

**Management Association of
Pakistan**

Accounts
for the year ended 31 December 2001

**AUDITORS' REPORT TO THE MEMBERS OF
MANAGEMENT ASSOCIATION OF PAKISTAN**

We have examined the annexed Balance Sheet of the MANAGEMENT ASSOCIATION OF PAKISTAN as at December 31, 2001 and the related Income & Expenditure Account for the year ended on that date, together with the notes forming part thereof, 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, and after due verification thereof, 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 the income & expenditure account together with the notes thereto have been drawn up in conformity with 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.
 - (iii) The business conducted, investments made and 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 and the income & expenditure account together with the notes forming part thereof 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 December 31, 2001 and of the surplus for the year then ended.
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Karachi-
May 29, 2002.

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Muzzammil A. Ferozie

Muzzammil A. Ferozie
M.Com., F.C.A.
For FEROZE SONS & COY.
Chartered Accountants

Management Association of Pakistan
Balance Sheet
as at 31 December 2001

	<i>Note</i>	2001 (Rupees)	2000 (Rupees)
Fixed Capital Expenditure at cost less accumulated depreciation	4	671,698	639,607
Web Site (cost less amortisation)	5	71,221	142,442
Investments - at cost	6	5,499,800	4,500,000
CURRENT ASSETS			
Seminar Fee Receivable		184,100	182,250
Advances, Deposits, Prepayments & Other Receivable	7	577,970	583,642
Cash & Bank Balances	8	1,152,783	1,737,402
		1,914,853	2,503,294
CURRENT LIABILITIES			
Advance Fee & Subscriptions	9	627,728	469,776
Sundry Creditors	10	50,850	66,019
		678,578	535,795
NET CURRENT ASSETS		1,236,275	1,967,499
Deferred Liability for Staff Gratuity		757,939	746,134
		6,721,055	6,503,414

FINANCED BY :

CAPITAL & RESERVES

Capital		87,356	87,356
Library Fund		5,000	5,000
Members' General Fund	11	1,014,250	-
Members' Entrance Fund	12	-	827,250
Accumulated Surplus	13	5,614,449	5,583,808
		6,721,055	6,503,414


PRESIDENT

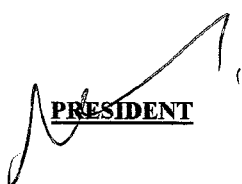

HONORARY TREASURER



EXECUTIVE DIRECTOR

Karachi, May 29, 2002.

**Management Association of Pakistan
Income & Expenditure Account
for the year ended 31 December 2001**

	<i>Note</i>	2001 (Rupees)	2000 (Rupees)
INCOME			
Entrance Fee		187,000	387,000
Subscriptions from Members'		1,948,449	1,847,075
Income from Seminars & Courses	14	1,359,068	765,885
Return on Investments		769,943	736,094
Other Income		<u>39,852</u>	<u>227,275</u>
		4,304,312	3,963,329
LESS: EXPENSES			
Staff Costs	15	2,212,189	1,940,324
Other Establishment Costs & Administrative Expenses	16	1,881,477	1,472,268
		<u>4,093,666</u>	<u>3,412,592</u>
Surplus for the Year		210,646	550,737
Prior Year's Adjustment		6,995	(55,203)
Profit on Realisation / Revaluation of NIT Units		-	214,999
Transferred to Members' Entrance Fund		(187,000)	(387,000)
Accumulated Surplus Brought Forward		<u>5,583,808</u>	<u>5,260,275</u>
		5,614,449	5,583,808


PRESIDENT


HONORARY TREASURER


EXECUTIVE DIRECTOR

Karachi, May 29, 2002

Management Association of Pakistan
Notes to the Accounts
for the year ended 31 December 2001

1. Operations of the Association

The Association was incorporated in 1966 as a company limited by guarantee under the Companies Act, 1913. The main activities of the Association are to disseminate information of management practices through seminars, courses and conventions.

2. Significant Accounting Policies

- 2.1 These accounts have been prepared on a historical cost basis.
2.2 An unfunded gratuity scheme is in force for all employees who are eligible for this benefit and obligations under the scheme are accrued in the accounts.
2.3 Fixed capital expenditure is stated at cost less accumulated depreciation on the diminishing balance method. The rates applied are 5%, 6% and 15% respectively for leasehold premises, furniture & fixtures and other assets respectively.
2.4 Web site development costs are deferred and amortised over three years; maintenance is charged to revenue
2.5 Investments are stated at lower of cost and net realisable value.
2.6 Annual subscription from members are recognised on receipt basis.

3. Taxation

The income of the Association is not liable to taxation.

4. Fixed Capital Expenditure

	COST			DEPRECIATION			WDV 31 Dec 01
	As at 01 Jan 01	Additions (Deletions)	As at 31 Dec 01	As at 01 Jan 01	Provision	As at 31 Dec 01	
Premises	255,778	-	255,778	154,179	5,080	159,259	96,519
Furniture & Fixtures	285,341	-	285,341	53,919	13,885	67,804	217,537
Library Books	9,222	-	9,222	8,417	121	8,538	684
Office Equipments	520,201	114,170	634,371	249,776	57,689	307,465	326,906
Air Conditioner and Refrigerators	132,833	-	132,833	97,491	5,302	102,793	30,040
Others	1,074	-	1,074	1,060	2	1,062	12
2001 (Rupees)	1,204,449	114,170	1,318,619	564,842	82,079	646,921	671,698
2000 (Rupees)	760,859	443,590	1,204,449	490,620	74,222	564,842	639,607

5. Web Site

	2001 (Rupees)	2000 (Rupees)
Development Cost	142,442	213,663
Less: Amortisation	(71,221)	(71,221)
	<u>71,221</u>	<u>142,442</u>

6. Investments - at cost

	2001 (Rupees)	2000 (Rupees)
Federal Investments Bonds	2,500,000	2,500,000
PLS Deposits	2,000,000	2,000,000
TFC's - Sui Southern Gas Co.	999,800	-
	<u>5,499,800</u>	<u>4,500,000</u>

7. Advances, Deposits, Prepayments & Other Receivable

Deposits	101,130	101,130
Prepayments	325,312	270,795
Advances	16,000	16,000
Other Receivable	7,600	4,080
Accrued Income on Investments	127,928	165,974
Others	-	25,663
	<u>577,970</u>	<u>583,642</u>

8. Cash & Bank Balances

Cash at Bank	1,133,234	1,733,549
Cash in Hand	19,549	3,853
	<u>1,152,783</u>	<u>1,737,402</u>

9. Advance Fee & Subscription

Advance Seminar Fee	209,728	-
Subscription from Members	418,000	446,750
Others	-	23,026
	<u>627,728</u>	<u>469,776</u>

10. Sundry Creditors

Audit Fee	12,000	12,000
Electricity, Gas & Water	12,700	6,600
Telephone	13,800	31,210
Newspapers	1,680	1,730
Salaries	7,920	1,851
Regional Director's Allowance	2,750	2,750
Seminars	-	5,370
Others	-	4,508
	<u>50,850</u>	<u>66,019</u>

11. Members' General Fund

	2001 (Rupees)	2000 (Rupees)
Opening Balance	-	-
Transferred from Members' Entrance Fund	<u>1,014,250</u>	<u>-</u>
	<u>1,014,250</u>	<u>-</u>

12. Members' Entrance Fund

Opening Balance	827,250	440,250
Transferred from Accumulated Surplus for the Year	187,000	387,000
Transferred to Members' General Fund	<u>(1,014,250)</u>	<u>-</u>
	<u>-</u>	<u>827,250</u>

13. Accumulated Surplus

Opening Balance	5,583,808	5,260,275
Prior Years' adjustments	6,995	(55,203)
Surplus for the Year	210,646	550,737
Profit on Realisation/Revaluation of NIT Units	-	214,999
Transferred to Members' Entrance Fund	<u>(187,000)</u>	<u>(387,000)</u>
	<u>5,614,449</u>	<u>5,583,808</u>

14. Income from Seminars & Courses

Fee	3,857,783	1,514,697
Expenses	<u>(2,498,715)</u>	<u>(748,812)</u>
	<u>1,359,068</u>	<u>765,885</u>

15. Staff Costs

Salaries & Allowances	1,938,094	1,714,872
Provision for Gratuity	108,780	116,023
Ex-gratia Payments	93,694	55,399
EOBI	14,310	7,800
Medical Assistance	<u>57,311</u>	<u>46,230</u>
	<u>2,212,189</u>	<u>1,940,324</u>

16. Other Establishment Costs & Administrative Expenses

Rent, Rates & Taxes	464,919	426,396
Telephone Expenses	206,230	201,925
Office & General Expenses	280,912	172,892
Printing & Stationery	176,283	102,803
Postage	90,192	62,877
Conveyance	143,916	135,290
Annual Report & Meeting	80,347	81,529
Entertainment	98,119	50,556
Corporate Excellence Award	103,930	10,727
Depreciation	82,079	74,222
Bank Charges	12,129	11,830
Accounting Charges	48,000	36,000
Audit Fee	12,000	12,000
Membership - Subscriptions	11,200	11,200
Amortisation - Web Site	71,221	71,221
Travelling Expenses	-	10,800
	<u>1,981,477</u>	<u>1,472,268</u>

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