



**FINANCIAL MARKET  
ASSOCIATION OF PAKISTAN**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
JUNE 30, 2010**

**RASG**

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**RIAZ AHMAD**

**SAQIB**

**GOHAR**

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**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **Financial Market Association of Pakistan** (the Association) as at June 30, 2010 and the related income and expenditure account, cash flow statement, and statement of changes in accumulated fund 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;

Contd. on....Page 2

*Riaz Ahmad*

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- 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 accumulated fund 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 June 30, 2010 and of the deficit, and changes in funds 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).

Karachi: \_\_\_\_\_

**Riaz Ahmad, Saqib, Gohar & Co.**  
**Chartered Accountants**  
**Engagement Partner: Adeel Shahzad**



**FINANCIAL MARKET ASSOCIATION OF PAKISTAN  
BALANCE SHEET  
AS AT JUNE 30, 2010**

	Note	2010 Rupees	2009 Rupees
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Fixed assets	3	31,485	34,203
<b>CURRENT ASSETS</b>			
Short term investment	4	15,000,000	15,000,000
Advances, Deposits, Prepayments and Other receivables	5	216,027	338,274
Cash and bank balances	6	2,265,383	3,326,237
		17,481,410	18,664,511
<b>TOTAL ASSETS</b>		17,512,895	18,698,714
<b><u>FUND AND LIABILITIES</u></b>			
<b>FUND</b>			
General fund	7	17,387,077	18,648,011
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	8	125,818	39,730
Provision for taxation		-	10,973
		125,818	50,703
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		17,512,895	18,698,714

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
PRESIDENT

  
SECRETARY

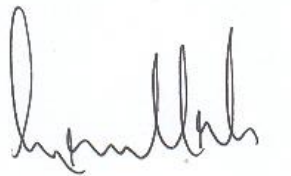
  
TREASURER

**FINANCIAL MARKET ASSOCIATION OF PAKISTAN  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2010**

	Note	2010 Rupees	2009 Rupees
Subscription fee		2,649,280	2,716,430
Other income	10	3,029,411	3,857,203
		5,678,691	6,573,633
<b>Operating expenses:</b>			
Administrative and general expenses	11	6,640,775	6,022,105
Financial charges		7,829	12,502
		6,648,604	6,034,607
(Deficit) / Surplus for the year before taxation		(969,913)	539,026
Taxation for the year		(291,021)	(232,419)
(Deficit) / Surplus for the year after taxation		(1,260,934)	306,607
(Deficit) / Surplus for the year transferred to general fund		(1,260,934)	306,607

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
PRESIDENT

  
SECRETARY

  
TREASURER

**FINANCIAL MARKET ASSOCIATION OF PAKISTAN  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2010**

	2010 Rupees	2009 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the year before taxation	(969,913)	539,026
<b>Adjustments for non cash charges and other items:</b>		
16.1		
Depreciation	<u>9,768</u>	<u>10,477</u>
Operating profit before working capital changes	(960,145)	549,503
<b>(Increase) / decrease in current assets</b>		
Advance to employees	<u>(65,000)</u>	<u>-</u>
	(1,025,145)	549,503
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	<u>86,088</u>	<u>2,230</u>
	86,088	2,230
Cash from operations	(939,057)	551,733
Tax paid	<u>(301,994)</u>	<u>(232,419)</u>
<b>Net cash from operating activities</b>	<u>(1,241,051)</u>	<u>319,314</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Short term investment	-	(168,056)
Interest receivable	187,247	14,112
Capital expenditure	(7,050)	(3,000)
<b>Net cash used in investing activities</b>	180,197	(156,944)
Net increase/(decrease) in cash and cash equivalents	(1,060,854)	162,370
Cash and cash equivalents at the beginning of year	3,326,237	3,163,867
<b>Cash and cash equivalents at the end of year</b>	<u>2,265,383</u>	<u>3,326,237</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
PRESIDENT

  
SECRETARY

  
TREASURER

**FINANCIAL MARKET ASSOCIATION OF PAKISTAN  
STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Accumulated Fund</b>	<b>Total</b>
-----Rupees-----		
Balance as at July 1, 2008	18,341,404	18,341,404
Surplus for the year	306,607	306,607
Balance as at July 1, 2009	18,648,011	18,648,011
Deficit for the year	(1,260,934)	(1,260,934)
Balance as at June 30,-2010	17,387,077	17,387,077

10/20/10

The annexed notes from 1 to 16 form an integral part of these financial statements.

**PRESIDENT**

**SECRETARY**

**TREASURER**

**FINANCIAL MARKET ASSOCIATION OF PAKISTAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**1 NATURE AND STATUS**

Financial Market Association of Pakistan (FMAP) was incorporated in Pakistan on 17th April, 2006 under section 42 of the Companies Ordinance, 1984 in accordance with the approval of SBP as an association not-for-profit . The members of the Association are drawn from Dealing Room staff of all Scheduled Banks, NBFCs and FX/MM Interbank Brokerage Houses. FMAP is affiliated with "Association Cambisite Internationale-Paris". The association, on incorporation, took over assets, liabilities and operation of its predecessor - an association of persons with the same name.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention.

**Basis of presentation**

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 (SSEs) 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 REVENUE RECOGNITION**

- \* Income from Subscription Fee is recognized on receipt basis and income on savings accounts, placements and treasury bills purchase transactions are recognized on accrual basis. Subscription Fee has been recognized on receipt basis as it is not possible for the association to ascertain whether or not a member will continue his membership for the ensuing calendar year.

**2.3 FINANCIAL INSTRUMENT**

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognizing of the financial assets and liabilities is included in the income currently.

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## 2.4 FIXED ASSETS

### **Tangible**

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation on addition and disposal of fixed assets is charged on proportionate depreciation basis. Depreciation is charged to income applying the reducing balance method over the estimated useful lives of related assets, at the rates specified in note 3 to the accounts. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of fixed assets are included in income currently.

The association assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

## 2.5 FINANCIAL ASSETS

### **Measurement**

#### **Available for sale**

Assets that are expected to be recovered primarily through sale rather than through continued use are classified as held for sale. The assets are measured at the lower of their carrying amounts and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit and loss account. Gains are not recognized in excess of any cumulative impairment loss.

#### **Off setting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the association intends to either settle on a net basis, or to realize the asset and settle the liability, simultaneously.

## 2.6 CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash in hand, and deposits with the banks.

*10/11/11*

3 FIXED ASSETS

Tangible

C O S T

D E P R E C I A T I O N

W R I T T E N  
D O W N V A L U E

Particulars	As at July 01, 2009	Additions/ (Disposals) during the year	As at June 30, 2010	Depreciation Rate	As at July 01, 2009	For the year/ (On disposals)	As at June 30, 2010	As at June 30, 2010
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-----Rupees----- % -----Rupees----- Rupees

Owned -

Computers	72,800	3,450	76,250	33%	54,611	7,141	61,752	14,498
Office equipments	21,600	3,600	25,200	15%	5,586	2,627	8,213	16,987
June 30, 2010	94,400	7,050	101,450		60,197	9,768	69,965	31,485
June 30, 2009	91,400	3,000	94,400		49,720	10,477	60,197	34,203

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	Note	2010 Rupees	2009 Rupees
<b>4 SHORT TERM INVESTMENT</b>	4.1	<u>15,000,000</u>	<u>15,000,000</u>
4.1 Represents investment in Certificate of Investment (COI) with Pak Oman Investment Company Limited (2009: Rs. 15 million with Habib Metropolitan Bank). The certificate carry markup rate ranging from 11% to 12.5 % per annum (2009: 12.25% to 13.75%).			
<b>5 ADVANCES, DEPOSITS, PREPAYMENTS, AND OTHER RECEIVABLES</b>			
Advance to employees		65,000	-
Interest receivable		151,027	338,274
		<u>216,027</u>	<u>338,274</u>
<b>6 CASH AND BANK BALANCES</b>			
Cash in hand		1,933	1,637
Cash at bank- in saving account		2,263,450	3,324,600
		<u>2,265,383</u>	<u>3,326,237</u>
<b>7 GENERAL FUND</b>			
Balance as at the beginning of the year		18,648,011	18,341,404
(Deficit) / Surplus for the year transferred from Income and expenditure account		<u>(1,260,934)</u>	<u>306,607</u>
		<u>17,387,077</u>	<u>18,648,011</u>
<b>8 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Audit fee payable		35,000	35,000
Professional services fee payable		40,000	2,500
With holding Tax		30,373	2,230
Salaries payable		5,445	-
Website maintenance fee payable		15,000	-
		<u>125,818</u>	<u>39,730</u>
<b>9 CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitments as on June 30, 2010. (2009: nil)			

*2010*

	2010 Rupees	2009 Rupees
<b>10 OTHER INCOME</b>		
Workshop fee	1,110,000	1,776,870
Rate sheet fee	45,000	104,100
Investment income	1,756,592	1,702,101
Profit on deposit account with banks	117,819	274,132
	<u>3,029,411</u>	<u>3,857,203</u>
<b>11 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Contractual staff salaries and allowances	969,525	909,531
Payment to ACI-Technical	347,537	352,537
Printing & stationery	113,808	53,106
Website maintenance	389,000	75,000
Depreciation	3 9,768	10,477
Repair & maintenance	-	21,550
Legal professional charges	101,290	40,000
AGM related expense	415,000	476,636
Audit fee	35,000	35,000
Workshop/ Seminar expenses	2,402,311	3,108,732
Event management/entertainment	1,755,753	715,923
Traveling & Conveyance	55,265	33,065
Postage & telegram	3,410	4,300
Internet Expense	11,650	8,900
Donation expense	-	157,500
Misc. Expenses	31,458	19,848
	<u>6,640,775</u>	<u>6,022,105</u>
<b>12 TAXATION</b>		
Current taxation	12.1 <u>291,021</u>	<u>232,419</u>

12.1 Provision for taxation has been made for the year as the application for the exemption under clause (58) of the Second Schedule to the Income Tax Ordinance 2001 is still under process.

**13 REMUNERATION OF PRESIDENT AND MEMBERS**

During the year the president and members have not drawn any remuneration including other benefits.

*Roshan*

14 NUMBER OF EMPLOYEES	30-Jun-10	30-Jun-09
Total number of employees as on	3	3

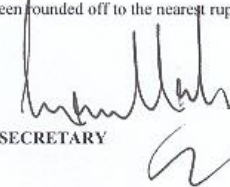
15 DATE OF AUTHORIZATION

These accounts were authorized for issue on \_\_\_\_\_ by the Managing Committee of the Association.

16 GENERAL

16.1 Figures in these accounts have been rounded off to the nearest rupee.

  
PRESIDENT

  
SECRETARY

*Rose*  
  
TREASURER