

**Management Association of
Pakistan**

Accounts

for the year ended 31 December 2002

**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, 2002 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, 2002 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 23, 2003.

Muzzammil A. Feroze

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

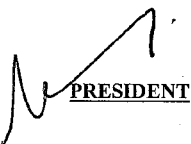
Management Association of Pakistan
Balance Sheet
as at 31 December 2002

	Note	2002 (Rupees)	2001 (Rupees)
Fixed Capital Expenditure at cost less accumulated depreciation	4	630,391	671,698
Web Site (cost less amortisation)	5	-	71,221
Investments - at cost	6	6,499,400	5,499,800
CURRENT ASSETS			
Seminar Fee Receivable		286,080	184,100
Advances, Deposits, Prepayments & Other Receivables	7	688,964	577,970
Cash & Bank Balances	8	1,824,662	1,152,783
		2,799,706	1,914,853
CURRENT LIABILITIES			
Advance Fee & Subscriptions	9	1,170,175	627,728
Sundry Creditors	10	32,812	50,850
		1,202,987	678,578
NET CURRENT ASSETS		1,596,719	1,236,275
Deferred Liability for Staff Gratuity		843,648	757,939
		7,882,862	6,721,055


FINANCED BY :

CAPITAL & RESERVES

Capital		87,356	87,356
Library Fund		5,000	5,000
Members' General Fund	11	1,296,850	1,014,250
Accumulated Surplus	12	6,493,656	5,614,449
		7,882,862	6,721,055


PRESIDENT

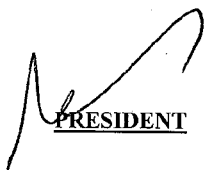

HONY. TREASURER



EXECUTIVE DIRECTOR

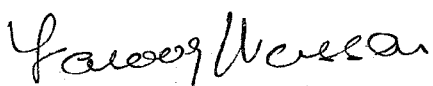
Karachi, May 23, 2003

Management Association of Pakistan
Income & Expenditure Account
for the year ended 31 December 2002

	Note	2002 (Rupees)	2001 (Rupees)
INCOME			
Entrance Fee		282,600	187,000
Subscriptions from Members		2,189,764	1,948,449
Income from Seminars & Courses	13	2,665,681	1,359,068
Return on Investments		672,210	769,943
Other Income		351,125	39,852
		6,161,380	4,304,312
LESS: EXPENSES			
Staff Costs	14	2,780,010	2,212,189
Other Establishment Costs & Administrative Expenses	15	2,219,563	1,874,482
		4,999,573	4,086,671
Surplus for the Year		1,161,807	217,641
Transferred to Members' General Fund		(282,600)	(187,000)
Accumulated Surplus Brought Forward		5,614,449	5,583,808
Accumulated Surplus		6,493,656	5,614,449


PRESIDENT


HONY. TREASURER


EXECUTIVE DIRECTOR

Karachi, May 23, 2003

Management Association of Pakistan
Notes to the Accounts
for the year ended 31 December 2002

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 02
	As at 01 Jan 02	Additions (Deletions)	As at 31 Dec 02	As at 01 Jan 02	Provision	As at 31 Dec 02	
	Premises	255,778	-	255,778	159,259	4,826	
Furniture & Fixtures	285,341	-	285,341	67,804	13,052	80,856	204,485
Library Books	9,222	-	9,222	8,538	103	8,641	581
Office Equipments	634,371	23,550	657,921	307,465	52,568	360,033	297,888
Air Conditioner and Refrigerators	132,833	12,000	144,833	102,793	6,306	109,099	35,734
Others	1,074	-	1,074	1,062	2	1,064	10
2002 (Rupees)	1,318,619	35,550	1,354,169	646,921	76,857	723,778	630,391
2001 (Rupees)	1,204,449	114,170	1,318,619	564,842	82,079	646,921	671,698

5. Web Site

	2002 (Rupees)	2001 (Rupees)
Development Cost	71,221	142,442
Less: Amortisation	(71,221)	(71,221)
	<u>-</u>	<u>71,221</u>

	2002 (Rupees)	2001 (Rupees)
6. INVESTMENTS		
Federal Investment Bonds	1,300,000	2,500,000
Term Deposits	1,000,000	-
Certificate of Investment-SPL	1,000,000	-
TFC - SSGC	999,400	999,800
Certificate of Investment-Orix	2,200,000	-
PLS Deposit	-	2,000,000
	<u>6,499,400</u>	<u>5,499,800</u>
7. Advances, Deposits, Prepayments & Other Receivables		
Deposits	101,130	101,130
Prepayments-Rent	319,440	325,312
Advances	60,165	16,000
Other Receivables	-	7,600
Accrued Income on Investments	166,982	127,928
Corporate Excellence Award	41,247	-
	<u>688,964</u>	<u>577,970</u>
8. Cash & Bank Balances		
Cash at Bank	1,818,884	1,133,234
Cash in Hand	5,778	19,549
	<u>1,824,662</u>	<u>1,152,783</u>
9. Advance Fee & Subscription		
Advance Seminar Fee	99,250	209,728
Subscription from Members	1,070,925	418,000
	<u>1,170,175</u>	<u>627,728</u>
10. Sundry Creditors		
Audit Fee	12,000	12,000
Electricity, Gas & Water	1,470	12,700
Telephone	9,470	13,800
Newspapers	1,995	1,680
Salaries	-	7,920
Regional Director's Allowance	-	2,750
Seminars	7,877	-
	<u>32,812</u>	<u>50,850</u>

	2002 (Rupees)	2001 (Rupees)
11. Members' General Fund		
Opening Balance	1,014,250	827,250
Transferred from Accumulated Surplus for the Year	282,600	187,000
	<u>1,296,850</u>	<u>1,014,250</u>
12. Accumulated Surplus		
Opening Balance	5,614,449	5,583,808
Surplus for the Year	1,161,807	217,641
Tranferred to Members' General Fund	(282,600)	(187,000)
	<u>6,493,656</u>	<u>5,614,449</u>
13. Income from Seminars & Courses		
Fee	4,966,413	3,857,783
Expenses	(2,300,732)	(2,498,715)
	<u>2,665,681</u>	<u>1,359,068</u>
14. Staff Costs		
Salaries & Allowances	2,303,734	1,938,094
Provision for Gratuity	262,305	108,780
Ex-gratia Payments	100,348	93,694
EOBI	14,110	14,310
Medical Assistance	99,513	57,311
	<u>2,780,010</u>	<u>2,212,189</u>
15. Other Establishment Costs & Administrative Expenses		
Rent, Rates & Taxes	504,836	464,919
Telephone Expenses	163,720	206,230
Office & General Expenses	408,091	280,912
Printing & Stationery	167,391	176,283
Postage	132,968	90,192
Conveyance	165,264	143,916
Annual Report & Meeting	94,833	80,347
Entertainment	118,223	98,119
Corporate Excellence Award	215,559	103,930
Depreciation	76,857	82,079
Bank Charges	12,808	12,129
Accounting Charges	20,000	48,000
Audit Fee	19,500	12,000
Membership - Subscriptions	11,200	11,200
Amortisation - Web Site	71,221	71,221
Travelling Expenses	15,865	-
Repair	19,098	-
Others	2,129	(6,995)
	<u>2,219,563</u>	<u>1,874,482</u>