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**ARTHRITIS CARE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

AUDITORS' REPORT TO THE BOARD OF TRUSTEES

We have audited the annexed balance sheet of **Arthritis Care Foundation** as at **June 30, 2013** and the related income and expenditure account together with the notes forming part thereof (here-in-after referred to as financial statements for the year then ended). It is the responsibility of the board of trustees to establish and maintain a system of internal control, and prepare and present the statement(s) in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the 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 statements. We believe that our audit provides a reasonable basis for our opinion.

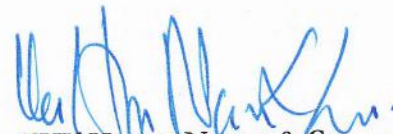
In common with the society of similar size, the system of control is dependent upon close involvement of Executive Committee. Therefore, where independent confirmation of completeness of accounting record was not available, we have accepted assurance of Executive Committee that all the society's transactions have been reflected in the records.

The Society, as is common with others of similar size and nature, derives certain portion of its income comprising voluntary donations in cash and in kind, which cannot be fully controlled until they are entered in the accounting records and are not, therefore, susceptible to independent audit verification.

The society, during the period incurred expenses comprising of 96% of the income contravening the limit of 80% as prescribed in the trust deed. Furthermore the condition as to the investment out of the surplus funds was not complied with due to liquidity required to meet the running expenses.

In our opinion, except for the effects on the financial statements of the matters referred to in proceeding paragraphs, the financial statements present fairly, in all material respects, the financial position of **Arthritis Care Foundation** for the year ended June 30, 2013.

Date: 29 OCT 2013
Place: LAHORE


UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan (FCA)



ARTHRITIS CARE FOUNDATION (ACF)
BALANCE SHEET
As on June 30, 2013

Amount in Rs.

	Note	30-Jun-13	30-Jun-12	Note	30-Jun-13	30-Jun-12
CAPITAL & LIABILITIES						
General Fund						
Opening Fund		1,584,549	932,579			
Surplus For The Year		226,697	651,970			
		1,811,246	1,584,549			
Reserve Fund		640,882	640,882			
Current Liabilities						
Accrued Expenses	3	87,700	-			
		2,539,828	2,225,431			
ASSETS						
Non-Current Assets						
Fixed Assets	4	94,500	105,000			
Investments	5	700,000	-			
		794,500	105,000			
Current Assets						
Interest Receivable		73,400	-			
Medicine Stock		-	47,236			
Cash In Hand		3,355	3,017			
Cash At Bank		1,668,573	2,070,178			
		1,745,328	2,120,431			
		2,539,828	2,225,431			

The annexed notes 1 to 9 form integral part of these financial statements



Trustee

Dr. Sumaira Farman Raja
Co-Chairperson - ACF



Trustee

Ms. Samina Sultana
Treasurer - ACF

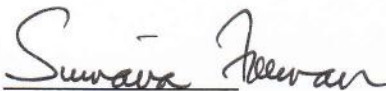
Place: Lahore
Date: 29 OCT 2013

**ARTHRITIS CARE FOUNDATION (ACF)
INCOME & EXPENDITURE ACCOUNT
For The Year Ended June 30, 2013**

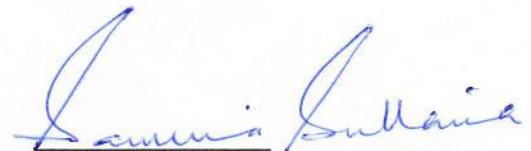
Amount in Rs.

	Notes	30-Jun-13	30-Jun-12
INCOME			
Donation		6,846,326	6,326,123
Interest on Investment		73,400	-
		6,919,726	6,326,123
EXPENDITURE			
Admin Staff Salaries		274,000	147,000
Medication & Surgery Expense	6	5,549,824	3,230,117
Public Awareness Expenses		21,318	15,000
Mir Farman Tariq Scholarship Program		510,000	387,750
Fund Raising Expenses		-	1,682,305
Rent		91,000	-
Computer & Internet Expenses		3,950	-
Printing & Stationary		71,134	114,950
Vehicle Running Expenses		21,384	2,930
Website Maintenance Expenses		66,000	73,600
Amortization of Website		10,500	-
Postages		4,530	-
Bank Charges		3,118	3,171
Miscellaneous Expenses	7	7,771	17,330
		6,634,529	5,674,153
Surplus For The Year		285,197	651,970
Prior Year Adjustment	8	(58,500)	-
Surplus Brought Forward		226,697	651,970

The annexed notes 1 to 9 form integral part of these financial statements



Trustee
Dr. Sumaira Farman Raja
Co-Chairperson - ACF



Trustee
Ms. Samina Sultana
Treasurer - ACF

Place: Lahore
Date: 29 OCT 2013

ARTHRITIS CARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2013

1 Legal Status & Activities

Arthritis Care Foundation is a charitable society registered on July 27, 2010 under the laws of Societies Registration Act XXI of 1860. The registered office is situated at 676 Shadman Lahore. The trust was set up with an objective to establish, encourage, assist and finance medical, social welfare and educational activities, of patient suffering from arthritis, rheumatic and other diseases who are poor and needy.

2 Significant Accounting Policies

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention and are in conformity with the approved International Financial Reporting Standards as applicable in Pakistan.

2.2 Functional & Presentation Currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the company.

2.3 Fixed Capital Expenditure and Depreciation

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged from the month the assets are available for use, while in case of disposal it is charged up to the month of disposal.

Depreciation is charged on the straight line method.

Normal repair and maintenance is charged to revenue as and when incurred, while major renewal and replacements are capitalized.

2.4 Intangible Assets

Cost that are directly associated with identifiable software products controlled by the company and have probable economic benefits beyond one year are recognized as intangible assets. These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is provided on straight line method over the asset's useful life.

2.5 Income Recognition

Donation are recognized on receipt basis.

2.6 Taxation

The society is exempt from taxation as per the provisions of Income Tax Ordinance 2001.

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ARTHRITIS CARE FOUNDATION (ACF)
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2013

Amount in Rs.

3	Accrued Expenses	30-Jun-13	30-Jun-12
	Admin Staff Salaries	30,000	-
	Scholarship	42,500	-
	Rent	15,200	-
		<u>87,700</u>	<u>-</u>

4	Fixed Assets
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Particulars	Cost			Rate	Amortization			Book Value As At June 30, 2013
	As at July 01, 2012	Addition/ (Disposal)	As at June 30, 2013		As at July 01, 2012	Charge For The Year	As at June 30, 2013	
Intangible Asset - Website	105,000	-	105,000	10%	-	10,500	10,500	94,500
Total 2013	105,000	-	105,000		-	10,500	10,500	94,500
Total 2012	50,000	55,000	105,000		-	-	-	105,000

5	Investments	30-Jun-13	30-Jun-12
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Opening Bal. as on July, 01, 2012	-	-
Addition During the Year	700,000	-
	<u>700,000</u>	<u>-</u>
Disposal	-	-
Closing Bal. as on June 30, 2013	<u>700,000</u>	<u>-</u>

6	Medication & Surgery Expenses	30-Jun-13	30-Jun-12
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Medicine Consumed	6.1	3,309,494	2,087,322
Biologics (including IVIG)		1,841,750	1,076,700
Joint Replacement		183,000	35,000
Rehabilitation Equipment for Patient		129,800	-
Medical Test for Patients		85,780	31,095
		<u>5,549,824</u>	<u>3,230,117</u>

ARTHRITIS CARE FOUNDATION (ACF)
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2013

6.1 Medicine Consumed

Opening Stock	47,236	47,592
Purchases (Pharmacy bills)	3,262,258	2,086,966
Closing Stock	-	(47,236)
	<u>3,309,494</u>	<u>2,087,322</u>

7	Miscellaneous Expenses	30-Jun-13	30-Jun-12
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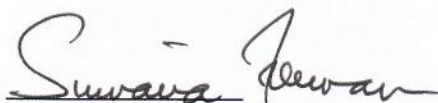
Refreshment for Board Meetings	2,471	1,865
Others	5,300	15,465
	<u>7,771</u>	<u>17,330</u>

8	Prior Year Adjustment
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Staff salaries and scholarship were recorded previously on disbursement basis instead of accrual basis of accounting.

9	General
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Figures have been rounded off to the nearest rupee.



Trustee

Dr. Sumaira Farman Raja
 Co-Chairperson - ACF



Trustee

Ms. Samina Sultana
 Treasurer - ACF

Place: Lahore

Date: 29 OCT 2013