

PMI Karachi Pakistan Chapter

For the year ended December 31, 2007



ANJUM ASIM SHAHID RAHMAN



PMI Karachi Pakistan Chapter
Year ended December 31, 2007



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Grant Thornton

August 08, 2008

AB-5498

The Board of Directors
PMI Karachi Pakistan Chapter
303-Wind Song Place
Block-7 & 8, K.C.H.S.
Karachi

Dear Sirs

2007 FINANCIAL STATEMENTS

We are pleased to enclose four copies of the financial statements of the PMI Karachi Pakistan Chapter for the year ended December 31, 2007 together with our audit report thereon duly initialed by us for the purpose of identification. We shall be pleased to sign our report in the present and modified form after:

- (a) these financial statements have been considered and approved by the board of directors (the board) and signed by the president and a vice president authorized to do so in this behalf in the manner so required; and
- (b) we have received a representation letter duly signed by the management.

2. RESPONSIBILITY OF THE AUDITORS AND THE MANAGEMENT

- 2.1 The responsibilities of the auditors in a usual examination of financial statements are explained in International Standard on Auditing 200 "Objective and General Principles Governing an Audit of Financial Statements".
- 2.2 While the auditor is responsible for forming and expressing an opinion on the financial statements, the responsibility for their preparation is primarily that of the management of the organization. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and safeguarding of the assets of the organization. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of accounting books and records should not be relied upon to disclose all the errors or irregularities which are not material in relation to the financial statements.

We wish to place on record our appreciation for the cooperation and courtesy extended to us by the management and staff of the organization during the course of the audit.

Yours sincerely

Anjum Asim Shahid Rahman
Chartered Accountants

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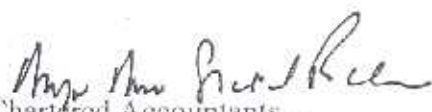
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the PMI Karachi Pakistan Chapter as at December 31, 2007 and the related income and expenditure account together with the notes forming part thereof for the year then ended.

It is the responsibility of the management of the chapter to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements present fairly in all material respects of the financial position of the chapter as at December 31, 2007 and of its surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


Chartered Accountants

Karachi.

Date:

10 Dec 2008

PMI KARACHI PAKISTAN CHAPTER
BALANCE SHEET
AS AT DECEMBER 31, 2007

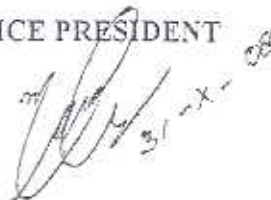
	Note	December 31 2007 ----Rupees----	December 31 2006 ----Rupees----
Assets			
Current assets			
Bank balance	3	465,135	134,953
		<u>465,135</u>	<u>134,953</u>
Represented by:			
Accumulated surplus		133,019	58,055
Current liabilities			
Other liabilities	4	332,116	76,898
		<u>465,135</u>	<u>134,953</u>
		<u>AAK</u>	

The annexed notes from 1 to 6 form an integral part of these accounts.

PRESIDENT



VICE PRESIDENT



PMI KARACHI PAKISTAN CHAPTER
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2007

	Note	December 31 2007 ---Rupees---	For the period From April 06, 2006 to December 31, ---Rupees---
Income			
Membership fee		58,158	172,117
Training fee		1,713,805	298,511
Total Income		<u>1,771,963</u>	<u>470,628</u>
Expenditure			
Operating expenses	4	1,696,375	369,048
Pre-incorporation expenses-net	5	-	43,164
Financial charges		624	361
Total expenditure		<u>1,696,999</u>	<u>412,573</u>
Surplus for the year/ period		<u>74,964</u> <u>AAR</u>	<u>58,055</u>

The annexed notes from 1 to 6 form an integral part of these accounts

PRESIDENT



VICE PRESIDENT



1. LEGAL STATUS AND NATURE OF BUSINESS

PMI Karachi Pakistan Chapter was incorporated as a non-profit entity, chartered by The Project Management Institute, Incorporated (PMI). PMI Karachi Pakistan Chapter entered into a Charter Agreement with PMI in 2006 to develop and approve governing policies and criteria for regulation, process membership of PMI members who also join chartered components and dissemination of new PMI programme. The organization was incorporated under the Societies Registration Act, 1860. The registered office is situated at 303-Wind Song Place, Block-7 & 8, K.C.H.S. Karachi.

The charter's main activities are broadly aimed to:

- A. foster awareness for project management in career development and application of body of knowledge to project activities;
- B. promote the practice and professionalism of Project Management in business and industry for success on projects;
- C. support the training and professional development of PMI-Professionals in educational institutions and training centres;
- D. encourage the adoption of Project Management practices by Corporations, Government, NGOs and others; and
- E. provide forum for networking, contacts and access to research work in the development of Project Management profession and its application to business and industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These accounts have been prepared in accordance with the generally accepted accounting principles.

2.2. Accounting convention

These accounts are prepared under the historical cost convention.

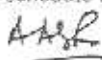
2.3. Revenue recognition

Income from membership fee is accounted for on receipt basis.

Income from training fee is accounted for on an accrual basis.

2.4. Taxation

The organization has filed an application for tax exemption under sub-clause (3) of clause (58) of Part I of the second schedule to the Income Tax Ordinance, 2001 being a non profit organization which is pending.



PMI KARACHI PAKISTAN CHAPTER
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2007 (continued)

	2007 -----Rupees-----	2006 -----Rupees-----
3. Bank balance		
Current account	465,135	134,953
	<u>465,135</u>	<u>134,953</u>
4. Other liabilities		
Audit fee payable	25,000	25,000
Professional fee	282,116	-
Payable for training venue hotel	25,000	51,898
	<u>332,116</u>	<u>76,898</u>
		For the period from April 06, 2006 to December 31, 2006
	2007 -----Rupees-----	-----Rupees-----
5. Operating expenses		
Meeting and training venue charges	870,194	289,649
Postage and freight	5,170	8,683
Multimedia	19,500	32,500
Printing and stationery	116,901	13,216
Audit fee	25,000	25,000
Professional fee	657,676	-
Conveyance	1,934	-
	<u>1,696,375</u>	<u>369,048</u>
6. Pre-incorporation expenses-net		
Breakup of pre-incorporation income		
Training fee	-	92,500
	<u>-</u>	<u>92,500</u>
Break-up of pre-incorporation expenses		
Registration charges	-	15,500
Printing and stationery	-	13,915
Multimedia	-	69,534
Postage & freight	-	6,715
Meeting and training venue charges	-	30,000
	<u>-</u>	<u>135,664</u>
Net expenses	<u>-</u>	<u>(43,164)</u>

PRESIDENT



VICE PRESIDENT

