Chairman’s Message

Mr. Saeed Allawala

The Health Foundation (THF) is the coming together in the shape of a non-governmental organization of notable members of society who share a concern for the health and happiness of the Pakistani people, especially those belonging to the less privileged strata.

THF is incorporated under the Companies Act of 1984. It started with the financial support of founder members Rashid Abdulla, Tariq Rafi, Ahsan Saleem and Saeed Allawala who contributed Rupees 2.5 million each. In addition THF got a donation of 50,000 vials of Interferon from an Argentinean firm for the free treatment of the patients. The THF first fund raising dinner was a big success, and collected over Rupees 10 million.

While the THF nurses vast ambitions that encompass the addressing of all health issues in need of attention, we have in the last two and a half years of our existence focused our time, energy and monetary resources on Hepatitis B & C, a disease that has assumed epidemic proportions in Pakistan.

Hepatitis afflicts 12 to 15 million people in the country as per a report published in Dawn (20/5/2009). Recent data of the disease suggests that a tipping point may have been reached in this epidemic, and now the disease can spread very rapidly unless emergent and comprehensive measures are taken to stop the contagion. The treatment of Hepatitis is a long-term and expensive process. Considerable support is required from civil society as due to the enormity of the problem the government alone cannot be expected to control the spread of infection.

The majority of people get infected with the disease due to lack of awareness and prevention, which remains inexplicably low globally, and one in 12 people worldwide live with either chronic Hepatitis B or C, and their number is far higher than patients of HIV or cancer. The World Hepatitis Alliance observed World Hepatitis Day under the theme “Am I number 12?” to prompt people to think about the huge scale of hepatitis infection globally. An average of 20 to 25 patients suffering from liver cirrhosis and hepatic coma die every month.

However, as someone very aptly observed, in the face of adversity we cannot retreat to the convenience of being overwhelmed. I personally subscribe to what George Bernard Shaw has to say: “People are always blaming their circumstances for what they are. I don’t believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want, and if they can’t find them, they make them.”

The circumstances that we at the THF want, and will find, or make, involve the raising of awareness about Hepatitis that will ensure adherence to the old adage that prevention is better than cure. We want to raise the recognition profile of the THF so as to broaden our donor base and flow of funds that enables us to do more. We want to neutralize the escalating cost of diagnosis and treatment, and make it affordable to the common man already suffering under the yolk of runaway inflation. We want to implement a meaningful vaccination program. We want to undertake exhaustive research into why Hepatitis has become such a big issue in Pakistan.

Given our noble intentions and sincere desire to restore health and vigor, by the grace of Allah, to the people of Pakistan, there is no doubt in my mind that we will succeed in our mission.

I would like to register my sincere appreciation for the hard work that has been put in by our five core committees addressing Treatment (Dr. Saad Khalid Naiz); Prevention (Dr. Nasim Salahuddin); Research (Dr. Huma Qureshi); Fundraising (Ms. Qudsia Akber); and Awareness (Mr. Masood Hashmi).

While our efforts may have constituted no more than a drop in the ocean, we are not discouraged, nor disheartened. We have learnt valuable lessons from our experiences in the field. New, determined, and highly motivated cadres from civil society are joining the THF in increasing numbers, bringing fresh energy and resolve to our on-going effort.

With your help we shall prevail.

Thank you,

Saeed Allawala

www.thehealthfoundation.org
Prevention is better than Cure

What is Hepatitis?
- It is a type of liver disease
- Inflammation of the liver is called Hepatitis
- There are many types of Hepatitis out of which B and C are life threatening

How does Hepatitis B and C Spread
- Infected blood
- Contaminated or low grade syringes and other medical equipment
- Same syringe or needle used for more than one person
- New born baby from the infected mother
- Multiple sexual partners

Prevention from Hepatitis B and C
Hepatitis B vaccine is available in Pakistan for the last four (4) years which is given to all new born along with the other preventive vaccines.

In addition prevent yourself from Hepatitis B and C by:
- Avoiding unnecessary injections, drips and blood transfusions
- Always use sealed pack syringes and needles
- Destroy the needle after use or ensure that it is done
- Always get blood for transfusion from known sources where they are properly tested for hepatitis
- Avoid multiple sexual partners, stick to one
- Avoid used razor blades
- Avoid tattooing
- Always use a new needle for piercing your ears and nose

www.thehealthfoundation.org
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What is THE Health Foundation?

The Health Foundation (THF) is a non profit public service organization registered under section 42 of the Companies Ordinance 1984.

THF is a group of like minded individuals who are concerned about the general health of those people who subsist on a very limited income in Pakistan. This group is made up of successful entrepreneurs, experienced physicians of some repute, media and advertising personnel and those who have established a name for themselves in social work. Each of them brings social consciousness and a wealth of experience in their respective fields. By working together on the same platform, this Group brings certain dynamism to the task at hand.

Mission

The Health Foundation aims to create awareness and promote management of various diseases in general public, with an initial special emphasis on viral hepatitis.

Vision

As the name implies, a healthy society is the over-arching goal of The Health Foundation. Education leading to awareness and prevention of all health related problems will come under its purview. The Health Foundation will provide support to those in need of treatment and unable to fully bear its cost. Half of all available resources will be committed to the treatment of health related issues and the remaining half will be spent on preventive measures and to educate the public. Public awareness of how infections spread will result in public self-monitoring and may impact the practices of various service providers.
Strategic Parameters

**Short Term Goals**
The initial focus of The Health Foundation is on hepatitis B and hepatitis C. It has set for itself two immediate goals.
The first is to educate the general public regarding the manifestations of hepatitis B and hepatitis C and their mode of acquisition and transmission.
The second goal is to provide financial support to those suffering from these infections but unable to afford the expense for their cure. This support will be in terms of medication supplied. Since there is a vaccine available for the protection against hepatitis B, THF will pursue an immunization program in this regard.

**Long Term Goals**
A measurable goal for the next five years is to bring about a 1% reduction in the incidence of hepatitis B and hepatitis C in Pakistan.
THF plans to create awareness about hepatitis B and C so as to disseminate information to at least 50% – 60% of the population.
THF also plans to immunize 0.2 million people against hepatitis B in the next five years. THF aims to provide hepatitis C treatment to at least 20000 people by 2013.

---

**BOARD MEMBERS**

Dr. Jamal Ara
Dr. Naseem Salahuddin
Dr. Suhail Nawab
Ms. Gul e Rana Saeed
Dr. Haleem Khan
Mr. Syed Masood Hashmi

Dr. Saad Khalid Niaz
Mr. Abdul Latif Sheikh
Mr. Tariq Rafi
Mr. Saeed Allawala
Ms. Qudsia Akber
Dr. Shaista Wahidi

Dr. Huma Qureshi
Dr. Arshad Kamal Butt
Dr. Khalid Zaheer
Mr. Ahsan M. Saleem
Mr. Rashid Abdullah

www.thehealthfoundation.org
Chairman & Chief Executive Officer
Mr. Saeed Allawala

Executive Secretary of The Board
Dr. Seher Qaiser

Project Consultant
Dr. Farhana Azim

Executive Committee Members
Mr. Saeed Allawala
Dr. Saad Khalid Niaz
Dr. Huma Qureshi
Dr. Naseem Salahuddin
Ms. Qudsia Akber
Mr. Syed Masood Hashmi

The following sub committees have been formed to carry out the tasks assigned to them by the Executive Committee whose work is reviewed by the Board periodically.

- Awareness Committee (Chaired by Mr. Masood Hashmi)
- Prevention Committee (Chaired by Dr. Naseem Salahuddin)
- Treatment Committee (Chaired by Dr. Saad Khalid Niaz)
- Fund Raising Committee (Chaired by Ms. Qudsia Akber)
- Research Committee (Chaired by Dr. Huma Qureshi)

The Chairman of each subcommittee has chosen its members from amongst The Health Foundation members and from outside the Foundation.
STATISTICAL INFORMATION ABOUT HEPATITIS B AND C

According to World Health Organization HBV (hepatitis B) has infected 2,000 million people alive today, of whom 350 million are chronically infected and therefore at risk of death from liver disease and about 100 million are chronically and incurably infected with HBC (hepatitis C) and are similarly at risk.

Unfortunately, unlike hepatitis B, which has a rate of chronicisation of about 17.5% of the number of people infected, hepatitis C turns into a chronic disease in over 70% of the people infected.

If we consider together the figures for hepatitis B and hepatitis C, we reach the astronomical figure of almost 2.2 billion people in the world infected with a serious infectious disease, of whom 450 million already developed chronic hepatitis.

The prevalence seems to be higher in Eastern Europe than in Western Europe. In industrialized countries, hepatitis accounts for 20% of cases of acute hepatitis, 70% of cases of chronic hepatitis, 40% of cases of end-stage cirrhosis, 60% of cases of hepatocellular carcinoma and 30-40% of liver transplants. The incidence of new symptomatic infections of hepatitis B has been estimated to be 13 cases/100,000 persons annually. For every person that is infected with the AIDS virus, there are more than four infected with hepatitis. There are 4 million persons infected with hepatitis in the United States. The CDC (Centre for Disease Control) estimates that there are up to 26,000 new hepatitis infections in the United States every year and that hepatitis C causes 10,000 to 12,000 deaths each year.

Hepatitis is a major health problem not only in Pakistan but the whole world. It is the most common cause of cancer of the liver in many countries of the world including Pakistan. Acute hepatitis can result in deaths in few days to weeks. Chronic hepatitis results in cirrhosis of the liver and its complications include blood vomiting, brain and other organs failure and liver cancer. The carrier rate of hepatitis B is estimated to be about 10% in Pakistani population, which means that almost every 10th person is carrying this deadly virus in his blood. Hepatitis C may be infecting an equal number of people or possibly even more. To our rough estimate about 1.2 billion rupees are annually lost on management of patients of hepatitis.

The disease is spreading like a jungle fire in our country and can be truly called as an epidemic which is unfortunately unrecognized not only by the common man but also by the educated class including the medical personnel’s. It is a preventable disease and only simple hygienic measures are enough to fight against the spread of hepatitis. However, once the hepatitis virus gets into the body it can lead to a chronic stage which is very difficult and expensive to treat.

There has been considerable reporting of high incidence of hepatitis B and C in Pakistan. In the absence of substantial community based scientific studies on Hepatitis B and C, it may not be appropriate to conclude the exact magnitude of prevalence of Hepatitis B and C in Pakistan.

On the bases of more than 200 studies on Hepatitis carried out by the individuals in different groups in the country the average prevalence of hepatitis B ranges between 3-4% (6.0 million) and Hepatitis C as 5% (7.5 million) in the general public.
AWARENESS

Print material has been developed and distributed to the beneficiaries of various communities. The printed leaflets contain information regarding modes of spread of hepatitis B and C with pictorial presentation of the message.

A DVD for hepatitis awareness was prepared with duration of 25 minutes and run as a pilot project in the waiting areas of OPD’s of the following hospitals:
- Indus Hospital
- Medilink Clinic
- JPMC Pakistan Medical Research Council (PMRC)

The pilot project was well received and now the plan is to disseminate the same program to 20 other such centres in their OPD and waiting rooms. Contact has also been made to run this DVD in the waiting lounge at all the international airports in Pakistan.

A press release was printed in Daily Times, The News and Pulse after the world hepatitis day giving the brief of the press conference. Later Daily Ummat published an article on THF activities in its health supplement.

Awareness Committee’s aim is to increase awareness about hepatitis B and C in 50% of the population thus instilling a healthy lifestyle and empower the population to take actions to improve health.
WORLD HEPATITIS DAY

World hepatitis day was observed all over the world on May 19, 2009 by World Hepatitis Alliance. Pakistan also participated in this global event. In relevance to this day many activities were planned and implemented which were

30 second TVC was produced focusing on a single cause of spread of hepatitis B and C due to the reuse of syringes along with a public service message emphasizing safe injection practice. Mr Anwar Maqsood renowned satirist, painter and drama writer was chosen as the celebrity to deliver the message on Aaj TV and Samaa TV.

Radio Pakistan also aired the audio recorded version of the public service message which was heard all over Pakistan.

Dr Saad Khalid Niaz appeared as a guest speaker in a talk show on hepatitis aired by CNBC where he also highlighted the achievements of THF.

THF was represented by Dr. Seher Qaiser on VIBE channel in a talk show where the disease was discussed and achievements of THF highlighted.

Similarly the Kamran Khan show at GEO TV also took comments on hepatitis from Dr. Seher Qaiser.

A press conference was held at the Karachi Club highlighting the gravity of the disease in Pakistan. The press conference was conducted by Pakistan Medical Association, Infection Disease Society of Pakistan, Pakistan Society of Gastroenterology and THF which were represented by Dr. Samrina Hashmi, Dr. Naseem Salahuddin, Dr. Saad Khalid Niaz and Mr. Saeed Allawala. Ms. Qudsia Akber also attended the press conference as a THF representative.

Screening stalls were setup at four (4) shopping malls in Karachi namely Millenium Mall, Dolmen Mall Tariq Road, Dolmen Mall Hyderi and Park Towers Clifton. The stalls were swamped with the shoppers who were very keen to know about the disease and its prevention. There were a few whose tests came positive and they were advised to consult their Doctors for further treatment immediately.

An awareness talk was arranged at the Arts Council for the general public where a stall was arranged with information leaflets and stands for the interest of general public.
To date more than 50000 children of 5 to 15 years of age have been vaccinated for hepatitis B. These children have been from various non-profit school systems and destitute communities.

The institutions involved who are ensuring that their school children are vaccinated against hepatitis B are:
- The Citizen Foundation
- SINA Health Education and Welfare Trust
- Al Ansar Education and Welfare Trust
- Raana Liaquat Craftsmen Colony affiliated with APWA
- Society of Education and Welfare
- CEDF

In addition to the vaccination program of school-going children, THF has taken the responsibility to vaccinate the employees of the corporate sector. To date more than 2000 employees from 13 companies have been vaccinated. The companies are:
- Atco Laboratories
- Crescent Steel
- Nabiqasim Industries
- Hotel Beach Luxury
- Siddiqsons
- Institute of Business Management
- HSM Packages (Pvt) Ltd.
- Avari Towers Hotel
- Softronics
- Kohinoor Batteries
- South City Hospital
- Aaj TV
- Mustaqeem Dyeing and Printing

With the collaboration of Dr. Essa Lab, screening for hepatitis B and C was undertaken in Thatta, Sindh. The program helped establish awareness of the disease in the rural areas of the country.

The short term goal of the Preventive Committee is to vaccinate 0.2 million persons by 2013 which includes people from the corporate as well as the school-going children.
TREATMENT

791 patients have been enrolled for hepatitis C and B treatment with injection interferon 3 miu and 5 miu respectively and ribavarin capsules.

The modus operandi of the program is that the needy patients register themselves at the JPMC (PMRC). They are given 12 injections of interferon per month and 9 packs of ribavarin capsules per month for which they only have to pay Rs 1,500/-. The total cost of the treatment for a six month period is Rs 40,000/-. Once on the treatment THF ensures to retrieve SVR (sustained viral response) from the patients.

An innovative methodology to facilitate treatment access to patients was introduced in April 2009. This outlet is operating at JPMC (PMRC) and headed by Dr. Saad Khalid Niaz from THF and Dr. Waqaruddin Ahmed from JPMC (PMRC). The number of patients being facilitated is 221.

Plans are in place for a similar outlet at Indus Hospital, Korangi, Karachi and Rashidabad, Tando Allah Yar, Sindh where the logistics are being arranged and will open to the public shortly.
RESEARCH

Surveys have been carried out on injection use and sharp waste management by the health practitioners of Karachi.

The survey was carried out from 291 private clinics and 28 government / private hospitals in low socioeconomic areas of 18 towns of Karachi.

The survey shows a high frequency of injection use. Although disposable syringes are being used but most of the syringes are thrown in the dustbin which can be reused and are the major cause of hepatitis infection.

The highlights of the survey is presented as a graphical presentation as follows:

According to WHO report in December 2003 on Injection Safety, unsafe injections in the developing world account for about one third of new hepatitis B infections, equal to a total of nearly 21 million people infected per year and are the most common cause of hepatitis C infection, causing 2 million new infections per year.

The Research Committee has planned a pilot project to be run at JPMC for a period of 6 months for sharp waste management. The project consists of training the staff of JPMC on injection safety and use of needle removers, providing the needle removers and appropriate disposal of the waste.
THF in spite of being an organization with limited resources and fresh trail managed to acquire a noted place in the GAVI Alliance as an innovative and objectively focused managed CSO. This project is also supported by the Ministry of Health (EPI Program) and The Chief Minister’s Initiative for Hepatitis Control in Sindh and endorsed by CDGK and Provincial Health Authorities.

GAVI Alliance was launched in 2000. It is a global health partnership representing stakeholders in immunization from both private and public sectors: developing world and donor governments, private sector philanthropists such as the Bill & Melinda Gates Foundation, the financial community, developed and developing country vaccine manufacturers, research and technical institutes, civil society organizations and multilateral organizations like the World Health Organization (WHO), the United Nations Children’s Fund (UNICEF) and the World Bank.

Working together, Alliance members achieve objectives that no single agency or group could achieve:

- accelerate access to existing underused vaccines;
- strengthen health and immunization systems in countries;
- introduce innovative new immunization technology, including vaccines.

With this Alliance millions of deaths worldwide are prevented and this contributes to the achievement of the Millennium Development Goal of GAVI Alliance for child health i.e. a two-thirds reduction in the number of deaths in the under-fives by 2015.

The summary of the project is as follows:

**Project Location:**

1. Vaccinations at Shah Faisal Colony and Korangi
2. Screenings of Mothers at Korangi; three centers
   - Sindh Govt Hospital (SGH)
   - Baldia Maternity Home
   - Chiniot General Hospital
3. Newborn Immunizations: Korangi predominantly but also Tertiary care Hospitals in the City where Korangi target female groups might deliver
4. Injections Safety Trainings at Indus Hospital in Korangi and Hepatitis Awareness Programs at APWA (RLCC) Centres in Shah Faisal Colony and Schools venue.

The table on the next page represent data to date. As the project is in progress the targets are expected to be achieved in the near future.
1) Vaccination Activity Progress against Planned Activities

<table>
<thead>
<tr>
<th>Project Collective</th>
<th>Qtr Target</th>
<th>Qtr Achievement</th>
<th>Town Total Target</th>
<th>Town Total Achieved to date</th>
<th>Cumulative Immunization coverage achieved (as % of total target)</th>
<th>Qtr Deficit</th>
<th>Total remainder vaccinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children vaccinations 1st dose:</td>
<td>8,000</td>
<td>9,491</td>
<td>50,000</td>
<td>51,057</td>
<td>102%</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Children vaccinations 2nd dose:</td>
<td>23,800</td>
<td>21,385</td>
<td>51,057</td>
<td>44,684</td>
<td>88%</td>
<td>6,373</td>
<td>500</td>
</tr>
<tr>
<td>Children vaccinations 3rd dose:</td>
<td>3,430</td>
<td>1,595</td>
<td>44,684</td>
<td>1,595</td>
<td>3.5%</td>
<td>1,835</td>
<td>1,835</td>
</tr>
</tbody>
</table>

2) Screening Activity Progress against Planned Activities:

<table>
<thead>
<tr>
<th>Project Collective</th>
<th>Qtr Target</th>
<th>Qtr Achievement</th>
<th>Town Total Target</th>
<th>Town Total Achieved to date</th>
<th>Cumulative Immunization coverage achieved (as % of total target)</th>
<th>Qtr Deficit</th>
<th>Total remainder screenings</th>
</tr>
</thead>
<tbody>
<tr>
<td>HBsAg screening of 30,000 pregnant females in Kariadi, Lobi</td>
<td>2,500</td>
<td>2,751 (110%)</td>
<td>10,000</td>
<td>6,052</td>
<td>61%</td>
<td>Nil</td>
<td>3,948</td>
</tr>
</tbody>
</table>

3) HBIG Administration Progress against Planned Activities:

<table>
<thead>
<tr>
<th>Project Collective</th>
<th>Qtr Target</th>
<th>Qtr Achievement</th>
<th>Town Total Target</th>
<th>Town Total Achieved to date</th>
<th>Cumulative Immunization coverage achieved (as % of total target)</th>
<th>Qtr Deficit</th>
<th>Total remainder vaccinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immunophrophylaxis with administration of hepatitis B vaccine and immunoglobulin of infants born to HBsAg-positive female within 24 hours of birth</td>
<td>20 of 21 births (95%)</td>
<td>Total of all infants born to HBsAg-positive females</td>
<td>39 of 44 births</td>
<td>89%</td>
<td>1</td>
<td>Expected 100+</td>
<td></td>
</tr>
</tbody>
</table>

4) Awareness Session Progress against Planned Activities

<table>
<thead>
<tr>
<th>Project Collective</th>
<th>Qtr Target</th>
<th>Qtr Achievement</th>
<th>Town Total Target</th>
<th>Town Total Achieved to date</th>
<th>Cumulative awareness achieved (as % of total target)</th>
<th>Qtr Deficit</th>
<th>Total remainder for awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness of 500 and health practitioners and school teachers of the community regarding safe injection practices</td>
<td>100</td>
<td>61</td>
<td>500</td>
<td>204</td>
<td>41%</td>
<td>39</td>
<td>296</td>
</tr>
<tr>
<td>Awareness of 500 parents and targeted community school teachers about Hepatitis</td>
<td>none</td>
<td>none</td>
<td>500</td>
<td>50</td>
<td>10%</td>
<td>nil</td>
<td>450</td>
</tr>
</tbody>
</table>
A successful Dinner event took place in October 2008 to raise funds for the vision of THF in making people aware of the health related issues and supporting the needy for their treatment. THF’s emphasis currently is on awareness and treatment of hepatitis B and C. A total of 375 persons attended the event who donated large sums of money including their Zakat, to the cause of THF.

List of Donees:

Ms. Naima
Mr. Rafique Bhundi
Ms. Gulzar Begum
Dr. Faisal
Mr. S. Nafis Ahmed
Mr. Pervaiz Ahmed
Mr. Amjad
Morgan Technologies
Mr. Ismail Aliwala
Mrs. Usman
Naveed Ahmed / Sana Ahmed
Dr. Seema Yazdani
Mr. & Mrs. Aziz Ahmed
Mr. & Mrs. Afsa
Ms. Naeema
Ms. Gulzar Begum
Mr. Khalil A. Nanitalwala
E.B.M. Ltd.
James Finlay Ltd.
Mr. Naseem Aliwala
Mr. Aslam Aliwala
Mrs. Farnaz Ahmed
Mr. Danish Habib
Mr. Saeed Aliwala
Mrs. Asifa Anees
Mr. Khalid Zaheer
Mr. Tariq Aliwala
Mr. Ahmed Ismail & Family
Siddiqsons Denim Mills
Triple Tree C/o. Siddiqsons Denim
Ms. Saima Shahbaz
Mr. Tariq Rafi
Siddiqsons Denim (C/o. S. M. Muneer)
Dr. Sohail Nawab
Mr. Shafiq Ahmed (Paradise Int'l Ltd.)
Alpha Containers Industries
Mr. S.M. Ashfaq Dawawala
Barclays Bank Ltd.
National Foods Ltd.
Mr. S.M. Tanveer (Din Group)
Mr. Irfan Muneer (Din Group)
Mr. & Mrs. Masood Siddiqui
Mr. Abdullah Hashwani
Mr. Ghazanfar Rauf
Muslim Commercial Bank Ltd.
R & R Corp. (Pvt) Ltd.
National Bank of Pakistan Ltd.
Siddiqsons Tintplate
Mr. Ali Reza Gheewala
Mr. Anwar Mansoor Khan
The Tauheed Trust
AUDITORS REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of The Health Foundation as at June 30, 2010 and the related Income and Expenditure, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof, for the year then ended 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.

It is the responsibility of the company’s management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said 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 above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
b) in our opinion-
   i) the Balance Sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the 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 company’s business; and
   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Income and Expenditure Account, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, 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 company’s affairs as at June 30, 2010 and of the surplus, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
BALANCE SHEET
AS AT JUNE 30, 2010

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>NON CURRENT ASSETS</td>
<td>4</td>
<td>1,059,364</td>
<td>55,257</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary expense</td>
<td>52,000</td>
<td>52,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,111,364</td>
<td>107,257</td>
<td></td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td>5</td>
<td>10,500,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Other receivables</td>
<td>665,615</td>
<td>49,020</td>
<td></td>
</tr>
<tr>
<td>Indus Hospital (GAVI cso)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term Investments held to maturity</td>
<td>16,312,503</td>
<td>12,542,208</td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17,423,867</td>
<td>12,649,545</td>
<td></td>
</tr>
</tbody>
</table>

FUND AND LIABILITIES
FUND
<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor’s fund</td>
<td>160,100</td>
<td>160,100</td>
</tr>
<tr>
<td>Surplus / (deficit) for the year</td>
<td>13,298,808</td>
<td>11,317,530</td>
</tr>
<tr>
<td></td>
<td>13,458,908</td>
<td>11,477,630</td>
</tr>
</tbody>
</table>

CURRENT LIABILITIES
<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors for goods</td>
<td>715,654</td>
<td>1,012,349</td>
</tr>
<tr>
<td>Liabilities for expenses</td>
<td>105,686</td>
<td>159,668</td>
</tr>
<tr>
<td>Advance from GAVI for expenses</td>
<td>2,350,103</td>
<td>-</td>
</tr>
<tr>
<td>Atco Laboratories Limited</td>
<td>793,336</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,064,959</td>
<td>1,171,915</td>
</tr>
<tr>
<td></td>
<td>17,423,867</td>
<td>12,649,545</td>
</tr>
</tbody>
</table>

The annexed notes form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

INCOME AND EXPENDITURE ACCOUNT
AS AT JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>14,204,120</td>
<td>10,020,935</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,981,278</td>
<td>8,815,725</td>
</tr>
<tr>
<td></td>
<td>12,282,842</td>
<td>7,805,211</td>
</tr>
</tbody>
</table>

Unappropriated profit / (loss) carried forward
11,317,530
2,501,805

Surplus/(deficit) for the year
13,298,808
11,317,530

The annexed notes form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director
THE HEALTH FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2010

1. Legal status and nature of business
The Health Foundation "The Company" has been incorporated in Pakistan vide company registration No. 0062669 dated August 24, 2007 as a company limited by guarantee not having share capital - established under a license from Securities and Exchange Commission of Pakistan (SECP) under Section 42 of the Companies Ordinance, 1984 and is domiciled in the province of Sindh. The company is formed with the primary object to develop, establish, setup, maintain, operate, administer and run clinics, hospital, health center for creating awareness about prevention and treatment of all kind of infectious diseases like acquired immune deficiency syndrome (AIDS), hepatitis, typhoid and tuberculosis and assisting in diagnosing of and providing medicines for the treatment of these diseases. The registered office is situated at B-18, S.I.E. Mangopir Road Karachi.

2. Statement of compliance
These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. Significant accounting policies
Accounting convention
The accounts of the company have been prepared under historical cost convention using accrual basis of accounting except for cash flow statement.

3.2 Use of critical accounting estimates and judgments
The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the companies accounting policies. Estimates and judgments are continually evaluated and based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Provision for taxation
b) Accrued liabilities
c) Impairments of, doubtful trade debts, capital work in progress
d) Useful life of operating fixed assets, intangible assets.
e) Estimates of impairments and recoverable amounts of assets

3.3 Taxation
a) Current
Provision for current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rate or tax rates expected to apply to the profit for the year if any.

b) Deferred tax
The company being a small sized entity does not require to account for deferred tax under Accounting and Financial Reporting Standard for Small-Sized Entities.

3.4 Tangible fixed assets and depreciation
a) Owned assets
Assets in own use are stated at cost less accumulated depreciation. Depreciation is charged to income on reducing balance method using the rates specified in third schedule of Income Tax Ordinance, 2001. A full year’s depreciation is charged in the year of acquisition, whereas no depreciation is charged in the year of disposal. Maintenance costs and normal repairs are charged to profit and loss account as and when incurred. Major renewals and repairs are capitalized.

b) Lease payments
Lease payments, deriving from an operating or finance lease, is recognized as an expense (on an accrual basis). If the payments are material, the expense is shown under a specific lease payment heading in the income statement. The value of the lease is not shown either as an asset or as a liability on the balance sheet.

c) Gain or loss on disposal
Gain or loss on disposal of assets, if any, is included in income currently.

3.5 Impairment of assets
The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired except for assets in bond. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

3.6 Revenue Recognition
Revenue is recognized when invoice is raised to the customers.

3.7 Bad debts
Trade and other debts are stated at original invoice amount as reduced by appropriate provision for debts considered doubtful. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

3.8 Creditors, accrued and other liabilities
Creditors, accrued and other liabilities are stated at cost which is the fair value of the consideration to be paid in future in respect of goods and services.

3.9 Advances, deposits, prepayments and other receivable
Advances and other receivable are stated at cost.

3.10 Provisions
Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

3.11 Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand, Cheque in transit, cash at banks and running finance under markup arrangements. In the balance sheet, running finances under markup arrangements are included in current liabilities.
CASH FLOW STATEMENT

AS AT JUNE 30, 2010

CASH FLOW FROM OPERATING ACTIVITIES
Surplus/(deficit) for the year

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>255,888</td>
<td>14,649</td>
</tr>
<tr>
<td>Working capital changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>49,020</td>
<td>99,240</td>
</tr>
<tr>
<td>Indus Hospital (Gavi csco)</td>
<td>(655,615)</td>
<td>(500,000)</td>
</tr>
<tr>
<td>Certificates of Islamic Investment</td>
<td>2,793,043</td>
<td>976,739</td>
</tr>
<tr>
<td>Increase/(decrease) in current liabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net cash inflow/(outflow) from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,981,278</td>
<td>8,815,725</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CASH FLOW FROM INVESTING ACTIVITIES
Addition to fixed assets
Preliminary expenses
Net cash inflow/(outflow) from investing activities

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

CASH FLOW FROM FINANCING ACTIVITIES
Net cash inflow/(outflow) from financing activities

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,923,614</td>
<td>(93,874)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net increase/(decrease) in cash and cash equivalent
Cash and cash equivalents at beginning of the year
Cash and cash equivalents at end of the year
Cash and cash equivalents
Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th>2010 Rupees</th>
<th>2009 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,663,620</td>
<td>(125,262)</td>
</tr>
<tr>
<td></td>
<td>2,493,268</td>
<td>2,618,536</td>
</tr>
<tr>
<td></td>
<td>5,156,888</td>
<td>2,493,268</td>
</tr>
<tr>
<td></td>
<td>5,156,888</td>
<td>2,493,268</td>
</tr>
</tbody>
</table>

The annexed notes form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

STATEMENT OF CHANGES IN EQUITY

AS AT JUNE 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>Sponsors fund Rupees</th>
<th>Surplus/(deficit) Rupees</th>
<th>Net fund balance Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at June 30, 2008</td>
<td>169,100</td>
<td>2,501,805</td>
<td>2,661,905</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>-</td>
<td>8,615,725</td>
<td>8,815,725</td>
</tr>
<tr>
<td>Balance as at June 30, 2009</td>
<td>169,100</td>
<td>11,317,536</td>
<td>11,477,660</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>-</td>
<td>1,981,278</td>
<td>1,981,278</td>
</tr>
<tr>
<td>Balance as at June 30, 2010</td>
<td>169,100</td>
<td>13,298,808</td>
<td>13,458,908</td>
</tr>
</tbody>
</table>

The annexed notes form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director
NOTE OF THE ACCOUNTS
AS AT JUNE 30, 2010

5 INVESTMENT HELD TO MATURITY
Certificates of Islamic Investment
5.1 These investments along with profit accruing thereon shall be reinvested in the same terms or in accordance with similar maturity securities as per the application for certificate of Islamic investments or other instructions received by the bank at least ten (10) days prior to maturity. These investments matured on November 18, 2010.

6 CASH AND BANK BALANCE:
   United Bank Limited: 3,262,609
   Mezan Bank Limited: 1,888,989
   Cash in hand: 5,000
   Total: 5,156,898

7 INCOME
   Donation: 9,139,280
   Profit on Investment: 939,577
   Special Donation: 6,000,000
   Zakat: 1,040,500
   Grant (Govt. cost): 5,180,640
   Total: 14,264,126

8 EXPENDITURE:
   Salaries expense: 805,012
   Travelling expense: 3,329
   Vehicle running expense: 132,615
   Internet expenses: 38,406
   Printing expense: 84,845
   Advertisement expense: 1,055,250
   Legal and professional charges: 34,900
   Audit Fee: 15,000
   Survey & research expenses: 14,012
   Miscellaneous Expenses: 14,012
   Bank Charges: 1,362
   Entertainment: 1,944
   Communication (mobile) expenses: 41,400
   Depreciation expense: 355,846
   Grant project expenses: 5,170,050
   Awareness programme expenses: 202,500
   Medicine and vaccination expense: 7,19,644
   Total: 12,282,840

9 GOVT PROJECT EXPENSES
   Staff cost: 555,000
   Overheads: 36,359
   Capital expenditure: 82,705
   Programme cost: 4,545,985
   Total: 5,379,040

3.2 MEDICINE AND VACCINATION EXPENSE
   Gross expense: 8,004,424
   Less: recovery against vaccination: 3,131,540
   Total: 5,399,024

9 DATE OF AUTHORIZATION
   These financial statements have been authorized by board of directors on 5 AUG 2010

10 LEVEL OF PRECISION
   Figures have been rounded off to the nearest rupee.

Sd/-
Chief Executive

Sd/-
Director

4 PROPERTY PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Class of assets</th>
<th>As at July 1, 2009</th>
<th>Additions</th>
<th>As at June 30, 2010</th>
<th>Rate</th>
<th>As at July 1, 2009</th>
<th>For the Year</th>
<th>W.D.V as on June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
<td>Rupees</td>
<td>%</td>
<td>Rupees</td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Tangible - Owned assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other equipment</td>
<td>31,615</td>
<td>69,994</td>
<td>101,609</td>
<td>10</td>
<td>3,162</td>
<td>8,845</td>
<td>13,007</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>54,700</td>
<td>-</td>
<td>54,700</td>
<td>30</td>
<td>27,897</td>
<td>8,041</td>
<td>35,938</td>
</tr>
<tr>
<td>Vehicles</td>
<td>-</td>
<td>1,190,000</td>
<td>1,190,000</td>
<td>20</td>
<td>-</td>
<td>238,000</td>
<td>652,000</td>
</tr>
<tr>
<td></td>
<td>85,315</td>
<td>1,250,994</td>
<td>1,344,389</td>
<td></td>
<td>31,059</td>
<td>255,886</td>
<td>265,945</td>
</tr>
<tr>
<td>2009</td>
<td>54,700</td>
<td>31,615</td>
<td>86,315</td>
<td></td>
<td>16,410</td>
<td>14,649</td>
<td>31,059</td>
</tr>
</tbody>
</table>

www.thehealthfoundation.org
APPEAL FOR DONATIONS!

Saving one person from Hepatitis inflicted disability and death is like saving the entire humanity.

Your donation of Rupees 40,000/- can do it!

A lesser amount of Rupees 1,500/- can help vaccinate one person, and prevent the onset of Hepatitis.

Please Act Now!

Contact Details:
Telephone No.: 00-92-21-111-111-645
Fax No.: 00-92-21-32563974
Email: Info@thehealthfoundation.org
Web: www.thehealthfoundation.org

Donation and Zakat Account Details:
Bank Account No.: 010-5893-2
Title of Account: The Health Foundation
(all Donations are Tax Exempted)