

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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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 2011.

NATURE OF ENTITY AND ACTIVITIES

The Society was incorporated on the 10th 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 18th 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 16th 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:

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

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

REPORT OF THE EXECUTIVE COUNCIL MEMBERS

- a. The members of the Society from time to time shall be the members of the Chapter.
- b. 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 approval from the Institute of Chartered Accountants of India held One (2010 - Nil) activity and supported One (2010 - One) activity held by CPA PNG and CPA Australia to gain structured continuing professional education for its members. The two programs combined provided opportunity for members to gain 28 hours of CPE.

Year 2011 saw the Society continuing with its effort to increase the professional co-operation between CPA PNG and the Society.

As part of the co-operation following were achieved:

- Continued with the effort to set up a Chapter library to function under CPA PNG and allow use of the library resources by all CPA PNG members.
- Continued to aid CPA PNG by recommending suitable ICAI members for membership of CPA PNG.
- Continued to provide assistance to CPA PNG with setting up of their professional examination papers.
- Continued to reassure CPA PNG with the willingness from ICAI to support CPA PNG in their endeavours related to the profession.

The Society during the period through the Chapter supported four (2010 – four) ICAI members to get membership of CPA PNG and thus gain entry into Papua New Guinea in their professional capacity.

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

During the period the Society through the Chapter also assisted One (2010 - Two) of its members in getting Certificate of Good Standing to pursue further their professional aspirations.

REPORT OF THE EXECUTIVE COUNCIL MEMBERS

The Committee noted inadequate input from members as the major constraint in achieving much more it is capable of for its members. An indirect measure of the level of member input is as below:

- a) Of the 304 (2010 - 294) member attendables of 2011, 66 (2010 - 66) were attended.
- b) Of the four new ICAI members who arrived Papua New Guinea during the year no member (2010 – no member) joined the Society.
- c) Many other ICAI members who arrived Papua New Guinea during previous years continue to not join the Society.

The meetings of the Executive Council and the members of the Society are scheduled for last Saturday of every month at 4.00 PM (2009 – 4.00 PM) at TLI Haus, Badili, Port Moresby.

During the year such meetings were held in all months except in December. 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 One (2010 - One) out door social activity 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 2011 show a surplus of K 5,262 (2010: K2,259).

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 Arunava Basu (Vice President)
CA Bijay Kumar Agarwal (Secretary) (till 7th January 2012)
CA Ajaya Jain (Secretary from 7th January 2012)
CA Rajeev Sharma (Treasurer)

Council Members

CA Ajaya Jain (till 7th January 2012)
CA Sanjib Bhattacharjee
CA Chandan Kumar

Education Committee Members

CA Shiam Kattapuram
CA Rajeev Sharma
CA Vigneshwaran Sethuraman

Appointed Members

None

MEMBERS' REGISTER

During the year the Society admitted three (2010 -) members to the membership and discontinued the membership of Nil (2010 -) members.

The number of members registered as at 31 December 2011 was 27 (as at the previous report date 23).

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 2011 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 2011 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 27th day of July 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC
FOR THE YEAR ENDED 31 DECEMBER 2011

Scope

We have audited the accompanying financial statements of Society of Indian Chartered Accountants Inc ("SICA"), which comprise the Balance Sheet as at 31 December 2011, and the Statement of Income and Expenditure, Statement of changes in Members Fund and Statement of Cash Flows for the year ended 31 December 2011 and a summary of significant accounting policies and other explanatory notes set out on pages 11 to 15.

The report is made solely to the SICA members, as a body, in accordance with Incorporated Associations Act as applicable to the Association. 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 opinions we have formed.

Responsibilities of the general committee

The Executive Council Members of SICA are responsible for the preparation and presentation of the financial report and the information they contain. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We performed procedures to assess whether in all material respects the financial statements presents fairly in accordance with the accounting policies adopted by the Executive Council Members of the Association and requirements of the Association Incorporation Act, so as to present, a true and fair view which is consistent with our understanding of the company's financial position and its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Completeness of revenue

Our audit in respect to the Statement of Income and Expenditure and Statement of Financial Position, in particular income from membership fees, donations and fund raising activities and expenditure on projects have been restricted to that information included in the Statement of Income and Expenditure.

It is not always practicable for SICA to establish accounting control over all sources of revenue and fundraising activities prior to receipt of these funds by the general committee and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of SICA. Our opinion is not qualified in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC
FOR THE YEAR ENDED 31 DECEMBER 2011

Audit Opinion

In our opinion:

- (a) the financial statement of SICA is properly drawn up in accordance with the accounting policies as adopted by the Executive Council Members, so as to give a true and fair view of the state of affairs of SICA for the year ended 31 December 2011,
- (b) the Income and Expenditure statements are in agreement with the underlying accounting records.

DATED at Port Moresby this 20th day of July 2012

 KPMG

Chartered Accountants



Richard Kuna

Partner

Registered under the Accountants Act 1996

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<u>2011</u>	<u>2010</u>
	Kina	Kina
Income		
Revenue from membership fees	2,700	2,500
Inner Wheel Activity Collection	1,790	2,180
CPE Seminar fee	2,880	-
	<u>7,270</u>	<u>4,680</u>
Total Income	<u>7,270</u>	<u>4,680</u>
Expenses		
Bank charges	94	96
Inner Wheel Expenses	2,014	2,325
Total expense	<u>2,108</u>	<u>2,421</u>
Net Surplus	<u>5,262</u>	<u>2,259</u>

**STATEMENT OF CHANGES IN MEMBERS FUND
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Admission Fee Kina	Net Surplus Kina	Total Kina
Balance as at 01 January 2010	2,900	14,177	17,077
Addition during the year	500	2,259	2,759
<hr/>			
Balance as at 31 December 2010	3,400	16,336	19,836
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Balance as at 01 January 2011	3,400	16,336	19,836
Addition during the year	300	5,262	5,562
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Balance as at 31 December 2011	3,700	21,498	25,398
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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 11 to 15.

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

BALANCE SHEET AS AT 31 DECEMBER 2011

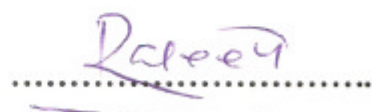
	<u>2011</u>	<u>2010</u>
	Kina	Kina
FIXED ASSETS	<u>-</u>	<u>-</u>
CURRENT ASSETS		
BANK BALANCE WITH WESTPAC BANK	20,886	17,831
TRADE DEBTORS	4,512	2,005
OTHER RECEIVABLE	<u>110</u>	<u>110</u>
TOTAL CURRENT ASSETS	25,508	19,946
Less:		
CURRENT LIABILITIES	<u>110</u>	<u>110</u>
WORKING CAPITAL	<u>25,398</u>	<u>19,836</u>
TOTAL ASSETS	25,398	19,836
Less: LONG TERM LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS	<u>25,398</u>	<u>19,836</u>
REPRESENTED BY:		
Society's Equity	<u>25,398</u>	<u>19,836</u>

Signed for and on behalf of the Executive Committee,



President

Mr. Shiam Kattapuram



Treasurer

Mr. Rajeev Sharma

The balance sheet is to be read in conjunction with notes to the financial statements on pages 11 to 15.

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	<u>Kina</u>	<u>Kina</u>
Cash flow from operating activities		
Net Surplus as per Income and Expenditure Statement	5,262	2,259
Add:		
Depreciation	-	-
Increase in Current Liabilities	-	-
Decrease in Accounts Receivable		
Less: Increase in Accounts Receivable	2,507	1,455
Decrease in Accounts Payable	-	-
Net Cash flow from operations	2,755	804
Add: Amount collected as Admission fee	300	500
Total Cash Flow	3,055	1,304
Opening Cash balance	17,831	16,527
Closing Cash balance	20,886	17,831

The cash flow statement is to be read in conjunction with notes to the financial statements on pages 11 to 15.

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 24th 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.

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.

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.

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**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 29th 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 3 member (2010: 5) admitted during the reporting period and the total amount so collected amounted to K 300 (2010: 500).

3. REVENUE FROM MEMBERSHIP FEES

Executive Council during its meeting on 29th 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 charged to all 23 members (2010: 19 members) who held membership during the reporting period and the total amount so collected amounted to K 2,300 (2010: K1,900).

4. INCOME TAX

Under Section 27 of the Income Tax, the Society is required to lodge Income Tax Returns annually for assessment. The Society has filed income tax returns up to and including for 2009 year of income and assessments are complete to that date. As on balance sheet date there is no assessed tax liability for the Society.

5. MEMBER PARTICIPATION

During the year there were eleven (2010 – 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:

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**NOTES TO AND FORMING PART OF THE
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MEMBER PARTICIPATION

Name	Participation in	
	2011	2010
CA. Shiam Kattapuram (ICAI M/No. 18805)	9 of 12	11 of 12
CA. Arunava Basu (ICAI M/No. 51574)	4 of 12	3 of 12
CA. Jaydip Sengupta (ICAI M/No. 59395)	0 of 3	0 of 12
CA. Amalendu Aich Roy (ICAI M/No. 50986)	3 of 12	2 of 12
CA. B Srinivasa. Murthy (ICAI M/No.203619)	0 of 12	0 of 12
CA. Rajeev Sharma (ICAI M/No. 90402)	10 of 12	08 of 12
CA. Jayanthi S (ICAI M/No. 208460)	0 of 12	0 of 12
CA. R. Muralidharan (ICAI M/No. 204710)	0 of 12	0 of 12
CA. N.V. Kalyanaraman (ICAI M/No.209856)	0 of 12	0 of 12
CA. R Jayaprasad (ICAI M/No.206082)	0 of 12	1 of 12
CA. Bijay Kumar Agarwal (ICAI M/No.57452)	10 of 12	8 of 12
CA. Bala Karra (ICAI M/No. 212621)	0 of 12	0 of 12
CA. Raj Patnaik (ICAI M/No. 58435)	0 of 12	0 of 12
CA. Ajaya Jain (ICAI M/No. 72064)	9 of 12	6 of 12
CA Augustine Ravi Jebraj (ICAI M/No. 201056)	0 of 12	0 of 12

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.
NOTES TO AND FORMING PART OF THE
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MEMBER PARTICIPATION (CONTINUED)

Name	Participation in	
	2011	2010
CA. Ramaswamy. Vijaya. Raghavan (ICAI M/No. 18554)	0 of 12	0 of 12
CA. Sanjib Bhattacharjee (ICAI M/No.57677)	4 of 12	1 of 12
CA. Atish Mukherjee (ICAI M/No.50956)	0 of 12	0 of 12
CA. Srinivasan Gokul (ICAI M/No. 207520)	0 of 12	0 of 12
CA. Sundaram Srinivasan (ICAI M/No. 26953)	0 of 12	1 of 12
CA, Balasubramaniam Srinivasan (ICAI M/No 210681)	1 of 12	0 of 12
CA. Chandan Kumar (ICAI M/No. 95162)	10 of 12	11 of 12
CA,Ghanshyam Baheti (ICAI M/No.127878)	-	5 of 11
CA,Sethuraman Vigneshwaran (ICAI M/No.222803)	2 of 12	4 of 09
CA,Mohanraj Natarajan (ICAI M/No.222554)	1 of 12	4 of 09
CA. E Krishna Murthy (ICAI M/No.14495)	2 of 12	-
CA. Embar Srirangan Kalyanarangan (ICAI M/No.223351)	0 of 9	-
CA.Moahan Ananda Venkatesan (ICAI M/No.54942)	1 of 2	-
CA.Abhinava Jain (ICAI M/No.108483)	0 of 2	-

6. 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.

7. CAPITAL COMMITMENTS

There are no significant capital commitments at the balance date.

8. 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 26th March 2005.