



**MANAGEMENT ASSOCIATION OF  
PAKISTAN**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**Ernst & Young Ford Rhodes Sidat Hyder**  
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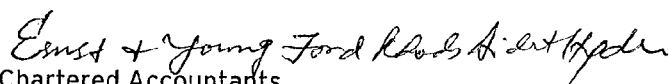
**AUDITORS' REPORT TO THE MEMBERS**

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 2011** and the related income and expenditure account, cash flow statement and statement of changes in capital 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 capital 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 2011** and of the surplus, its cash flows and changes in capital 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: Riaz A. Rehman Chamdia  
17 March 2012  
Karachi

**MANAGEMENT ASSOCIATION OF PAKISTAN  
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET AS AT DECEMBER 31, 2011**

	Note	2011 (Rupees)	2010 (Rupees)
<b>ASSETS</b>			
<b>NON – CURRENT ASSETS</b>			
Property, plant and equipment	3	731,253	784,419
Long term investments	4	2,967,090	4,826,248
Long term deposits		310,800	-
		4,009,143	5,610,667
<b>CURRENT ASSETS</b>			
Seminar fee receivable		3,786,380	394,000
Subscription receivable from members	5	801,875	1,521,875
Advances – unsecured, considered good		248,204	-
Deposits and prepayments	6	999,320	897,501
Accrued profit on PLS account		27,845	23,515
Short term investments	7	8,172,600	8,891,972
Cash and bank balances	8	8,289,899	5,371,507
		22,326,123	17,100,370
<b>LESS: CURRENT LIABILITIES</b>			
Advance fee and subscription	9	3,223,395	2,864,085
Trade and other payables	10	3,059,222	154,919
		6,282,617	3,019,004
<b>NET CURRENT ASSETS</b>		16,043,506	14,081,366
Deferred liability - staff gratuity	11	(1,621,258)	(1,931,845)
		18,431,391	17,760,188
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Capital		87,356	87,356
Library fund		5,000	5,000
Members' general fund		3,257,350	3,147,250
Unrealized gain on available-for-sale investments		56,230	177,951
Accumulated surplus		15,025,455	14,342,631
		18,431,391	17,760,188

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**PRESIDENT**

  
**HONORARY TREASURER**

  
**EXECUTIVE DIRECTOR**

**MANAGEMENT ASSOCIATION OF PAKISTAN  
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

INCOME	Note	2011 (Rupees)	2010 (Rupees)
Subscription from members		5,713,760	5,704,985
Net income from seminars and courses	12	379,228	487,841
Profit on investments	13	1,490,933	1,356,983
Net income from management conference / convention	14	2,159,326	-
Net income from Corporate Excellence Awards		-	166,430
Entrance fee		110,100	84,100
Other income	15	406,331	905,721
		<u>10,259,678</u>	<u>8,706,060</u>
<b>EXPENDITURE</b>			
Staff cost	16	4,905,250	5,162,153
Other establishment costs and administrative expenses	17	4,561,504	3,281,516
		<u>9,466,754</u>	<u>8,443,669</u>
<b>Surplus for the year</b>		<u>792,924</u>	<u>262,391</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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**PRESIDENT**

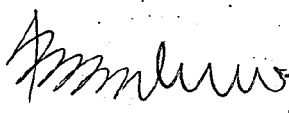
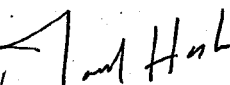
  
**HONORARY TREASURER**

  
**EXECUTIVE DIRECTOR**

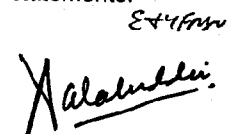
**MANAGEMENT ASSOCIATION OF PAKISTAN  
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Note	2011 (Rupees)	2010 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		792,924	262,391
<b>Adjustments for:</b>			
Depreciation		116,129	123,890
Loss / (gain) on deletion / disposal of property, plant and equipment		60,865	(453,391)
Provision for gratuity		195,413	240,841
Profit on investments		(1,490,933)	(1,356,983)
Accrued profit on PLS account		(27,845)	(23,515)
Bad debts written off		1,415,250	23,500
		1,061,803	(1,183,267)
<b>Working capital changes</b>			
Increase in seminar fee receivable		(3,392,380)	(174,000)
Increase in subscription receivable from members		(667,405)	(552,125)
(Increase) / decrease in advances		(248,204)	31,738
Increase in deposits and prepayments		(101,819)	(129,090)
(Increase) / decrease in accrued profit		(4,330)	49,695
Increase in advance fee and subscription		359,310	129,365
Increase / (decrease) in trade and other payables		2,904,303	(1,112,594)
		(1,150,525)	(1,757,011)
<b>Cash used in operating activities</b>		(88,722)	(2,940,278)
Gratuity paid		(506,000)	-
Long term deposit		(310,800)	-
<b>Net cash used in operating activities</b>		(905,522)	(2,940,278)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(123,828)	(133,935)
Proceeds from deletion / disposal of property, plant and equipment		-	838,999
Investments made during the year		(5,500,000)	(5,000,000)
Investments encashed upon maturity		8,061,397	6,150,734
Profit received on investments		1,386,345	715,767
<b>Net cash generated from investing activities</b>		3,823,914	2,571,565
<b>Net increase / (decrease) in cash and cash equivalents</b>		2,918,392	(368,713)
<b>Cash and cash equivalents at the beginning of the year</b>		5,371,507	5,740,220
<b>Cash and cash equivalents at the end of the year</b>	8	8,289,899	5,371,507

The annexed notes from 1 to 20 form an integral part of these financial statements.

**PRESIDENT**                      **HONORARY TREASURER**




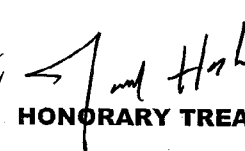
**EXECUTIVE DIRECTOR**

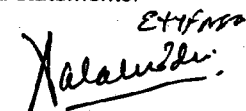
**MANAGEMENT ASSOCIATION OF PAKISTAN  
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Capital	Library Fund	Members' General Fund	Unrealized gain on available -for- sale investments	Accumulated Surplus	Total
-----Rupees-----						
Balance as at December 31, 2009	87,356	5,000	3,063,150	152,152	14,164,340	17,471,998
Net surplus for the year	-	-	-	-	262,391	262,391
Transferred during the year	-	-	84,100	-	(84,100)	-
Unrealised gain on available -for-sale investments	-	-	-	25,799	-	25,799
<b>Balance as at December 31, 2010</b>	<b>87,356</b>	<b>5,000</b>	<b>3,147,250</b>	<b>177,951</b>	<b>14,342,631</b>	<b>17,760,188</b>
Net surplus for the year	-	-	-	-	792,924	792,924
Transferred during the year	-	-	110,100	-	(110,100)	-
Unrealised loss on available -for-sale investments	-	-	-	(121,721)	-	(121,721)
<b>Balance as at December 31, 2011</b>	<b>87,356</b>	<b>5,000</b>	<b>3,257,350</b>	<b>56,230</b>	<b>15,025,455</b>	<b>18,431,391</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

  
**PRESIDENT**

  
**HONORARY TREASURER**

  
**EXECUTIVE DIRECTOR**

**MANAGEMENT ASSOCIATION OF PAKISTAN  
(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**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 Ordinance, 1984). 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 36-A/4, Chawla House, Opp: Beach Luxury Hotel, Lalazar, Karachi.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 Basis of preparation**

These financial statements have been prepared on the basis of historical cost convention except for certain available-for-sale investments which are carried at fair value.

**2.3 Property, plant 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. Full year's depreciation is charged on additions, while no depreciation is charged on assets disposed off during the year. 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 / deletion of assets are included in income and expenditure account currently.

**2.4 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.
- Profit on investments is recognized on an accrual basis based on effective interest rate method.
- Management convention fee is recognized on an accrual basis.
- Entrance fee from members is recorded on an accrual basis.
- Profit on bank deposits is recognized on an accrual basis.

**2.5 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.

*ST/1/12/11*

**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 capital and reserves is recognized in the income and expenditure account.

**2.6 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.

**2.7 Deposits and prepayments**

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

**2.8 Advances and receivables**

After initial measurement these are carried at amortised cost less any allowance for impairment.

Gains and losses are recognised in the income and expenditure account when the advances and receivables are derecognised or impaired.

**2.9 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, cash in transit and deposits with banks.

**2.10 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 Company.

**2.11 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.

**2.12 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.

**2.13 Lease rentals**

Lease payments for assets under lease arrangement are recognised as an expense in the income and expenditure account on a straight line basis over the lease term.

**2.14 Impairment**

The carrying value of assets are 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 or cash-generating units are written down to their recoverable amount.

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3. PROPERTY, PLANT AND EQUIPMENT

	COST			Rate %	ACCUMULATED DEPRECIATION			BOOK VALUE As at December 31, 2011
	As at January 01, 2011	Additions (Disposals)	As at December 31, 2011		As at January 01, 2011	Charge for the year disposal)	As at December 31, 2011	
<u>December 31, 2011</u>								
<b>Owned</b>								
Furniture and fixtures	480,277	-	475,277	10	257,871	21,956	277,673	197,604
Library books	8,909	-	8,909	15	8,813	14	8,827	82
Office equipments	1,375,721	123,828	1,220,554	15	909,811	80,789	762,751	457,803
Air conditioner and refrigerator	311,883	-	183,250	15	215,876	13,370	107,486	75,764
Others	1,063	-	1,063	15	1,063	-	1,063	-
	<b>2,177,863</b>	<b>123,828</b>	<b>1,889,053</b>		<b>1,393,434</b>	<b>116,129</b>	<b>1,157,800</b>	<b>731,253</b>

	COST			Rate %	ACCUMULATED DEPRECIATION			BOOK VALUE As at December 31, 2010
	As at January 01, 2010	Additions (Disposals)	As at December 31, 2010		As at January 01, 2010	Charge for the year disposals)	As at December 31, 2010	
<u>December 31, 2010</u>								
<b>Owned</b>								
Furniture and fixtures	465,827	14,450	480,277	10	233,159	24,712	257,871	222,406
Library books	8,909	-	8,909	15	8,796	17	8,813	96
Office equipments	1,325,236	50,485	1,375,721	15	827,592	82,219	909,811	465,910
Air conditioner and refrigerator	242,883	69,000	311,883	15	198,934	16,942	215,876	96,007
Motor vehicles	941,425	-	-	20	555,817	-	-	-
Others	1,063	-	1,063	15	1,063	-	1,063	-
	<b>2,985,343</b>	<b>133,935</b>	<b>2,177,853</b>		<b>1,825,361</b>	<b>123,890</b>	<b>1,393,434</b>	<b>784,419</b>

24/1/10

4. LONG TERM INVESTMENTS – Held to maturity	Note	2011 (Rupees)	2010 (Rupees)
<b>Held to Maturity</b>			
<b>Certificate of investment</b>			
Orix Leasing Pakistan Limited	4.1	1,728,392	1,583,292
Orix Leasing Pakistan Limited	4.2	1,238,698	1,225,008
Orix Leasing Pakistan Limited	4.3	<u>2,047,028</u>	<u>2,017,948</u>
		5,014,118	4,826,248
Less: Current portion	4.3	<u>2,047,028</u>	-
		<u>2,967,090</u>	<u>4,826,248</u>
<b>Term Deposit Receipts</b>			
Summit Bank Limited	4.4	-	3,171,188
		<u>2,967,090</u>	<u>7,997,436</u>
Less: Current portion	4.4	-	3,171,188
		<u>2,967,090</u>	<u>4,826,248</u>

- 4.1 This represents Rs.1 million (2010: Rs 1 million), invested in Certificate of Investment of Orix Leasing Pakistan Limited carrying markup at the rate of 14.51% per annum having maturing on August 16, 2013.
- 4.2 This represents Rs.1.2 million (2010: 1.2 million), invested in Certificate of Investment of Orix Leasing Pakistan Limited carrying markup at the rate of 11% per annum having maturing on April 16, 2013.
- 4.3 This represents Rs. 2 million (2010: Rs. 2 million ), invested in Certificate of Investment of Orix Leasing Pakistan Limited carrying markup at the rate of 14% per annum having maturing on March 05, 2012.
- 4.4 This represents Rs. Nil (2010: 3.061 million), invested in Term Deposit Receipts of Summit Bank Limited carrying markup at the rate of 11.1% per annum maturing on September 03, 2011.

5. SUBSCRIPTION RECEIVABLE FROM MEMBERS	Note	2011 (Rupees)	2010 (Rupees)
Balance as at the beginning of the year		2,217,125	1,545,375
Written off during the year		<u>(1,415,250)</u>	<u>(23,500)</u>
Balance as at the end of the year		<u>801,875</u>	<u>1,521,875</u>

6. DEPOSITS AND PREPAYMENTS

Security deposits	100,000	115,480
Prepayments	<u>899,320</u>	<u>782,021</u>
	<u>999,320</u>	<u>897,501</u>

7. SHORT TERM INVESTMENTS

<b>Held to maturity</b>			
Certificate of Investments	7.1	2,505,134	2,506,281
Term Deposit Receipts	7.2	<u>3,049,317</u>	<u>2,521,661</u>
		5,554,451	5,027,942
<b>Available-for-sale</b>			
Quoted securities	7.3	571,121	692,842
Current portion of long term investments	4.3 & 4.4	<u>2,047,028</u>	<u>3,171,188</u>
		<u>8,172,600</u>	<u>8,891,972</u>

- 7.1 This represents Rs. 2.5 million (2010: Rs 2.5 million), invested in Certificate of Investment of Pak Oman Investment Company carrying markup at the rate of 11.90% (2010: 13.10%) per annum maturing on December 24, 2012.

*Edwards*

7.2 This represents Rs. 3 million (2010: Rs. 2.5 million) invested in one year's term deposit with Faysal Bank Limited (2010: MCB Bank Limited), carrying markup at the rate of 11.30 % (2010: 12.65%) per annum, having maturing on November 01, 2012.

	Note	2011 (Rupees)	2010 (Rupees)
<b>7.3. Available-for-sale Quoted securities</b>			
<u>No. of units</u>			
		<u>2011</u>	<u>2010</u>
		<b>UNITS</b>	
		<u>22,051</u>	<u>22,051</u>
		National Investment Trust Units	
		<u>571,121</u>	<u>692,842</u>
<b>8. CASH AND BANK BALANCES</b>			
In hand		5,182	1,054
With banks on - current accounts			
- PLS account	8.1	30,354	83,599
- treasury call account	8.2	6,677,830	70,246
		1,576,533	5,216,608
		<u>8,284,717</u>	<u>5,370,453</u>
		<u>8,289,899</u>	<u>5,371,507</u>
8.1		It carries profit at the rate of 5 % (2010: 5 %) per annum.	
8.2		It carries profit at the rate of 8 % (2010: 10%) per annum.	
<b>9. ADVANCE FEE AND SUBSCRIPTION</b>			
Subscription from members		3,208,215	2,843,330
Seminar fee		15,180	20,755
		<u>3,223,395</u>	<u>2,864,085</u>
<b>10. TRADE AND OTHER PAYABLES</b>			
Accrued liabilities		180,929	154,919
MAP Conference / Convention expenses payable		2,877,752	-
Book overdraft		541	-
		<u>3,059,222</u>	<u>154,919</u>
<b>11. DEFERRED LIABILITY – Staff gratuity</b>			
Opening balance		1,931,845	1,691,004
Provision for the year		195,413	240,841
Payments during the year		(506,000)	-
		<u>1,621,258</u>	<u>1,931,845</u>
<b>12. NET INCOME FROM SEMINARS AND COURSES</b>			
Fee		1,230,675	881,863
Expenses		(851,447)	(394,022)
		<u>379,228</u>	<u>487,841</u>

EA/PAU

Management Association of Pakistan

	Note	2011 (Rupees)	2010 (Rupees)
<b>13. PROFIT ON INVESTMENTS</b>			
Profit on			
Certificate of investments		883,453	577,686
Term Finance Certificates		-	430,335
National Investment Trust Limited Units		73,871	39,140
Term Deposits Receipts		533,609	309,822
		<u>1,490,933</u>	<u>1,356,983</u>
<b>14. NET INCOME FROM MANAGEMENT CONFERENCE / CONVENTION</b>			
Income		5,095,635	-
Expenses		(2,936,309)	-
		<u>2,159,326</u>	<u>-</u>
<b>15. OTHER INCOME</b>			
Profit on PLS account		36,624	124,554
Profit on treasury call account		369,707	327,776
Gain on disposal of property, plant and equipment		-	453,391
		<u>406,331</u>	<u>905,721</u>
<b>16. STAFF COST</b>			
Salaries and allowances	16.1	4,210,215	4,480,804
Provision for gratuity		195,413	240,841
Ex-gratia payments		356,846	227,688
Contribution to Employees Old Age Benefits Institution		29,820	23,400
Medical assistance		112,956	189,420
		<u>4,905,250</u>	<u>5,162,153</u>

**16.1 Salaries and allowances**

This includes remuneration amounting to Rs. 2.421 million (2010: Rs. 2.408 million) to the Executive Director of the Association.

*E. H. FAW*

	Note	2011 (Rupees)	2010 (Rupees)
<b>17. OTHER ESTABLISHMENT COSTS AND ADMINISTRATIVE EXPENSES</b>			
Office rent		835,393	759,448
Utilities		258,197	245,117
Telephone expenses		83,052	81,994
Office and general expenses		99,152	246,968
Printing and stationery		114,381	139,630
Postage		44,109	65,866
Insurance		114,598	80,214
Conveyance		58,150	78,579
Annual report and meeting		191,313	338,090
Entertainment		70,862	175,644
Depreciation	3	116,129	123,890
Bad debts written off		1,415,250	23,500
Bank charges		12,885	32,732
Legal and professional		540,000	85,000
Auditors' remuneration		90,000	75,000
Membership subscriptions		133,222	339,785
Travelling, boarding and lodging		42,112	250,627
Repair and maintenance		72,555	47,490
Website cost		110,697	91,942
Advertisement		68,850	-
Loss on deletion of property, plant and equipment		60,865	-
Lease rentals		29,732	-
		<u>4,561,504</u>	<u>3,281,516</u>

#### 18. TAXATION

The Association, being a charitable organization, contends its income exempt from tax under clause 58 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in these financial statements in respect of the sources of income specified to be exempt from tax under the said clause.

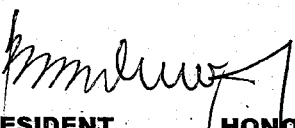
#### 19. CONTINGENCY

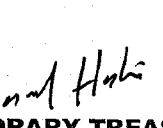
A civil suit no. 73 of 2011 has been filed by one of the Executive Committee Members of the Association, before the Court of District and Sessions Judge Karachi (East). The Plaintiff has alleged that he has been defamed by the Association and other Defendants by virtue of a letter issued by the Defendants, 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. The matter is pending before the Honorable Court of District and Sessions Judge Karachi (East).

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 letters forming the basis of the defamation have not been written by the defendants. Hence based on the opinion of the legal counsel, no provision in respect of the above case has been made in these financial statements.

#### 20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Executive Committee of the Association on March 17, 2012.

  
**PRESIDENT**

  
**HONORARY TREASURER**

  
**EXECUTIVE DIRECTOR**