creditors, accrued and other liabilities	Other financial liabilities	Other financial liabilities	<u>9,148,993</u>	<u>9,148,993</u>

21 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 and bank deposits.

21.1 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.

21.1.1 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.

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

	2019	2018
	-----Rupees-----	
Long term investments		16,640,678
Short term investments	23,229,860	7,676,567
Other receivables	3,087,513	506,548
Bank balances	4,454,353	2,112,513
	<u>30,771,726</u>	<u>26,936,306</u>

21.1.2 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.

Cash at bank, short-term investments and long-term investments

Rating*		
AA+	791,232	25,180,014
AA	26,892,981	1,249,745
	<u>27,684,213</u>	<u>26,429,759</u>

*Latest available rating assigned by JCR-VIS as at June 30, 2019.

21.1.3 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.

	Contractual cash flows	Six months or less ----- (Rupees) -----	Six to twelve months	Two to Five years
June 2019				
Non-Derivative Financial liabilities				
Creditors and other payables	9,148,993	9,148,993	-	-
	<u>9,148,993</u>	<u>9,148,993</u>	<u>-</u>	<u>-</u>
June 2018				
Non-Derivative Financial liabilities				
Creditors and other payables	309,190	309,190	-	-
	<u>309,190</u>	<u>309,190</u>	<u>-</u>	<u>-</u>

21.1.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Committee is exposed to interest rate risk only.

21.1.4.1 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 investments and saving account. 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. 238,158 (2018: 245,947).

21.1.4.2 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.

21.1.4.3 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.

21.1.5 Fair value measurement of financial instruments

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

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

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

Currently, there are no financial assets or liabilities measured at fair value in the financial statements which are classified under Level 1, 2 or 3.

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

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

Valuation techniques used to determine fair values

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

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

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

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year.

22 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and / or re-classified for the purpose of better presentation. Following major re-classification have been made during the period.

S. No.	From	To	Amount (Rs.)
Statement of comprehensive income			
1.	CASA conference (Classified as Expenditure)	Students' Conference (Classified as Income)	1,653,574
		Students' Conference (Classified as Expenditure)	2,489,220
2.	Operating expenses (Classified as Expenditure)	Other expenses (Classified as Expenditure)	1,759,845
3.	Annual general meeting expenses (Classified as Expenditure)	Other expenses (Classified as Expenditure)	22,860
4.	Audit fee (Classified as Expenditure)	Other expenses (Classified as Expenditure)	55,000

Further, cash flow statement has been prepared using the direct method for the current year. Figures have been re-arranged and / or re-classified, where appropriate.

23 NUMBER OF EMPLOYEES

There are 4 full time Institute's employees working for the Committee as at June 30, 2019 (2018: 4).

24 DATE OF AUTHORISATION

These financial statements have been authorised for issue on August 28, 2019 by the Southern Regional Committee.

25 GENERAL

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

**- Sd -
CHAIRMAN**

**- Sd -
HONOURARY SECRETARY**

Southern Regional Committee

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