

**PAKISTAN FASHION
DESIGN COUNCIL**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 2014**

A. F. FERGUSON & CO.

**Chartered Accountants
a member firm of the PwC network*

January 20, 2015

1537

The Executive Board
Pakistan Fashion Design Council
Lahore

Ladies and Gentlemen

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

We enclose three copies of the above financial statements together with our report thereon initialed by us for the purposes of identification. We shall be pleased to sign our report in the present or amended form after:

- (a) the financial statements have been approved by the Board and signed by the Chief Executive and one Director designated by the Board for this purpose;
- (b) we have seen the Board's specific approval for the items referred to in Annexure "A" to this letter;
- (c) we have received direct confirmation from Yousaf Saeed and Company, the tax advisor of the company; and
- (d) the date of authorization for issue of financial statements has been inserted in note 19.

2. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors, in a usual examination of financial statements, are explained in the International Standard on Auditing - 200. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of the financial statements is primarily that of the company's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding the assets of the company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of account and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

3. SIGNIFICANT MATTERS

We set forth below significant matters, noted by us during the audit, which in our view warrant attention of the Board:

3.1 Cash insurance

The Company has not entered into an insurance policy for cash-in-hand or cash-in-transit. The Company regularly deals in large amounts of cash in the form of payments as well as receipts. A comprehensive insurance policy should be entered into to safeguard the assets of the Company.

3.2 Compliance with the provisions of Companies Ordinance, 1984

We have observed that the Annual general meeting and Board of Directors' meetings of the company were not conducted during the year. This is a non-compliance of section 158(1) and 193(2) respectively of the Companies Ordinance 1984, which requires that the company shall hold an annual general meeting once at least in every calendar year and directors of a public company shall meet at least once in each quarter of a year respectively. We recommend that the company should ensure strict compliance with the requirements of the Companies Ordinance, 1984.

4. We would like to inform the Board that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed un-audited.

5. We wish to place on record our appreciation for the courtesy and co-operation extended to us by the organization's personnel during the course of our audit.

Yours truly



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List of items for which Executive Board's specific approval is required as referred to in paragraph 1 (b) of our letter 1537 dated January 20, 2015.

| | Rupees |
|--|---------------|
| Receivables written off | 17,214 |
| Credit card charges recovery rate : 2% | |

AW

