

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Management Association of Pakistan (incorporated as a company limited by guarantee) (the Association) as at 31 December 2017 and the related income and expenditure account, cash flow statement, statement of comprehensive income and statement of changes in funds and reserves, together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Association's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Association as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Association's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Association;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Association's affairs as at 31 December 2017 and of the surplus, comprehensive income, its cash flows and changes in funds and reserves for the year then ended; and
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Chartered Accountants
Audit Engagement Partner: Shaikh Ahmed Salman
Date: March 12th 2018
Place: Karachi

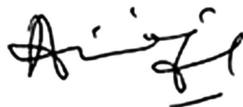
MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	2017 (Rupees)	2016 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	2,700,237	930,908
Intangible asset	5	137,500	137,500
		<u>2,837,737</u>	<u>1,068,408</u>
CURRENT ASSETS			
Convention and seminar fee receivable		875,358	41,860
Subscription receivable from members	6	2,135,934	1,249,217
Advances, deposits and prepayments	7	2,051,613	1,968,775
Accrued profit and other receivables		65,207	86,254
Short term investments	8	12,775,766	17,779,474
Cash and bank balances	9	3,118,682	1,977,764
		<u>21,022,560</u>	<u>23,103,344</u>
TOTAL ASSETS		<u><u>23,860,297</u></u>	<u><u>24,171,752</u></u>
FUNDS, RESERVES AND LIABILITIES			
FUNDS AND RESERVES			
Capital fund		87,356	87,356
Library fund		5,000	5,000
Members' general fund		4,397,951	4,194,151
Restricted fund from ASCF		5,000,000	5,000,000
Accumulated surplus		12,005,953	12,163,844
		<u>21,496,260</u>	<u>21,450,351</u>
NON-CURRENT LIABILITIES			
Deferred liability – staff gratuity	10	985,228	721,188
CURRENT LIABILITIES			
Advance fee and subscription	11	710,180	1,025,900
Trade and other payables	12	668,629	139,813
Deferred income	13	-	834,500
		<u>1,378,809</u>	<u>2,000,213</u>
CONTINGENCY AND COMMITMENT	14		
TOTAL FUNDS, RESERVES AND LIABILITIES		<u><u>23,860,297</u></u>	<u><u>24,171,752</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.



PRESIDENT



VICE PRESIDENT



HONORARY TREASURER

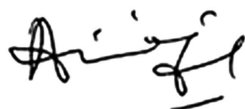
MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 (Rupees)	2016 (Rupees)
<u>INCOME</u>			
Subscription from members		5,039,610	5,058,416
Net income from seminars and courses	15	1,461,809	1,197,957
Net income from management convention / conference	16	1,760,777	2,872,038
Net income from corporate excellence awards	17	2,157,150	834,976
(Loss) / return on investments	18	(199,191)	1,489,065
Entrance fee		203,800	129,800
Other income	19	1,511,738	462,717
		<u>11,935,693</u>	<u>12,044,969</u>
<u>OPERATING EXPENDITURE</u>			
Salaries and other benefits	20	(6,504,336)	(6,004,930)
Administrative and general expenses	21	(5,385,448)	(4,807,156)
		<u>(11,889,784)</u>	<u>(10,812,086)</u>
Surplus for the year		<u>45,909</u>	<u>1,232,883</u>

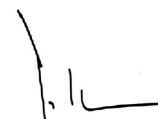
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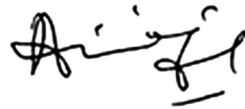
MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 (Rupees)	2016 (Rupees)
Surplus for the year	45,909	1,232,883
Other comprehensive income		
Items that may be reclassified subsequently to income and expenditure account	-	-
Total comprehensive income for the year	<u>45,909</u>	<u>1,232,883</u>

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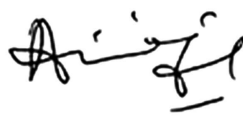
MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 (Rupees)	2016 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		45,909	1,232,883
Adjustments for:			
Depreciation		255,392	118,485
Provision for gratuity		264,040	131,125
Loss / (return) on investments	18	199,191	(1,489,065)
Profit on PLS and treasury call account		(104,113)	(108,244)
Gain on sale of property and equipment		(1,330,000)	-
Restricted income realised during the year		(397,346)	(571,076)
Surplus / (deficit) before working capital changes		<u>(1,006,927)</u>	<u>(685,892)</u>
(Increase) / decrease in current assets:			
Seminar fee receivable		(833,498)	284,246
Advances, deposits and prepayments		(82,838)	25,018
Subscription receivable from members		(886,717)	(697,400)
		<u>(1,803,053)</u>	<u>(388,136)</u>
Increase / (decrease) in current liabilities:			
Advance fee and subscription		(315,720)	(870,616)
Trade and other payables		528,816	(2,368,037)
		<u>213,096</u>	<u>(3,238,653)</u>
Net cash used in operating activities		<u>(2,656,884)</u>	<u>(4,312,681)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(2,024,721)	(265,500)
Proceeds from disposal of property and equipment		1,330,000	-
Investments made during the year		(5,350,000)	(29,350,000)
Investments encashed during the year		9,350,000	30,350,000
Profit received on investments		311,875	804,126
Dividend received		81,312	81,312
Long term deposit refunded		-	330,800
Profit received on PLS and treasury call accounts		99,336	181,837
Net cash generated from investing activities		<u>3,797,802</u>	<u>2,132,575</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,140,918</u>	<u>(2,180,106)</u>
Cash and cash equivalents at the beginning of the year		1,977,764	4,157,870
Cash and cash equivalents at the end of the year	9	<u><u>3,118,682</u></u>	<u><u>1,977,764</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.



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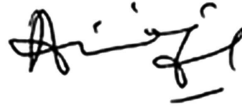
MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Capital fund	Library fund	Members' general fund	Restricted fund from ASCF	Accumulated surplus	Unrealized gain on available-for-sale investments	Total
	----- (Rupees) -----						
Balance as at December 31, 2015	87,356	5,000	4,064,351	5,000,000	10,181,146	879,615	20,217,468
Surplus for the year	-	-	-	-	1,232,883	-	1,232,883
Transferred during the year	-	-	129,800	-	(129,800)	-	-
Unrealized gain on available -for-sale investments	-	-	-	-	879,615	(879,615)	-
Balance as at December 31, 2016	87,356	5,000	4,194,151	5,000,000	12,163,844	-	21,450,351
Surplus for the year	-	-	-	-	45,909	-	412,400
Transferred during the year	-	-	203,800	-	(203,800)	-	-
Balance as at December 31, 2017	87,356	5,000	4,397,951	5,000,000	12,005,953	-	21,496,260

The annexed notes from 1 to 27 form an integral part of these financial statements.



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HONORARY TREASURER

MANAGEMENT ASSOCIATION OF PAKISTAN
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. LEGAL STATUS AND NATURE OF ACTIVITIES

Management Association of Pakistan (the Association) was incorporated in 1967 in Pakistan as a Company limited by guarantee (Association Not for Profit) under section 26 of the Companies Act, 1913 (now the Companies Act, 2017). The main activities of the Association are to disseminate information of management practices through seminars, courses and conventions. The registered office of the Association is situated at 3rd Floor, K-House, Lane 4, Street 26, Kahyaban-e-Shahbaz, Defence Phase 6, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements for the year ended December 31, 2017 are prepared in accordance with S.R.O. 929(I)/2015 dated September 10, 2015 issued by Securities and Exchange Commission of Pakistan (SECP) which deals with the accounting framework for preparation of financial statements by different class of companies. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (as applicable to the Association) issued by the International Accounting Standards Board (IASB) and the Accounting standard for Not for profit organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued thereunder. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

Previously, the financial statements were prepared in accordance such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). The above change in accounting framework did not have any material effect on the financial statements of the Association.

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the SECP vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated October 06, 2017 which states that the financial statements of companies for the periods ending on or before December 31, 2017 shall be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Accounting convention

These financial statements have been prepared on the basis of historical cost convention except for certain investments at fair value through income and expenditure which are carried at fair value.

2.3 Significant accounting judgements and estimates

The preparation of the Association's financial statements requires management to make judgments and estimates that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingency, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Notes
- determining the residual values and useful lives of property and equipment, intangible assets and impairment	3.1, 3.2 & 3.3
- short term investments	3.4
- provision for doubtful receivables	3.7
- provisions	3.10
- staff retirement benefits	3.11

Signature

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is charged to income and expenditure account applying the reducing balance method. Depreciation is charged from the month of the year in which addition / capitalization occurs, while no depreciation is charged in the month in which an asset is disposed off.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets, if any, are included in income and expenditure account currently.

3.2 Intangible asset

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of such assets can also be measured reliably. Computer software and implementation costs that are directly associated with the computer and computer controlled machines which cannot operate without the related specific software, are included in the cost of respective assets. Software which is not an integral part of the related hardware is classified as intangible assets. Intangible assets except for advance against future installation of softwares are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method when assets are available for use. Amortization is charged from the month of the year in which addition / capitalization occurs while no amortization is charged in the month in which an asset is disposed off.

Advance against software under development and installation is stated at cost.

3.3 Impairment

The carrying value of assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.4 Investments

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold till maturity are classified as held to maturity and are stated at amortized cost using the effective interest rate method. Gains and losses are recognized in income and expenditure account when the investments are derecognized or impaired, as well as through the amortization process.

Available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale. These are initially measured at fair value plus directly attributable transaction costs. After initial measurement, these are stated at fair values (except for unquoted investments where active market does not exist) with unrealized gains or losses recognized directly in equity until the investment is disposed off or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in statement of changes in funds and reserves is recognized in the income and expenditure account.

Investments at fair value through income and expenditure account

These include investments that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices or that, upon initial recognition, are designated as "Investments at fair value through profit and loss account". These investments are initially recognized at fair value and the transaction costs associated with these investments are taken directly to the profit and loss account. Subsequent to initial recognition, these investments are marked to market using the closing quoted market rates and are carried at these values on the balance sheet being their fair value. Net gains and losses arising on changes in fair values of these investments are taken to the income and expenditure account in the period in which they arise.

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3.5 Financial instruments

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received and are recognized at the time when the Association becomes a party to the contractual provisions of the instrument. Any gain or loss on de-recognition of the financial assets and financial liabilities is reported in the income and expenditure account for the period in which it arises.

3.6 Deposits and prepayments

These are carried at cost less provision for impairment, if any.

3.7 Receivables

These are carried at cost less provision for doubtful balances. An estimate for doubtful balance is made when collection of the amount is no longer probable. Bad debts are written-off when identified.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances.

3.9 Trade and other payables

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

3.10 Provisions

Provisions are recognized when the Association has a present legal or constructive obligation as a result of past events and 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.11 Staff retirement benefits

The Association operates an unfunded defined benefit gratuity scheme (the scheme) for all employees who have completed the minimum qualifying period of service. Provision is made annually to cover the obligations under the scheme based on the assumption that such benefits are payable to all employees at the end of each accounting year. Due to the limited number of employees, no actuarial valuation for gratuity scheme is carried out and the management also considers that the financial impact is not material.

3.12 Revenue recognition

- Subscription from members is recorded on an accrual basis. Subscription received in advance for the following year(s) is taken to liabilities.
- Seminar fee is recognized on an accrual basis.
- Management convention fee is recognized on an accrual basis.
- Profit on investments is recognized on an accrual basis based on effective interest rate method.
- Entrance fee from members is recorded on an accrual basis.
- Profit on PLS and call treasury accounts is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the same is established.

3.13 Restricted fund from Amir S Chinoy Foundation (ASCF)

Funds received as grants / donations for specific purposes from ASCF are classified as restricted funds. Income accrued on ASCF restricted fund are classified as deferred income and shall be recognized in income and expenditure account on a systematic basis over the periods in which the Association recognises as expenses the related costs for Corporate Excellence Award Events. In return the Association has agreed to permanently name its circulation trophy in business and industrial category as 'Amir S Chinoy Corporate Excellence Award'.

ESAN

3.14 Deferred income

Return / Income on restricted fund from ASCF are initially recognized as deferred income when there is reasonable assurance that the Association will comply with the conditions associated with the restricted fund.

This return / income from restricted fund from ASCF that compensate the Association for expenses incurred are recognized in income and expenditure account on a systematic basis in the same period in which the expenses are recognised.

4. PROPERTY AND EQUIPMENT

	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Depre- ciation Rate %
	As at January 01, 2017	Additions / disposals	As at December 31, 2017	As at January 01, 2017	Charge for the year	As at December 31, 2017	As December 31, 2017	
	(Rupees)							
Furniture and fixtures	475,300	-	475,300	90,799	38,450	129,249	346,051	10
Library books	8,909	-	8,909	8,874	5	8,879	30	15
Office equipments	515,439	-	515,439	159,445	53,399	212,844	302,595	15
Air conditioner and refrigerator	270,900	-	270,900	80,522	28,557	109,079	161,821	15
Motor vehicle	-	3,354,721 (1,330,000)	2,024,721	-	134,981	134,981	1,889,740	20
	<u>1,270,548</u>	<u>2,024,721</u>	<u>3,295,269</u>	<u>339,640</u>	<u>255,392</u>	<u>595,032</u>	<u>2,700,237</u>	

	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	Depre- ciation Rate %
	As at January 01, 2016	Additions / disposals	As at December 31, 2016	As at January 01, 2016	Charge for the year	As at December 31, 2016	As December 31, 2016	
	(Rupees)							
Furniture and fixtures	475,300	-	475,300	48,076	42,723	90,799	384,501	10
Library books	8,909	-	8,909	8,868	6	8,874	35	15
Office equipments	347,939	167,500	515,439	110,079	49,366	159,445	355,994	15
Air conditioner and refrigerator	172,900	98,000	270,900	54,132	26,390	80,522	190,378	15
	<u>1005,048</u>	<u>265,500</u>	<u>1,270,548</u>	<u>221,155</u>	<u>118,485</u>	<u>339,640</u>	<u>930,908</u>	

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	Note	2017 (Rupees)	2016 (Rupees)
5. INTANGIBLE ASSET			
Advance against software	5.1	<u>137,500</u>	<u>137,500</u>
5.1 This represents advance against development of Members' Information System.			
	Note	2017 (Rupees)	2016 (Rupees)
6. SUBSCRIPTION RECEIVABLE FROM MEMBERS			
Opening balance		1,249,217	551,817
Subscription income for the year	6.1	5,039,610	5,058,416
Received during the year		(3,126,993)	(2,464,500)
Advance fee adjusted during the year		(1,025,900)	(1,896,516)
Closing balance		<u>2,135,934</u>	<u>1,249,217</u>
6.1 It includes transactions with related parties amounting to Rs.64,360.			
7. ADVANCES, DEPOSITS AND PREPAYMENTS			
Advance rent		1,109,980	1,292,833
Security deposits		260,000	260,000
Prepayments		681,633	415,942
		<u>2,051,613</u>	<u>1,968,775</u>
8. SHORT TERM INVESTMENTS			
Held to maturity			
Certificates of Investments - Pak Oman Investment Company Limited		-	1,150,000
Certificates of Investments - Orix Leasing Pakistan Limited	8.1	<u>3,500,000</u>	<u>6,350,000</u>
		3,500,000	7,500,000
Investment at fair value through income and expenditure-Mutual Fund Units			
NAFA Capital Protected Strategy Fund	8.2	7,719,627	8,349,129
National Investment Trust	8.2	1,556,139	1,930,345
		<u>12,775,766</u>	<u>17,779,474</u>
8.1 These represent investment in Certificate of Investments of Orix Leasing Pakistan Limited. These carry mark-up at the rates ranging from 5.50% to 6.75% (2016: 6% to 6.75%) per annum and have maturity up to December 2018.			

	Note	2017 (Rupees)	2016 (Rupees)
8.2 Investment at fair value through income and expenditure-Mutual Fund Units			
<u>No. of units</u>			
2017			2016
Units			
<u>677,641</u>			<u>572,505</u>
NAFA Capital Protected Strategy Fund	8.3.1	<u>7,719,627</u>	<u>8,349,129</u>
<u>22,051</u>			<u>22,051</u>
National Investment Trust		<u>1,556,139</u>	<u>1,930,345</u>

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8.3.1 It includes donation of Rs.5.0 million received from Amir S. Chinoy Foundation (ASCF) as per Memorandum of Understanding (MOU) between the Association and ASCF. As per MOU, ASCF has donated Rs.5.0 million as fixed corpus to the Association to meet the expenses related to its Corporate Excellence Awards events which are held each year. In consideration thereof, the Association is required to permanently name its circulation trophy in business and industrial category as 'Amir S Chinoy Corporate Excellence Award' to be given to the top ranking company.

	Note	2017 (Rupees)	2016 (Rupees)
9. CASH AND BANK BALANCES			
Cash in hand		244,984	197,001
Bank balances			
- Current accounts		194,810	188,410
- PLS accounts	9.1	2,650,836	1,567,606
- Treasury call account	9.2	28,052	24,747
		<u>2,873,698</u>	<u>1,780,763</u>
		<u>3,118,682</u>	<u>1,977,764</u>
9.1	These carry profit at the rate of 3.75% (2016: 5% to 7%) per annum.		
9.2	This carries profit at the rate of 3.75% (2016: 6.25%) per annum.		
10. DEFERRED LIABILITY – Staff gratuity			
Opening balance		721,188	590,063
Provision for the year		264,040	131,125
Closing balance		<u>985,228</u>	<u>721,188</u>
11. ADVANCE FEE AND SUBSCRIPTION			
Opening balance		1,025,900	1,896,516
Advance fee and subscription received during the year		710,180	1,025,900
Transferred to income		(1,025,900)	(1,896,516)
Closing balance		<u>710,180</u>	<u>1,025,900</u>
12. TRADE AND OTHER PAYABLES			
Accrued liabilities		472,382	139,813
Seminar expense payable		196,247	-
		<u>668,629</u>	<u>139,813</u>
13. DEFERRED INCOME			
Opening balance		834,500	479,144
(Loss) / income earned during the year		(437,154)	926,432
Utilised during the year		(397,346)	(571,076)
Closing balance		<u>-</u>	<u>834,500</u>

Signature

14. CONTINGENCY AND COMMITMENT

14.1 Contingency

In 2011, a civil suit no. 73 of 2011 had been filed by one of the previous Executive Committee Members of the Association, before the Court of District and Session Judge Karachi (East). The Plaintiff had alleged that he has been defamed by the Association and other Defendants by virtue of a letter issued by the Defendants, issuance of which is disputed by the defendants, and has been alleged to have injured the reputation of the Plaintiff through libel and he is now seeking damages of Rs.999 million.

Subsequently, issues (i.e. the points of controversy on which evidence is recorded) were framed by the Court, evidence was also recorded by the Court and final arguments heard. In terms of Judgment dated February 25, 2016, the Court dismissed the Plaintiff's suit followed by a Decree issued on March 16, 2016.

The Plaintiff has now filed an appeal in the High Court of Sindh, against the Judgement passed by the Court of District and Session Judge Karachi (East) under section 15 of the Defamation Ordinance 2002, stating that the judgement is incorrect and without appreciation of the evidence. The Defendants' legal counsel have filed Reply / Parawise comments and have also raised certain legal objections viz. maintainability.

Based on the opinion of the legal counsel of the Association, the management is confident that the Association has a reasonable case against the allegations since the alleged letter forming the basis of the defamation has not been written by the defendants. Hence, based on the opinion of the legal counsel, no provision in respect of the above claim for damage has been made in these financial statements.

14.2 Commitment

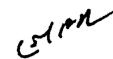
There were no commitments as at December 31, 2017.

	2017 (Rupees)	2016 (Rupees)
15. NET INCOME FROM SEMINARS AND COURSES		
Income	3,146,495	2,901,524
Expenses	<u>(1,684,686)</u>	<u>(1,703,567)</u>
	<u>1,461,809</u>	<u>1,197,957</u>
15.1 It includes transactions with related parties amounting to Rs.31,004.		
	2017 (Rupees)	2016 (Rupees)
16. NET INCOME FROM MANAGEMENT CONVENTION / CONFERENCE		
Income	7,461,474	9,706,665
Expenses	<u>(5,700,697)</u>	<u>(6,834,627)</u>
	<u>1,760,777</u>	<u>2,872,038</u>
16.1 It includes transactions with related parties amounting to Rs.272,880.		
17. NET INCOME FROM CORPORATE EXCELLENCE AWARDS		
Income	3,782,968	2,318,276
Expenses	<u>(1,625,818)</u>	<u>(1,483,300)</u>
	<u>2,157,150</u>	<u>834,976</u>
17.1 It includes transactions with related parties amounting to Rs.509,376.		

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	Note	2017 (Rupees)	2016 (Rupees)
18. (LOSS) / RETURN ON INVESTMENTS			
Dividend income		81,312	81,312
Return on certificates of investment		286,050	524,944
Unrealised (loss) / gain on remeasurement of investments At fair value through profit or loss		(566,553)	850,468
Profit on Term Deposits Receipts		-	32,341
		<u>(199,191)</u>	<u>1,489,065</u>
19. OTHER INCOME			
Profit on:			
-PLS accounts		103,208	107,465
- Treasury call account		905	779
Liability no longer payable written back		-	226,593
Website income		77,625	127,880
Gain on sale of property and equipment		1,330,000	-
		<u>1,511,738</u>	<u>462,717</u>
20. SALARIES AND OTHER BENEFITS			
Salaries and allowances	20.1	6,203,896	5,835,229
Provision for gratuity		264,040	131,125
Contribution to Employees Old Age Benefits Institution		36,400	38,576
		<u>6,504,336</u>	<u>6,004,930</u>
20.1 This includes remuneration amounting to Rs.3.932 million (2016: Rs.3.382 million) to the Executive Director of the Association.			
	Note	2017 (Rupees)	2016 (Rupees)
21. ADMINISTRATIVE AND GENERAL EXPENSES			
Office rent		2,217,817	1,898,289
Utilities		282,415	315,414
Telephone expenses		131,379	121,380
Office and general expenses		136,168	151,980
Printing and stationery		38,734	100,290
Postage		39,583	66,428
Insurance		148,846	109,229
Conveyance		7,400	9,405
Annual report and meeting		327,365	301,262
Entertainment		11,685	30,345
Depreciation	4	255,392	118,485
Bank charges		11,823	9,424
Legal and professional charges		565,905	25,361
Auditor's remuneration		167,670	131,450
Membership subscriptions		248,500	240,698
Travelling, boarding and lodging		128,250	-
Repair and maintenance		366,542	333,076
Advertisement		299,974	207,800
Lease rentals		-	636,840
		<u>5,385,448</u>	<u>4,807,156</u>
22. TAXATION			

The Association, being a not-for-profit organization, contends that it is eligible for a tax credit equal to one hundred percent of the tax payable under section 100C of the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in this respect in these financial statements.



23. RELATED PARTY TRANSACTION

The related parties of the Association comprise of key management personnel. Transactions with related parties during the year is disclosed in relevant notes to the financial statements.

24. REMUNERATION OF EXECUTIVE DIRECTOR

	2017 (Rupees)	2016 (Rupees)
Managerial remuneration	3,462,000	3,147,000
Other perquisites	206,062	235,658
Provision for gratuity	264,040	131,125
	<u>3,932,102</u>	<u>3,513,783</u>

24.1 The Executive Director is provided with free use of the Association's maintained car.

25. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 6 (2016: 7) and the average number of persons employed during the year were 6 (2016: 7).

26. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Executive Committee of the Association on March 12th, 2018.

27. GENERAL

27.1 Figures have been rounded off to the nearest rupee.

27.2 Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation, in the current year. However, there are no material reclassification / re-arrangement to report.

Asif Akram

PRESIDENT

Arif

VICE PRESIDENT

H. L.

HONORARY TREASURER