

2022

Annual Report



Institute of Corporate Secretaries of Pakistan

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Vision Statement

Promotion of corporate culture in Pakistan for good governance, as envisaged in the civilized world through professional expertise in the field of corporate laws and secretarial practices.

Mission Statement

To examine, groom and promote high quality company secretaries and professionals in corporate sector who are able to meet the demands of present days and also to equip them with knowledge to face the futuristic challenges.

The Institute

The Institute of Corporate Secretaries of Pakistan (ICSP) was established in 1973 to develop and regulate the profession of company secretaries in Pakistan. The Institute was formed as a company limited by guarantee under the Companies Act 1913 which was later substituted by the Companies Ordinance, 1984 and recently was replaced by the Companies Act 2017.

The ICSP is functioning as a recognized professional body of corporate secretaries which is imparting professional education and prudence in the areas of secretarial practice. Besides, to equip its students with knowledge for meeting challenges of modern corporate and financial world, the ICSP is also giving commands in the subjects of corporate & business laws, corporate governance, accounting, human resource and information technology.

The Institute has three classes of membership; Licentiate, Associate and the Fellow. A person who asses final exam conducted by the Institute becomes entitled for basic cadre titled as Licentiate however, if, at that time he holds at least three years' working experience and also meets certain other requirements then he can directly be admitted as an Associate. The Licentiate, on acquiring three years' working experience and after meeting certain other requirements can apply for Associate membership. Whereas, after completion of five years' continuous period as associate and on meeting certain other requirements an Associate member can apply for Fellow membership of the Institute.

The affairs of the ICSP are run by a National Council comprised of 12 members who are elected by the members of the Institute through a defined election process. The National Council is assisted by a Branch Council known as Karachi Branch Council. The members of the National Council are elected for three years whereas members of Karachi Branch Council are elected for a period of one year only.

Every year, members of the National Council elect amongst themselves five office bearer; a President, two Vice Presidents, a Secretary and a Treasurer. The day to day matters are administered through the Secretariat which is supervised by the office bearers.

Auditors	M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants, 1st Floor, Modern Motors House, Beaumont Road, Karachi-75530
Bankers	MCB Islamic Bank Limited, Allied Bank Limited, Bank AL-Habib Limited Faysal Bank Limited, Meezan Bank Limited, Bank Islami Pakistan Limited
Registered Office	683-C, Allama Iqbal Road, Block 2, PECHS, Karachi, Pakistan. Ph # 021-34394646-47
Email	info@icsp.org.pk (for general queries) students@icsp.org.pk (for students related matters) members@icsp.org.pk (for members related matters)
Website	http://www.icsp.org.pk

The Council

President	Mr. Mohammed Zaki	FCIS, FCA, FPFA
Past President	Syed Shakeel Ur Rehman	FCIS, FCA, FPFA
Vice President	Mr. Abdul Rehman	FCIS, FCMA
Vice President	Mr. Muhammad Ahmed	FCIS
Secretary	Syed Maqsood Ahmad	FCIS, MA (Eco), LLB
Treasurer	Mr. Salman Ahmed	FCIS, FCA, CIA, CISA
Members	Mr. Zafar Mumtaz Burney Mr. S. Shamim Akhtar Mr. Saquib Jawed Mr. Muhammad Javed Ansari Mr. Nadeem Akhtar Mr. Tahir Mehmood Ms. Nusrat Latif	FCIS, FCMA, FPFA FCIS, FPFA, LLB FCIS, FPFA FCIS, FCMA, FPFA FCIS, FCMA FCIS, LLB FCIS, LLB



The Council Profile

Mr Mohammed Zaki

——— PRESIDENT ———



Mr. Mohammed Zaki is currently serving the Institute as the President. He has also served the institute as the President in two previous terms, during the period from 2016 to 2017 and from 2018 to 2019. He became fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) in 1994 and he is also fellow member of the Pakistan Institute of public Finance Accountants (PIPFA) and the Institute of Chartered Accountants of Pakistan (ICAP). He is a dynamic and well known professional. He has over 39 years diversified experience in the fields of accounting, auditing, general management strategy & financial planning, people's management and corporate affairs. He worked for the leading multinational and national companies of the country. Since 1994, he is engaged with Interflow group of companies. At present he is serving this group as Group Director Finance.

The Council Profile

Syed Shakeel ur Rehman

— PAST PRESIDENT —



Syed Shakeel-ur-Rehman is the past president of the Institute of Corporate Secretaries of Pakistan (ICSP). He became member of the Institute in the year 1993 and Serving the Institute's Councils since last 24 years. He is a meticulous professional and is familiar among the professionals for his introspective and prudent approach and excellent leadership qualities. He has a diversified professional experience of over 34 years in the field of financial services, accounting, audit, business consultancy and taxation. During his professional career, he served various organizations at senior management positions and his last employment was as chief operating officer of a financial institution. He also represented the ICSP on the Board of Pakistan Institute of Corporate Governance as a director. Since 18 years, he is running a Chartered Accountant firm as proprietor.

THE COUNCIL PROFILE



Mr. Abdul Rehman is currently serving the Institute as Vice President and Chairman Examination & Education Committee. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and a fellow member of the Institute of Cost and Management Accountant of Pakistan. He has over 32 years rich experience in the fields of financial management, financial and cost accounting, budgeting, corporate finance, taxation, secretarial matters, project management and Internal Audit. His exposure encompasses the manufacturing, trading and service sectors, mainly automotive, engineering, Leasing, Modaraba. Real Estate and modern chain of stores. He has worked in his professional career at senior management positions as CFO GM Finance, Company Secretary, GM Projects, Chief Internal, Auditor and Business Analyst, GM Real Estate and Corporate Affairs. Presently, he is engaged in providing selective corporate advisory and management consulting services.

Mr. Abdul Rehman
Vice President

Mr Muhammad Ahmed is a fellow member of the Institute of Corporate Secretaries of Pakistan. He is serving the National Council of ICSP since many years. At present he is the Vice President of the ICSP He has a vast experience of corporate and consumer financing with different financial organizations. He worked at senior positions at leasing financial institution. After acquiring rich experience of 21 years .He established his own financial consultancy & construction business. Before electing as member of the National Council, he has also served the ICSP as a member of Karachi Branch Council for about six years.



Mr. Muhammad Ahmed
Vice President

THE COUNCIL PROFILE



Syed Maqsood Ahmad is a fellow member of the Institute of Corporate Secretaries of Pakistan. He became the member of the Institute in the year 1999. He is serving the Institute since many years and at present, he is serving as secretary. By profession, he is a Lawyer and is the member of the Sindh Bar Council, Karachi Bar Association and Sindh High Court Bar Association. He has worked in different senior management positions with reputable national and multinational organizations. He has served ICSP as deputy chairman of Branch Council and member of the National Council. He has established a law firm and providing legal, Corporate, IPR and Allied services.

Syed Maqsood Ahmad
Secretary

Mr. Salman Ahmed is the fellow member of the Institute and has been serving it in different capacities since many years. He became member of the Institute in the year 2001. In 2012, he was elected as a member Karachi Branch Council and since 2015 he has been a member of the National Council. In 2017, he was also entrusted with the responsibility of the Institute's accounting & financial reporting function, as its treasurer. He is also a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP), a Certified Information Systems Auditor (CISA) and a Certified Internal Auditor (CIA). He has been serving the corporate sector for almost two decades in the fields of accounting, finance, audit, MIS and corporate affairs. His professional experience encircles different listed, unlisted, multinational and local companies operating in Textile, Leasing, Packaging, Engineering and Retail sectors, presently, he is associated with a large scale company, operating in steel & alloy sector.



Mr. Salman Ahmed
Treasurer

THE COUNCIL PROFILE

Zafar Mumtaz Burney Became member of the Institute in the year 1992. He holds the Fellow membership of ICSP, ICMAP, & PIPFA. His working experience of over 40 years include exposure of legal affairs, banking operation, audit and accounts. He has worked in Allied Bank Ltd. And NDFC, leading bank and DFI, respectively of the country. Presently he is working with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants in the capacity of Director, Audit & Assurance.



Mr. Zafar Mumtaz Burney
Member

S. Shamim Akhter is the member of the Institute of Corporate Secretaries of Pakistan (ICSP)_ He has served the Institute in the capacity of Secretary for many years and presently, he is a member of National Council, He has also been a member and chairman of the Karachi Branch Council of the Institute during 2001-2014. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and Fellow member of the Pakistan Institute of public Finance Accountants (PIPFA). S. Shamim Akhter is a bachelor of law and a member of Sindh and Karachi Bar Councils. He has over 30 years' experience in the field of corporate laws, finance, accounting, tax and auditing. After serving a reputable firm of Chartered Accountants in the capacity of Audit Manager for 20 year, he has established his own consulting firm.



Mr. Shamim Akhter
Member

THE COUNCIL PROFILE



Mr. Saquib Jawed is serving the Council since many years. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and a fellow member of Pakistan Institute of Public Finance Accountants (PIPFA). He has also served the ICSP as Chairman Karachi Branch Council. He is a hardworking professional and during his professional career, he had worked for different renowned organizations in various capacities engaged in the fields Of textiles, pharmaceutical, trading, duty free shops etc. He has a vast experience in the fields of finance, taxation, auditing and accounting. At present, he is working for a media group i.e as Chief Financial Officer.

Mr. Saquib Jawed

Member

Mr. Muhammad Javed Ansari is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP). He is a fellow member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) and fellow member of the Pakistan Institute of Public Finance Accountants (PIPFA). He has diversified professional experience of over 19 years in the fields of secretarial practice, finance/accounts, audit and taxation. During his professional career, he served various organization at middle management to senior management positions. Presently, he is serving as Company Secretary in PNSC, a public sector organization. He is serving the Institute since many years as a member of the National Council and prior to that he served as Secretar y Of Karachi branch council.



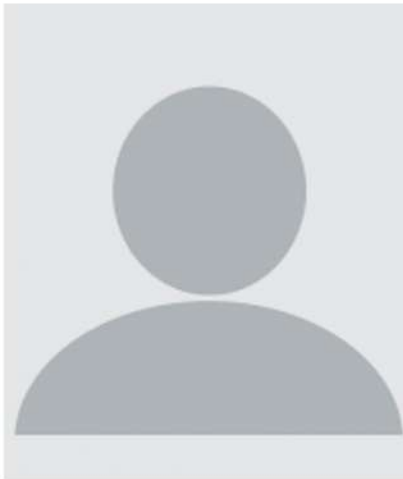
Mr. Muhammad Javed Ansari
Member



Mr. Nadeem Akhter is a fellow member of the Institute of Cost & Management Accountants of Pakistan and fellow member of the Institute of Corporate Secretaries of Pakistan. He served for more than 17 years on senior positions in various multinational and national organisations including rich experience of almost eight years in insurance industry. He is serving the Institute since many years as a member Of the National Council.

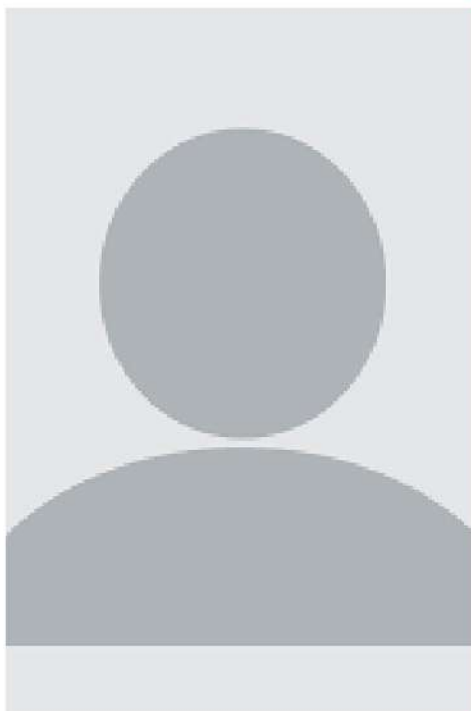
Mr. Nadeem Akhter
Member

THE COUNCIL PROFILE



Mr. Tahir Mehmood is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) since 2012. Before elected as National Council member, he has also served as Member of the Karachi Branch Council of ICSP. He is a fellow member of Institute of Chartered Secretary & Managers and Member of Institute of Certified Internal Control Auditor. Academically, he is having Master Degree in Commerce and LLB in Law. He has diversified professional experience of over 20 years in the field of secretarial practice and legal consultancy. During his professional career, he has served various organization at middle management to senior management positions. Presently he is serving as Company Secretary BRR Guardian Modaraba managed by BRR Investments (Private) Limited, listed on Karachi Stock Exchange in Pakistan.

Mr. Tahir Mehmood
Member



Ms. Nusrat Latif is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) since 2016. Before elected as National Council member, she has also been serving as Member of the Karachi Branch Council of ICSP in 2015. She has academic qualification with B.COM, M. A. Economics and LLB and has diversified professional experience of over 12 years in the field of corporate advisory and secretarial practice. She is associated with Moore Shekha Mufti, Chartered Accountants in its Corporate Advisor Services Segment since April 2009 till date. Presently, she is serving as Executive Director Corporate Advisory Services in Moore Shekha Mufti, Chartered Accountants.

Ms. Nusrat Latif
Member

Notice of Annual General Meeting

The 48th Annual General Meeting of The Institute of Corporate Secretaries of Pakistan will be held at Registered office at 683-C, Allama Iqbal Road, Block 2, PECHS, Karachi, Pakistan on Friday, October 28, 2022 at 6:30 PM.

AGENDA

1. To confirm the minutes of the 47th Annual General Meeting held on October 28th, 2021.
2. To review & adopt the Annual Report of the Council and Audited Financial Statements of the Institute along with Auditors' Report for the year ended 30th June 2022.
3. To appoint the auditors for the next year, i.e. 2022-23. Being eligible, the present auditors, viz M/s. Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants have consented to be appointed for the next term.
4. To elect 05 members of Karachi Branch Council for one year.
5. Any other business with the permission of the Chair.

By Order of the Council



Syed Maqsood Ahmad
Secretary

Karachi:
September 27, 2022

Note:

Only those members, whose annual subscription for 2022 - 23 is paid by October 20th, 2022, shall be eligible to contest and vote. Members, who seek to contest the election, may file their nomination papers at Registered Office of the Institute on or before October 24, 2022 up to 4:00 pm (Format of nomination paper is enclosed). Voting shall be in person and Licentiate members are not eligible to contest or vote

Schedule for election of Karachi Branch Council

S. No.	Task	Target Date
1	List of members open for inspection.	24-10-2022 (between 10:00-12:30 pm)
2	Last date for filing of nomination papers	24-10-2022 (till 4:00 pm)
3	Scrutiny of nomination papers in presence of candidates at the Registered Office of the Institute.	25-10-2022 (between 04:00-06:00 pm)
4	Filing of appeals, if any, against the rejection of nomination papers.	27-10-2022 (between 10:00 am to 1:00 pm)
5	Election Commissioner to hear the appeals and announce the final list of the candidates.	28-10-2022
6	AGM	28-10-2022
7	Election of Karachi Branch Council	END OF AGM

Note:

- At the time of filing of nomination paper, the members contesting for Karachi Branch Council shall pay a fee of Rs. 500.
- Only those Members, whose annual subscription for 2022-2023 is paid by October 20, 2022 shall be eligible to contest or cast votes.

Nomination Form

The Secretary,
The Institute of Corporate Secretaries of
Pakistan 683-C, Allama Iqbal Road,
Block 2, PECHS,
Karachi.

Dear Sir,

I hereby propose Mr./Ms./Mrs. _____ S/o. D/o W/o. _____ a
member of the Institute of Corporate Secretaries of Pakistan (Membership No. _____) for
the forth coming election of the Karachi Branch Council scheduled to be held on October
28, 2022

Signature _____

Name: _____

Membership No: _____

Dated: _____

I _____ S/o.D/o.W/o. _____ a
member of the Institute of Corporate Secretaries of Pakistan (Membership No. _____)
hereby second the above proposal.

Signature _____

Name: _____

Membership No: _____

Dated: _____

I _____ S/o.D/o.W/o. _____
(Membership No. _____) hereby give my consent to contest as a candidate for the
above election.

Signature _____

Dated: _____.

This nomination form should reach to the above address on or before October 24, 2022 (at
the latest 4pm) in the sealed envelope marked as: NOMINATION PAPER FOR KARACHI
BRANCH COUNCIL'S ELECTION.

Undertaking

(By the Candidate)

I _____ Membership
No. _____ a candidate for the election of Karachi Branch Council
hereby undertake on oath that I will abide by the election rules of the Institute of
Corporate Secretaries of Pakistan and the directives of the Council on election in the
letter and spirit, particularly the following:

- i) I will refrain from canvassing in any form or shape directly or indirectly through any person including friend(s), relative(s), supporter(s) and agent(s)
- ii) I will neither form group nor panel overtly or covertly on any basis nor will be a member of such group or panel.
- iii) I will not influence any member to vote for me or any other candidate through pamphlet(s), brochure(s), card(s) or by other means of communication.

Signature _____

Date of Membership _____

CNIC _____

Email address _____

Phone/Cell Nos. _____

President's Review

It gives me pleasure to review the year 2022. First of all, I am thankful to Allah Almighty for providing me the opportunity to serve in this capacity and thereafter indeed obliged to the members of National Council of the Institute for their appreciation and trust. Right from the beginning of my tenure, we have faced numerous challenges couples of which were daunting in nature for the operational performance. This scenario compelled us to take extra remedial measures to overcome the colossal effect of those challenges



As compared to the last year, the secretariat performance is improving on fast track. So we hope to see activities taking place at a faster pace in the coming year. The interaction with the members has substantially increased while responses from new students have also increased. During this tenure of the present Council, we have been regularly conducting various activities to attract students. However, it was a challenge for us as our competitors, being resourceful through allocating huge budgets, were using modern and expensive marketing techniques.

We have envisioned that our profession and qualification should be widely recognized locally and internationally. We are pleased to mention that the Securities and Exchange Commission of Pakistan, Pakistan Institute of Corporate Governance and other reputable institutions have recognized the Institute. We are already in close contact with international institutes of company secretarial profession. This will allow institutes to recognize each other's members and make lots of exemptions available to students on equivalent basis. We, as the council, have reinstituted the paperwork for the institute to become an autonomous body. It will take a long way but we have initiated the work. Although we have succeeded in achieving more than what we have in the past, but having a greater enrolment rate is still a dream. I know that to accomplish great things, we must not only act, but also dream; not only plan, but also believe and therefore, I believe that soon our dreams will come true and with the grace of Almighty, we will be having registrations and other matters just as planned strategically.

It is an accepted fact that in today's fast paced and constantly changing global environment, only those organizations endure and grow which not only keep on moving forward but transform, adapt and evolve proactively in line with modern technological and professional global trends. The institute's branding and recognition initiatives remained the foremost priority in order to create an impact both locally and globally. ICSP shall continue to focus on effective implementation of marketing strategies for its stakeholders by employing various marketing techniques such as active presence of ICSP on the Internet and through presentations to various institutions.

Looking forward, I found our Institute becoming the only authorized and recognized body producing potential company secretaries in Pakistan.

I, hereby, would like to conclude my review and impart future outlined plans that will solidify the pillars of our forward-thinking strategy which is focused on institutional excellence, attracting students for attaining a successful career and adding great value-based services to the Corporate Sector. May Allah provide us with the wisdom needed to realize our collective vision.

In the end I reiterate our affirm that our Institute InshaAllah should become one of the best Institute to solve developing and promoting company secretaries profession in the country and also a bench mark for Good Corporate Governance.

I would like to place my thanks to all the staff members for their hard work and dedication.



Mohammed Zaki

President

September 27, 2022

Report of the Council

The Council of the Institute of Corporate Secretaries of Pakistan takes pleasure in presenting its 48th Annual Report along with Audited Financial Statements of the Institute for the year ended June 30, 2022.

GOVERNANCE

As per consistent practice and in accordance with the provisions of clause 26 of the Article of Association of the Institute, the council is composed of twelve elected members, which runs the day to day affairs through five office bearers elected by them for each year.



Office Bearers

The five-office bearers for the year are as under: -

- | | | |
|----|--------------------|------------------|
| 1. | Mr. Mohammed Zaki | (President) |
| 2. | Mr. Abdul Rehman | (Vice President) |
| 3. | Mr. Muhammad Ahmed | (Vice President) |
| 4. | Syed Maqsood Ahmed | (Secretary) |
| 5. | Mr. Salman Ahmed | (Treasurer) |

Karachi Branch Council

For the year required nomination were not received for forming the Karachi Branch Council hence, the Karachi Branch Council was not in placed.

STANDING AND OTHER COMMITTEES

The following Committees were constituted for the year. The name of chairman of each Committee is mentioned against each:

Name of committee	Chairman
1. Executive Committee	Mr. Mohammed Zaki
2. Examination and Education Committee	Mr. AbdulRehman
3. Audit Committee	Mr. Tahir Mehmood
4. Seminar & Publication Committee	Ms. Nusrat Latif
5. Building Committee	Syed Shakeel –Ur-Rehman

STATISTICS OF THE COUNCIL MEETINGS

During the period from July 2021 till June 2022, seven meetings of the National Council were held which have following statistics.

NAME	DESIGNATION	MEETING HELD	MEETING ATTENDED
Mr. Mohammed Zaki	President	7	7
Syed Shakeel-Ur-Rehman	Past President	7	6
Mr. Abdul Rehman	Vice President	7	5
Mr. Muhammad Ahmed	Vice President	7	6
Syed Maqsood Ahmed	Secretary	7	6
Mr. Salman Ahmed	Treasurer	7	3
Mr. Zafar M. Burney	Member	7	5
S. Shamim Akhter	Member	7	3
Mr. Saquib Jawed	Member	7	0
Mr. Muhammad Javed Ansari	Member	7	3
Mr. Nadeem Akhtar	Member	7	6
Mr. Tahir Mehmood	Member	7	5
Ms Nusrat Latif	Member	7	1

EDUCATION AND EXAMINATION

The Institute is primarily focused for providing Company Secretaries in the country who act as a back bone in bringing the excellence and good governance in Corporate Sector.

Every year examinations of the Institute are conducted in the month of Jan and July simultaneously in Karachi, Lahore and Islamabad.

There passing ratio of part or final qualified has also been observed very low due to high rate of absentees. However, it is important to mention that our focus has been on quality rather than increasing the strength of students and qualified.

The applicability of Corporate Governance regulations coupled with good practices is indispensable for the development for the secretarial profession in Pakistan.

Besides, for those companies where Corporate Governance is not applicable by law, jobs for Company Secretaries are not created rather they are shared as an additional responsibility with finance. The following students were declared passed in final examination during year 2021-22, as stated below.

1 –Syed Farhan Hassan
2 – Zahid Rasool
3 – Salman Akber
4 – Saad Manzoor Bhatti

MEMBERSHIP

The qualified members of the Institute is standing with a total strength of 1035 members, which includes 49 licentiates, 590 associate and 395 fellow members.

JOB PLACEMENT ACTIVITIES

This activity to help our students and our members seeking job and companies looking for professionals has been remained has very low rather stagnant.

ACKNOWLEDGEMENTS

The Council sincerely express its appreciation to its all members especially those who have served in any capacity or contributed in any activity of the Institute. The Council would also like to thank the Securities & Exchange Commission of Pakistan for its continued support.

The Council is also thankful to the Institute of Cost and Management Accountants of Pakistan for its continued support and providing facilities to hold examinations in Lahore and Islamabad. The Council also appreciates the support and guidance of the past presidents for the active role guidance and support. The Council also expresses its appreciation to the staff of the Institute for their hard work and dedication.

By the order of the Council



Syed Maqsood Ahmad

Secretary

Karachi
September 27th, 2022

New Associate Members

The Following member was admitted as Associate Member during 2021-2022

Habibullah

A-916

National Transmission Despatch
Co



Fatima

A-917

Oxford University Press
Financial Analyst

Usman Ahmed

A-918

PKLI
Company Secretary



New Associate Members

The Following members were admitted as Associate Members during
2021-2022



Mohammed Naseer

A-919

**Expeditors Intl Pakistan
Ltd**

Manager Accounting

Darakshan

A-920

PPAF

General Manager



Rashid Mohiuddin

A-921

**Pakistan Stock Exchange
Ltd**

Senior Manager

Muhammad Tasawar

A-922

**BHB Chartered Certified
Accountant**

Senior Manager Advisory



Adnan Ullah Khan

A-923

**Atlantic Pharmaceutical
Laboratories**

Manager Finance

**Muhammad Kashif
Fazlani**

A-923

**Pakistan National
Shipping**

D.M Corporate Affairs



Financial Statements



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF CORPORATE SECRETARIES OF PAKISTAN

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The Institute of Corporate Secretaries of Pakistan** (the Institute), which comprise the statement of financial position as at June 30, 2022, and the statement of comprehensive income, the statement of cash flows, the statement of changes in fund, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of cash flows and the statement of changes in fund together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2022 and of the surplus for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Councils' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



With the Financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Council for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Council are responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

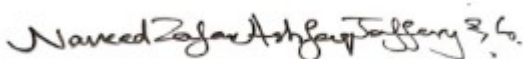
We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Institute's business;
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H Siddiqui - FCA**



Chartered Accountants

Karachi:

Dated: 04-10-2022

UDIN AR2022102327DKgqdIPBk

The Institute of Corporate Secretaries of Pakistan
Statement of Financial Position
As at June 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	5,700,358	5,962,807
Investment property	5	2,002,100	2,296,242
Long term deposits	6	10,000	10,000
		7,712,458	8,269,049
CURRENT ASSETS			
Advances, prepayments and other receivables	7	12,552,479	13,085,704
Short term investments	8	84,000,000	60,000,000
Cash and bank balances	9	6,918,654	9,396,773
		103,471,133	82,482,477
TOTAL ASSETS		111,183,591	90,751,526
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred liability - gratuity		331,949	515,282
Long term deposit	10	5,400,000	5,400,000
CURRENT LIABILITIES			
Accrued expenses		349,672	219,472
Advances, deposits and other payables	11	1,054,450	1,054,450
		1,404,122	1,273,922
TOTAL LIABILITIES		7,136,071	7,189,204
NET ASSETS		104,047,520	83,562,322
FINANCED BY			
General fund	12	103,938,220	83,453,022
Other funds	13	109,300	109,300
		104,047,520	83,562,322
CONTINGENCIES AND COMMITMENTS	14	-	-

The annexed notes from 1 to 23 form an integral part of these financial statements.



President



Treasurer



vice President

The Institute of Corporate Secretaries of Pakistan
Statement of Comprehensive Income
For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
REVENUE			
Subscriptions and fees	15	813,750	1,105,371
Rental income		18,698,022	16,866,432
Return on investments and accounts	16	5,328,882	3,689,017
Other income	17	25,300	159,555
		24,865,954	21,820,375
EXPENDITURE			
Salaries, allowances and benefits	18	2,474,600	1,984,267
Printing, stationery and publications		73,790	46,119
Depreciation on fixed assets	4.1	328,047	342,929
Utilities		126,758	74,384
Repairs and maintenance		28,070	28,815
Examination expenses		186,900	87,700
Communication, postage and periodicals		286,634	234,242
Depreciation on investment property	5.1	294,142	294,142
Legal and professional fees		60,000	60,000
Audit fee		43,200	43,200
Subscriptions and fees		157,500	164,915
Travelling and conveyance		27,119	26,510
Rent, rates and taxes		87,000	87,000
Other expenditure	19	206,996	130,938
		4,380,756	3,605,161
Excess of revenue over expenditure for the year		20,485,198	18,215,214
Other comprehensive income		-	-
Total comprehensive income for the year transferred to General Fund.		20,485,198	18,215,214

The annexed notes from 1 to 23 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Statment of Cash Flows
For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue over expenditure		20,485,198	18,215,214
Adjustments for non cash charges:			
Depreciation on fixed assets	4.1	328,047	342,929
Depreciation on investment property	5.1	294,142	294,142
Retirement benefits		66,667	89,250
Cash flow from operating activities before working capital changes		21,174,054	18,941,535
Working capital changes			
decrease/ (Increase) in current assets			
Advances, prepayments and other receivables		533,227	(8,731,849)
Increase /(Decrease) in accrued expenses		130,200	87,000
Advances, deposits and other payables		-	(1,500)
		663,427	(8,646,349)
Retirement benefits paid		(250,000)	(30,500)
Net cash generated from operating activities		21,587,481	10,264,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(65,600)	
Net cash (used in) investing activities		(65,600)	-
Net increase in cash and cash equivalents		21,521,881	10,264,686
Cash and cash equivalents at the beginning of the year		69,396,773	59,132,087
Cash and cash equivalents at the end of the year	20	90,918,654	69,396,773

The annexed notes from 1 to 23 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Statement of Changes in Fund
For the year ended June 30, 2022

	General Fund Rupees	Other Funds Rupees	Total Rupees
Balance as on July 1, 2020	65,237,808	109,300	65,347,108
Excess of revenue over expenditure for the year ended June 30, 2021	18,215,214	-	18,215,214
Balance as on June 30, 2021	<u>83,453,022</u>	<u>109,300</u>	<u>83,562,322</u>
Excess of revenue over expenditure for the year ended June 30, 2022	20,485,198	-	20,485,198
Balance as on June 30, 2022	<u><u>103,938,220</u></u>	<u><u>109,300</u></u>	<u><u>104,047,520</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Notes to the Financial Statements
For the year ended June 30, 2022

1 STATUS AND ACTIVITIES

The Institute of Corporate Secretaries of Pakistan ("the Institute") is a company limited by Guarantee, incorporated in 1973 in Karachi under the Companies Act, 1913 (now Companies Act, 2017). The principal activity of the Institute is the promotion and education of company secretaries and administrators in the country. The registered office of the Institute is located at 683-C, Allama Iqbal Road, Block 2, PECHS, Karachi-75400.

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 such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified under the Companies Act 2017 (the Act) by SECP and the requirements of the Fifth schedule of the Companies Act 2017. Whenever, the requirements of the Act or directives issued by SECP differs with the requirement of IFRS, the requirements of the Act or the directives will prevail.

After due consideration of the available choices in the selection of an appropriate accounting & reporting framework, as provided through notification SRO 1092 (I)/ 2018 dated September 03, 2018, the Council of the Institute has preferred and formally adopted the International Financial Reporting Standards as notified under the Companies Act 2017 by SECP over the other alternates, which are the IFRS for SME issued by the International Accounting Standards Board and the Accounting Standards for Non Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 New and amended standards and interpretations

Standards, amendments to approved accounting standards effective in current year

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 01, 2021. These are considered either to not be relevant or not to have any significant impact on the Company's financial statements.

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

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and have not been early adopted by the Company and therefore, have not been presented here.

2.3 BASIS OF MEASUREMENT

2.3.1 Accounting convention

These financial statements are prepared under historical cost basis.

2.3.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the Institute's functional currency. All financial information presented in Pakistan Rupee has been rounded off to the nearest Rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are

recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21 to these financial statements.

Significant assumptions or judgements used in preparation of these financial statements are in respect of areas/ policies disclosed in note 3 below.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The institute operates an unfunded Gratuity scheme for all its eligible employees. The employees become eligible to gratuity entitlement after having rendered more than two years of their employment service to the Institute. The gratuity entitlement is equivalent to twenty days gross salary for each completed year of service, after initial completion of two years' service.

3.2 Property and equipment

- Operating fixed assets except capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress are stated at cost accumulated to the balance sheet date. Cost of leasehold land is not amortized since the lease is renewable at nominal price at the option of the lessee.
- Depreciation is charged to income on reducing balance method at the rates indicated in note 4.1 of the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.
- Normal repairs and maintenance are charged to Statement of comprehensive income as incurred.
- Residual values, if not insignificant are reassessed annually.
- Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.
- Gains or losses on sale of fixed assets are included in income currently.

3.2.1 Right -of-use asset

Effective July 1, 2019, the right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets.

3.3 Investment properties

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The depreciation is charged to the statement of profit and loss applying the straight line method at the rate specified in note 6.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on deletion upto the month immediately preceding the deletions.

Repairs and maintenance are charged to the statement of profit and loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, If any, are retired. Gain or loss on disposals is taken to the statement of profit or loss for the year.

3.4 Revenue recognition

- Income from examination fees, seminars and magazine publications is recognized on accrual basis.
- Income from subscription is recognized on receipt of subscription on a prudence basis and donation is recognized on receipt basis.
- Interest on PLS Saving account is recognized on time proportion basis taking into account applicable rate of return.
- Rental income from property is recognized in revenue and expenditure account on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of total rental income, over the term of the lease. It also include the value received on account of utilization of facilities.

3.5 Receivables

These are stated at cost less impairment losses, if any. Balances, which are considered irrecoverable, are written off.

3.6 Payables

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

3.7 Borrowings

Borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

3.8 Borrowing costs

All mark-up, interest and other related charges are taken to the revenue and expenditure account currently.

3.9 Financial assets

3.9.1 Classification and initial measurement

The Company classifies its financial assets in the following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

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

- (b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) *Financial assets at FVTPL*

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

Such financial assets are initially measured at fair value.

3.9.2 Subsequent measurement

(a) *Financial assets measured at amortized cost*

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) *Financial assets at FVOCI*

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

3.9.3 Impairment

The carrying value of the Institute's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized if carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the revenue and expenditure account.

3.9.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

3.10 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.11 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3.12 Long term deposits

These are stated at cost which represents the fair value of consideration given.

3.13 Provisions

Provisions are recognized when the institute 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 of the amount of the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with the banks and certificate of investment with maturity of three months or less.

3.15 Offsetting

A financial asset and a financial liability are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to set off the recognized amounts and the Institute intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

		Note	2022 Rupees	2021 Rupees
4	PROPERTY AND EQUIPMENT	4.1	5,700,358	5,962,805

4.1

2022											
Particulars	Cost					Depreciation				Net book value as at June 30, 2022	Rate
	As at July 01, 2021	Additions	Transfers	Disposals	As at June 30, 2022	As at July 01, 2021	For the year	On disposal	As at June 30, 2022		
Owned											
Building at PECHS	10,865,400	-	-	-	10,865,400	5,287,733	278,883	-	5,566,616	5,298,784	5%
Furniture and fixtures	370,652	-	-	-	370,652	288,189	8,246	-	296,435	74,217	10%
Office equipments	195,181	14,600	-	-	209,781	55,479	14,714	-	70,193	139,588	10%
Library books	73,452	-	-	-	73,452	70,674	556	-	71,230	2,222	20%
Computers	343,805	51,000	-	-	394,805	299,390	14,058	-	313,448	81,357	20%
Fax machine	11,000	-	-	-	11,000	10,874	25	-	10,899	101	20%
Electrical equipment	164,916	-	-	-	164,916	107,353	5,756	-	113,109	51,807	10%
CCTV Camera	92,131	-	-	-	92,131	35,359	5,677	-	41,036	51,095	10%
Franking machine	28,000	-	-	-	28,000	26,681	132	-	26,813	1,187	10%
2022	12,144,537	65,600	-	-	12,210,137	6,181,732	328,047	-	6,509,779	5,700,358	
2021											
Particulars	Cost					Depreciation				Net book value as at June 30, 2021	Rate
	As at July 01, 2020	Additions	Transfers	Disposals	As at June 30, 2021	As at July 01, 2020	For the year	On disposal	As at June 30, 2021		
Owned											
Building at PECHS	10,865,400	-	-	-	10,865,400	4,994,172	293,561	-	5,287,733	5,577,667	5%
Furniture and fixture	370,652	-	-	-	370,652	279,026	9,163	-	288,189	82,463	10%
Office equipment	195,181	-	-	-	195,181	39,956	15,523	-	55,479	139,702	10%
Library books	73,452	-	-	-	73,452	69,979	695	-	70,674	2,778	20%
Computers	343,805	-	-	-	343,805	288,286	11,104	-	299,390	44,415	20%
Fax machine	11,000	-	-	-	11,000	10,842	32	-	10,874	126	20%
Electrical equipment	164,916	-	-	-	164,916	100,957	6,396	-	107,353	57,563	10%
CCTV camera	92,131	-	-	-	92,131	29,051	6,308	-	35,359	56,772	10%
Franking machine	28,000	-	-	-	28,000	26,534	147	-	26,681	1,319	10%
2021	12,144,537	-	-	-	12,144,537	5,838,803	342,929	-	6,181,732	5,962,805	
2020	12,126,233	18,304	-	-	12,144,537	5,473,297	365,506	-	5,838,803	6,305,734	

		Note	2022 Rupees	2021 Rupees
5	INVESTMENT PROPERTY	5.1	2,002,100	2,296,242

5.1

Particulars	Cost					Depreciation					Net book value as at June 30, 2022	Rate
	As at July 01, 2021	Additions	Transfers	Disposals	As at June 30, 2022	As at July 01, 2021	For the year	Transfers	On disposal	As at June 30, 2022		
Investment property												
Land-leasehold	33,000	-	-	-	33,000	-	-	-	-	-	33,000	0%
Building on lease hold land	5,882,830	-	-	-	5,882,830	3,619,588	294,142	-	-	3,913,730	1,969,100	5%
2022	5,915,830	-	-	-	5,915,830	3,619,588	294,142	-	-	3,913,730	2,002,100	
2021	5,915,830	-	-	-	5,915,830	3,325,446	294,142	-	-	3,619,588	2,296,242	

5.2 Leasehold land represents an amenity plot situated at Block 1, KDA Scheme 5, Clifton, Karachi and the building thereon represents ground plus one floor. Both land and building, having a total carrying value of Rs. 2,002,100 (2021: Rs. 2,296,242), are in the name of M/s Memon Welfare Society.

5.3 The valuation of property was carried out by a professional firm of surveyors and valuers. As per their report dated June 29, 2022, the fair value and forced sales value of the property were Rs. 473,118,000/- and Rs.378,495,000/- respectively.

5.4 Particulars of Immovable investment property:

Particulars	Location	Total Area / Covered Area
Leasehold land	Plot No.ST-8/D, main Shahrah-e-Bedil Block-I, Clifton, Karachi	1,098 Square Yard
Building on leasehold land	Plot No.ST-8/D, main Shahrah-e-Bedil Block-I, Clifton, Karachi	12,653 Square Feet

There has been no material change in the valuation of properties as internally assessed by management of the Institute.

	Note	2022 Rupees	2021 Rupees
6 LONG TERM DEPOSIT			
Long term security deposit		10,000	10,000
6.1	This represents the security deposits of PTCL telephone lines in use of the Institute. The amount was deposited through demand		
7 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advance income tax		2,457,148	1,926,996
Security deposit		6,000	6,000
Prepayments		60,469	32,645
Rent receivable		8,997,354	10,876,832
Mark-up receivable		968,277	180,000
Other receivables		63,231	63,231
		12,552,479	13,085,704
8 SHORT TERM INVESTMENT			
Certificates of investment	8.1	84,000,000	60,000,000
		84,000,000	60,000,000
8.1	This represents amount invested in certificates of investment for a period of three months. The average return on this investment is 7% p.a. (2021 : 8% p.a).		
9 CASH AND BANK BALANCES			
Cash in hand		19,835	22,723
Cash at banks -in current account		3,157,921	594,530
Cash at banks -in saving account		3,740,898	8,779,520
		6,918,654	9,396,773
9.1	The rate of return on saving account ranges from 4.0% to 5.0% p.a. (2021 : from 4.0% to 5.0% p.a)		
10 LONG TERM DEPOSIT	10.1	5,400,000	5,400,000
10.1	This represents security deposit received from a tenant on account of premises rented out for five years.		
11 ADVANCES, DEPOSITS AND OTHER PAYABLES			
Deposit	11.1	900,000	900,000
Examination fee		29,050	29,050
Subscriptions and fees		125,400	125,400
		1,054,450	1,054,450
11.1	This represents security deposit received from an Ex-tenant on account of premises rented out.		
12 GENERAL FUND			
Balance brought forward		83,453,022	65,237,808
Surplus for the year		20,485,198	18,215,214
		103,938,220	83,453,022

		Note	2022 Rupees	2021 Rupees
13	OTHER FUNDS			
	Rao N.S. Khan Medal Fund		84,300	84,300
	Benevolent fund		25,000	25,000
			109,300	109,300
14	CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments as at June 30, 2022 (2021: Nil)			
15	SUBSCRIPTIONS AND FEES			
	Members' registration fees		23,000	17,000
	Members' annual subscriptions		318,950	515,971
	Students' registration fees		37,000	56,000
	Students' annual subscriptions		46,900	48,100
	Examination fees		183,600	213,100
	Exemption fees		204,300	255,200
			813,750	1,105,371
16	RETURN ON INVESTMENT			
	Profit on certificates of investment		5,265,905	3,622,909
	Profit on savings accounts		62,977	66,108
			5,328,882	3,689,017
17	OTHER INCOME			
	Nomination fees			15,500
	Miscellaneous		25,300	144,055
			25,300	159,555
18	SALARIES, ALLOWNCES AND OTHER BENEFITS			
	Salaries and allowances		2,407,933	1,895,017
	Retirement benefits		66,667	89,250
			2,474,600	1,984,267
19	OTHER EXPENDITURES			
	Bank charges		339	16,971
	Entertainment		71,123	39,682
	Miscellaneous expenses		135,534	74,285
			206,996	130,938
20	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	9	6,918,654	9,396,773
	Short term investment	8	84,000,000	60,000,000
			90,918,654	69,396,773
21	ACCOUNTING ESTIMATES AND JUDGMENTS			
21.1	Property and equipment			

The Institute reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets with a corresponding affect on the depreciation charge and impairment.

21.2 Financial instruments and risk management

The Council of the Institute has overall responsibility for the establishment and oversight of the Institute's risk management framework. The Institute has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

21.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties 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 economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Institute arises principally from the short term advances & receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. Cash is held only with reputable bank with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2022 Rupees	2021 Rupees
Long term deposits	10,000	10,000
Advances, prepayments and other receivables	10,034,862	11,126,063
Short term investments	84,000,000	60,000,000
Bank balances	6,898,819	9,374,050
	<u>100,943,681</u>	<u>80,510,113</u>

None of the above balances are past due or impaired.

The credit quality of the Institute bank balance maintained with a bank assessed by an external credit rating entity is as follows:

	Rating agency	Rating	
		Short term	Long term
MCB Islamic bank Limited	PACRA	A1	A
Bank Al Habib Limited	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	VIS	A-1+	AAA
Pak Oman Investment Company (Private) Limited	VIS	A-1+	AA+

21.4 Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Institute 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 Institute is of the view that it is not exposed to any significant liquidity risk. The following are the contractual maturities of financial liabilities:

2022				
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
-----Rs.-----				
Financial liabilities				
Accrued expenses	349,672	349,672	349,672	-
Long term deposits	5,400,000	5,400,000	-	5,400,000
Advances, deposits and other payables	1,054,450	1,054,450	-	-
	6,804,122	6,804,122	1,404,122	-
				5,400,000

2021				
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
-----Rs.-----				
Financial liabilities				
Accrued expenses	219,472	219,472	219,472	-
Long term deposits	5,400,000	5,400,000	-	5,400,000
Advances, deposits and other payables	1,054,450	1,054,450	-	-
	6,673,922	6,673,922	1,273,922	-
				5,400,000

21.5 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in interest rates or the market price may change 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. Having no interest based financial asset / liability, the Institute is not exposed to any 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 rate. In view of balances in current accounts no interest rate exposure arises.

21.5.1 Cash flow sensitivity analysis for variable rate instruments

There would have been no effect in the statement of comprehensive income for the year ended June 30, 2022 and the Institute's funds as of June 30, 2022 due to change in interest rates applicable on its financial assets. Same stands true for corresponding figures as well.

Funds held in banks can be withdrawn on demand.

21.6 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. Consequently differences can arise between carrying values and the fair value estimates.


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

22 NUMBER OF EMPLOYEES

The total number of employees of the Institute as at June 30, 2022 were 04 (2021: 3).

23 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Council Members meeting held on September 27, 2022.



President



Treasurer



Vice President

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