

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

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## **SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

### **REPORT OF THE EXECUTIVE COUNCIL MEMBERS**

The Executive Council members are pleased to present their report on the financial statements of the Society of Indian Chartered Accountants Inc (“the Society”) for the twelve months ended 31 December 2006.

#### **NATURE OF ENTITY AND ACTIVITIES**

The Society was incorporated on the 10<sup>th</sup> day of May 2004 under the Associations Incorporation Act and has its own Constitution. The Society is governed by an elected Council and is not subject to the control or direction of any person other than its own Constitution.

The mission of the Society is to advance accountants in profession.

The purpose and objects for which the Society is incorporated are based on the mission of the Society and enumerated in detail under rules 4.2 and 4.3 of the Society.

#### **PORT MORESBY (PNG) CHAPTER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

On 18<sup>th</sup> day of April 2005 the Society submitted a proposal to the Institute of Chartered Accountants of India for the establishment of a Chapter of the Institute in Port Moresby. On 16<sup>th</sup> August 2005 the Institute confirmed the grant of approval for the Society to set up a Chapter of the Institute in the name and style “Port Moresby (PNG) Chapter of the Institute of Chartered Accountants of India”.

Based on the grant of approval and in compliance of the guidelines relating to functioning of the Chapters of the Institute then prevailing, the Society has:

- a. registered and hold the name “Port Moresby (PNG) Chapter of the Institute of Chartered Accountants of India” and
- b. resolved to adopt the following regulations for the conduct of the Chapter:

## **SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

### **REPORT OF THE EXECUTIVE COUNCIL MEMBERS**

- (i) The members of the Society from time to time shall be the members of the Chapter.
- (ii) The business of the Chapter shall be conducted by the Executive Council of the Society in accordance with the Rules of the Society.

### **RESULTS**

During the year the Society with the prior approval from the Institute of Chartered Accountants of India held six (2005-nil) and supported two(2005-three) activities held by CPA PNG and CPA Australia to gain structured continuing professional education for its members.

The meetings of the Executive Council and the members of the Society are scheduled for last Saturday of every month at 3.00 PM at TLI Haus, Badili, Port Moresby.

During the year such meetings were held in all months . All Executive Council meetings were well attended by the council members and less attended by other members of the society. The Executive Council during the year continued its efforts for better participation from the members.

As part of the Executive Council's efforts to improve member participation in Society's activities, Society organised two out door social activities under the banner Inner-wheel through spouses of the members of the Society. Executive Council plans to continue such activities into years ahead.

The financial results for the twelve months ended 31 December 2006 show a surplus of K 5,372 (2005: K4,499).

# **SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

## **REPORT OF THE EXECUTIVE COUNCIL MEMBERS**

### **COUNCIL MEMBERS**

The Council members for the period were:

Office Bearers:

- CA. Shiam Kattapuram (President)
- CA. Swapnajt Samanta (Vice President)
- CA. Sujeesh Vijayan (Secretary)
- CA. B.S. Srinivasa Murthy (Treasurer)

Council Members

- CA. Saikat Bhattacharya
- CA. Jayaprasad R
- CA. Arunava Basu (Resigned on 30.9.2006)

Education Committee Members

- CA. R. Muralidharan
- CA. Rajeev Sharma
- CA. R. Jayaprasad

Appointed Members

- CA. Arunava Basu( appointed on 30.9.2006)

### **MEMBERS' REGISTER**

The number of members registered as at 31 December 2006 was 22 (as at the previous report date 24).

### **AUDITORS**

For the period just ended the Executive Council appointed Messrs KPMG Chartered Accountants the honorary auditors of the Society. They are eligible for re-appointment.

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**REPORT OF THE EXECUTIVE COUNCIL MEMBERS**

**The Executive Council states that in its opinion:**

- (a) the Income and Expenditure Statement, Statement of Changes in Members Fund and Cash Flow Statement for the twelve months ended 31 December 2006 show a true and fair view of the results of the operations of the Society for that period;
- (b) the Balance Sheet as at 31 December 2006 shows a true and fair view of the financial position of the Society as at that date;
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due;
- (d) the accounts have been prepared in accordance with generally accepted accounting practice in Papua New Guinea as modified by accounting policies adopted by the Executive Council.

Signed in accordance with a resolution of the Executive Council

\_\_\_\_\_  
**PRESIDENT**

\_\_\_\_\_  
**TREASURER**

Dated at Port Moresby this \_\_\_\_\_ day of \_\_\_\_\_ 2007

# Independent Auditors Report to the members of Society of Indian Chartered Accountants Inc

## **Scope**

We have audited the accompanying financial report of the Society of Indian Chartered Accountants Inc. ("SICA") for the year ended 31 December 2006, consisting of the Income and Expenditure Statement, Statement of Changes in Members Fund, Balance Sheet, Statement of Cash flows and the accompanying notes as set out on pages 9 to 11.

The audit report issued will be solely to the SICA's members, as a body, in accordance with the Association Act. Our audit work will be undertaken so that we might state to the SICA's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the SICA and its members as a body, for our audit work, for the audit report, or for the opinion we will form.

## **Respective responsibilities of the Executive Council Members and Auditors**

The appointed Executive Council members of the Society of Indian Chartered Accountants Inc. are responsible for the preparation and presentation of the financial report and the information contained therein. Our responsibility is to perform an audit of this financial report in order to express an opinion to the members of the association.

## **Basis of Opinion**

Our audit has been planned and performed to provide a reasonable level of assurance as to whether the financial report is free of material misstatement.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies adopted by the Executive Council members so as to present a view of the association which is consistent with our understanding of its activities. We believe that our audit provides a reasonable basis for our opinion.

## **Audit Opinion**

In our opinion:

- a) the financial report of the Society of Indian Chartered Accountants Inc. is properly drawn up in accordance with the accounting policies adopted by the Executive Council members so as to give a true and fair view on the affairs of the association as at 31 December 2006 and the result of the association for the year then ended,
- b) the financial report is in agreement with the underlying accounting records.

DATED at Port Moresby this

day of

2007

kpmg

**Chartered Accountants**

David Wardley

Managing Partner

Registered under the Accountants Act 1996

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**INCOME & EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>Kina</b>	<b>Kina</b>
<b>Income</b>		
Revenue from membership fees	2,300	2,400
CPE Seminar fees	18,870	-
Inner Wheel Activity fees	1,920	-
	=====	=====
Total Income	23,090	2,400
	=====	=====
<b>Expenses</b>		
Bank charges	174	93
CPE Expenses	14,923	-
Inner Wheel expenses	2,203	-
Advertising	419	-
Postage Expenses	-	176
Donations	-	500
Website expenses	-	220
General Expenses	-	350
	-----	-----
Total expense	17,719	1,339
	-----	-----
<b>Net Surplus</b>	<b><u>5,371</u></b>	<b><u>1,061</u></b>
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**STATEMENT OF CHANGES IN MEMBERS FUND  
FOR THE YEAR ENDED 31 DECEMBER 2006**

SOCIETY's Equity:	Opening 01 Jan 06	Addition During 2006	Total 31 Dec 06
Admission fee	2,400	-	2,400
Net surplus for the year	2,099	5,372	7,471
Total	<u>4,499</u>	<u>5,372</u>	<u>9,871</u>

The income and expenditure statement and the statement of changes in members funds are to be read in conjunction with notes to the financial statements on pages 10 to 13.

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**BALANCE SHEET AS AT 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>Kina</b>	<b>Kina</b>
<b>FIXED ASSETS</b>	-	-
<b>CURRENT ASSETS</b>		
BANK BALANCE WITH WESTPAC BANK	9,996	4,599
TRADE DEBTORS	75	-
<b>TOTAL CURRENT ASSETS</b>	10,071	4,599
Less: CURRENT LIABILITIES	<u>200</u>	<u>100</u>
<b>WORKING CAPITAL</b>	<b><u>9,871</u></b>	<b><u>4,499</u></b>
<b>TOTAL ASSETS</b>	<b>9,871</b>	<b>4,499</b>
Less: LONG TERM LIABILITIES	<u>0</u>	<u>0</u>
<b>NET ASSETS</b>	<b><u>9,871</u></b>	<b><u>4,499</u></b>
<b>REPRESENTED BY:</b>		
Society's Equity	<b><u>9,871</u></b>	<b><u>4,499</u></b>

*Signed for and on behalf of the Executive Committee,*

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.....

**President**

**Treasurer**

**Mr. Shiam Kattapuram**

**Mr. B.Srinivasa. Murthy**

*Dated this .....day of .....2007*

The balance sheet is to be read in conjunction with notes to the financial statements on pages 10 to 13.

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<u>2006</u> <u>Kina</u>	<u>2005</u> <u>Kina</u>
<b>Cash flow from operating activities</b>		
Net Surplus as per Income and Expenditure Statement	5,372	1,061
<b>ived from mem</b>		
Add:		
Depreciation	0	0
Increase in Accounts Payable	100	100
Decrease in Accounts Receivable	0	600
Less: Increase in Accounts Receivable	( 75)	0
Net Cash flow from operations	5,397	0
<b>Cash flow from Investing Activities</b>	0	0
<b>Cash flow from Financing Activities</b>	0	0
<b>Net change in Cash</b>	<b>5,397</b>	<b>1,761</b>

The cash flow statement is to be read in conjunction with notes to the financial statements on pages 10 to 13.

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**1. STATEMENT OF ACCOUNTING POLICIES**

**a. General Accounting Policies**

The fundamental accounting assumptions are based on accounting policies adopted by the Executive Council members of the Association on the 24<sup>th</sup> of March 2005 and applied to the measurement and reporting of results, cash flows and the financial position in the preparation of these financial statements.

The financial statements have been prepared primarily on the basis of the historical costs and do not take into account the changing money values.

**b. Revenue**

Revenue is accounted for on accrual basis of accounting (2005 - except for membership fees, which are recognised on a cash basis).

**c. Expenses**

Expenses are accounted for on accrual basis of accounting.

**d. Taxation**

The net income of the Society is exempted from income tax under section 27 of the Papua New Guinea Income Tax Act. A confirmation of the exemption is obtained from the Internal Revenue Commission.

**e. Fees**

The members pay an admission fee at the time of their admittance to the Society and a membership fees annually in advance for the periods they are members of the Society.

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**NOTES TO AND FORMING PART OF THE  
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**f. Comparatives**

The previous year comparatives have been made, wherever possible..

**2. ADMISSION FEES**

Executive Council during its meeting on 29<sup>th</sup> May 2004 resolved that an admission fee of Kina 100.00 will be charged from applicants at the time of their admission to the Society. Such admission fee was collected from one member (2005: six members) admitted during the reporting period and the total amount so collected amounted to K 100 (2005: K600).

**3. REVENUE FROM MEMBERSHIP FEES**

Executive Council during its meeting on 29<sup>th</sup> May 2004 resolved that the membership fee applicable to members shall be Kina 100.00 for a financial year or part thereof. Such membership fee was collected from all 22 members (2005: 24 members) admitted during the reporting period and the total amount so collected amounted to K 2,200 (2005: K2,400).

**4. MEMBER PARTICIPATION**

During the year there were twelve (2005 – eleven) monthly meetings of the Society held. The members are encouraged to attend and contribute at the meetings. The participation of the members at the meetings during the year was as detailed below:

Name	Participation in	
	2006	2005
CA. Shiam Kattapuram (ICAI M/No. 18805)	12 of 12	8 of 11
CA. Mahadevan Shankar (ICAI M/No. 49709)	2 of 12	9 of 11
CA. Jaydip Sengupta (ICAI M/No. 59395)	7 of 12	10 of 11

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.**

**NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS  
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**4. MEMBER PARTICIPATION (CONTINUED)**

CA. B Srinivasa Murthy (ICAI M/no.203619)	7 of 12	4 of 11
CA. Swapnajit Samanta (ICAI M/No. 52789)	10 of 12	9 of 11
CA. Arunava Basu (ICAI M/No. 51574)	6 of 12	6 of 11
CA. Amalendu Aich Roy (ICAI M/No. 50986)	4 of 12	9 of 11
CA. Rajeev Sharma (ICAI M/No. 90402)	9 of 12	7 of 11
CA. Krishnan Natarajan (ICAI/No. 206425)	2 of 12	4 of 11
CA. Saikat Bhattacharya (ICAI M/No. 56208)	9 of 12	5 of 11
CA. R. Muralidharan (ICAI M/No. 204710)	3 of 12	0 of 11
CA. Jayanthi S (ICAIM/No. 208460)	0 of 12	1 of 11
CA. N.V. Kalyanaraman (ICAI M/No.209856)	0 of 12	1 of 11
CA. Bijay Kumar Agarwal (ICAI M/No.57452)	2 of 12	3 of 11
CA. R Jayaprasad (ICAI M/No.206082)	10 of 12	7 of 11
CA. Alaukik Dani (ICAI M. No.100158)		
(Outstation)	0 of 12	0 of 11
CA. Mathew John (ICAI M/No. 28162)		
(Outstation)	0 of 12	0 of 11
CA. Bala Karra (ICAI M/No. 212621)	0 of 12	2 of 11
CA. Deepak Sankhla (ICAI M/No. 74902)		
(Outstation)	0 of 12	0 of 11

CA. Raj Patnaik (ICAI M/No. 58435)	1 of 12	3 of 11
CA. Sameer Manduskar (ICAI M/No.49287)(Outstation)	0 of 12	0 of 11
CA. Ajaya Jain (ICAI M/No. 72064)	6 of 12	2 of 6
CA. Sujeesh Vijayan (ICAI M/No.49375)	12 of 12	3 of 3
CA. Augustine Ravi Jebraj (ICAI M/No. 201056)	2 of 12	0 of 0
CA. Ramaswamy Vijaya. Raghavan (ICAI M/No. 18554)	1 of 12	-

## **5. CONTINGENT LIABILITIES**

There are no contingent liabilities that have arisen in the period from the balancing date to the date of the issue of these financial statements.

## **6. CAPITAL COMMITMENTS**

There are no significant capital commitments at the balance date.

## **7. REGISTERED OFFICE**

The registered office of the Society is situated at TLI Haus, Badili, PO Box 7260, Boroko, NCD, Port Moresby as per a resolution passed at its Annual General meeting held on 26<sup>th</sup> March 2005.