

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 2013.

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 (2012 - Zero) activity and supported One (2012 - Two) 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 18 hours of CPE.

Year 2013 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 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 Two (2012 – five) ICAI members to get membership of CPA PNG and thus gain entry into Papua New Guinea in their professional capacity.

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REPORT OF THE EXECUTIVE COUNCIL MEMBERS

During the period the Society through the Chapter also assisted Five (2012 - Two) of its members in getting Certificate of Good Standing to pursue further their professional aspirations.

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 276 (2012 - 351) member attendables of 2013, 67 (2012 - 91) were attended.
- b) Of the two new ICAI members who arrived Papua New Guinea during the year no member (2012 – 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 (2012 – 4.00 PM) at TLI Haus, Badili, Port Moresby.

During the year such meetings were held in all months except in June, September and 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 (2012 - Two) 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 2013 show a surplus of K 1,957 (2012: K 939).

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 Rajeev Sharma (Vice President)
CA Ajaya Jain (Secretary)
CA Chandan Kumar (Treasurer)

Council Members

CA Neeraj Agarwal
CA Sanjib Bhattacharjee
CA Basab B Roy

MEMBERS' REGISTER

During the year the Society admitted Zero (2012 - Three) members to the membership and discontinued the membership of Zero (2012 - One) members.

The number of members registered as at 31 December 2013 was 23 (as at the previous report date 23).

AUDITORS

For the period just ended the Executive Council appointed Messrs Ernst & Young 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 2013 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 2013 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 _____ 2014

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 2013, 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 10 to 15.

The audit report is made solely to the SICA’s members, as a body, in accordance with the Association Act. Our audit work is 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 have formed.

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 fair presentation of these financial statements in accordance with the accounting policies adopted by the Executive Council Members of the Association. 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.

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:

- (e) 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 2013 and the result of the association for the year then ended,
- (f) the financial report is in agreement with the underlying accounting records.

DATED at Port Moresby this

day of

2014

Ernst & Young
Chartered Accountants

Partner
Registered under the Accountants Act 1996

SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<u>2013</u>	<u>2012</u>
	Kina	Kina
Income		
Revenue from membership fees	2,300	2,400
Inner Wheel Activity Collection	3,000	3,991
CPE Seminar fee	600	-
Bad Debts Recovered	400	
	=====	=====
Total Income	6,300	6,391
	=====	=====
Expenses		
Bad debts w/off	1,100	400
Bank charges	331	129
Inner Wheel Expenses	2,993	3,941
Maintenance	789	982
CPE Seminar exp	230	-
Total expense	5,443	5,452
Net Surplus	<u>857</u>	<u>939</u>

**STATEMENT OF CHANGES IN MEMBERS FUND
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Admission Fee Kina	Net Surplus Kina	Total Kina
Balance as at 01 January 2012	3,700	21,698	25,398
Addition during the year	300	939	1,239
<hr/>			
Balance as at 31 December 2012	4,000	22,637	26,637
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Balance as at 01 January 2013	4,000	22,637	26,637
Addition during the year	-	857	857
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Balance as at 31 December 2013	4,000	23,494	27,494
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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 2013

	<u>2013</u>	<u>2012</u>
	Kina	Kina
FIXED ASSETS	<u>-</u>	<u>- .</u>
CURRENT ASSETS		
BANK BALANCE WITH WESTPAC BANK	23,467	25,066
TRADE DEBTORS	4,027	1,571
OTHER RECEIVABLE	<u>-</u>	<u>110</u>
TOTAL CURRENT ASSETS	27,494	26,747
Less:		
CURRENT LIABILITIES	-	110
WORKING CAPITAL	<u>27,494</u>	<u>26,637</u>
TOTAL ASSETS	<u>27,494</u>	<u>26,637</u>
Less: LONG TERM LIABILITIES	-	-
NET ASSETS	<u>27,494</u>	<u>26,637</u>
REPRESENTED BY:		
Society's Equity	<u>27,494</u>	<u>26,637</u>

Signed for and on behalf of the Executive Committee,

.....

President
Mr. Shiam Kattapuram

.....

Treasurer
Mr. Chandan Kumar

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 2013**

	<u>2013</u>	<u>2012</u>
	<u>Kina</u>	<u>Kina</u>
Cash flow from operating activities		
Net Surplus as per Income and Expenditure Statement	857	939
Add:		
Depreciation	-	-
Increase in Current Liabilities	-	-
Decrease in Accounts Receivable	-	2,940
Less: Increase in Accounts Receivable	2,455	-
Decrease in Accounts Payable	-	-
Net Cash flow from operations	(1,598)	3,879
Add: Amount collected as Admission fee		300
Total Cash Flow	(1,598)	4,179
Opening Cash balance	25,065	20,886
Closing Cash balance	23,467	25,065

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 2013**

1. STATEMENT OF ACCOUNTING POLICIES

α) 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.

β) Revenue

Revenue is accounted for on accrual basis of accounting.

χ) Expenses

Expenses are accounted for on accrual basis of accounting.

δ) Taxation

The net income of the Society is exempted from income tax under section 27 of the Papua New Guinea Income Tax Act.

ε) 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

ϕ) 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 0 member (2011: 3) admitted during the reporting period and the total amount so collected amounted to K NIL (2012: 300).

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 (2012: 24 members) who held membership during the reporting period and the total amount so collected amounted to K 2,300 (2012: K2,400).

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 2012 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 Nine (2012 – 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 2013 2012	
CA. Shiam Kattapuram (ICAI M/No. 18805)	10 of 12	14 of 16
CA. Arunava Basu (ICAI M/No. 51574)	1 of 12	4 of 16
CA. Amalendu Aich Roy (ICAI M/No. 50986)	1 of 12	1 of 16
CA. B Srinivasa. Murthy (ICAI M/No.203619)	0 of 12	0 of 16
CA. Rajeev Sharma (ICAI M/No. 90402)	08 of 12	11 of 16
CA. N.V. Kalyanaraman (ICAI M/No.209856)	0 of 12	0 of 16
CA. R Jayaprasad (ICAI M/No.206082)	2 of 12	0 of 16
CA. Raj Patnaik (ICAI M/No. 58435)	0 of 12	0 of 16
CA. Ajaya Jain (ICAI M/No. 72064)	10 of 12	15 of 16
CA Augustine Ravi Jebraj (ICAI M/No. 201056)	1 of 12	0 of 16

**SOCIETY OF INDIAN CHARTERED ACCOUNTANTS INC.
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

MEMBER PARTICIPATION (CONTINUED)

Name	Participation in	
	2013	2012
CA. Ramaswamy. Vijaya. Raghavan (ICAI M/No. 18554)	0 of 12	0 of 16
CA. Sanjib Bhattacharjee (ICAI M/No.57677)	4 of 12	7 of 16
CA. Sundaram Srinivasan (ICAI M/No. 26953)	0 of 12	1 of 16
CA, Balasubramaniam Srinivasan (ICAI M/No 210681)	1 of 12	1 of 16
CA. Chandan Kumar (ICAI M/No. 95162)	10 of 12	13 of 16
CA,Sethuraman Vigneshwaran (ICAI M/No.222803)	1 of 12	3 of 16
CA,Mohanraj Natarajan (ICAI M/No.222554)	1 of 12	0 of 16
CA. E Krishna Murthy (ICAI M/No.14495)	2 of 12	2 of 16
CA. Embar Srirangan Kalyanarangan (ICAI M/No.223351)	1 of 12	0 of 16
CA.Moahan Ananda Venkatesan (ICAI M/No.54942)	-	0 of 11
CA.Abhinava Jain (ICAI M/No.108483)	3 of 12	0 of 16

CA Neeraj Agarwal	5 of 12	5 of 10
CA Basab B Roy	4 of 12	6 of 09
CA Kunal sachan	2 of 12	0 of 1

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.