



THE
HEALTH
FOUNDATION

Striving For A Healthier Pakistan

AWARENESS

PREVENTION

COLLABORATION

TREATMENT

ANNUAL REPORT 2016



PROTECT
(VACCINATE)
YOURSELF &
YOUR CHILDREN

HEPATITIS

PREVENT HEPATITIS: IT'S UP TO YOU

Hepatitis B vaccine protects those who need it

Messages

Mr. Saeed Allawala – Chairman/Founder



THE HEALTH FOUNDATION has traversed a long and hard journey and shall successfully completing its decade of existence next year.

THF is working day in and day out to spread awareness on a large scale to masses about menace of Hepatitis B&C as well as ways and means to prevent and treat it. We swiftly moved in this year to vaccinate sizeable number of children / adults against Hepatitis B. Many pregnant women were screened for Hepatitis B. Reasonable number of patients were given treatment for Hepatitis B&C. We firmly believe in the notion 'He who saved one saved the entire humanity'. THF is actively focused in this direction. We have been also involved in continual activities to generate resources for THF. In this connection, I

pleased to inform you that a grand Fund Raising Dinner was held from the platform of THF in the second fortnight of May 2016. The maestro singer Rahat Ali Khan enthralled the audience with his enchanting performance. This event was a great success as nearly all the seats were pre-sold and significant amount million of Rupees were donated to THF to help in its sacred war to fight against the menace of Hepatitis Pakistan. We thank all the participants of the Dinner for their generous support in generating the funds for THF. I pray that ALLAH (SWT) provide more resources and means to THF to move it on the path of success supporting poor patients suffering from Hepatitis and also give energy and perseverance for pursuing noble cause.

Dr. Saad Khalid Niaz – Director/Co-founder

Chronic Viral Hepatitis is a major preventable medical issue in Pakistan. THF is focusing on educating the masses to prevent the spread of this disease as this we believe is the only way to fight this menace. For Hepatitis B vaccination specially of children has been our focus. The whole nation has to fight the reuse of syringes , unsafe blood and other practices responsible for the spread.

The new oral Treatment has changed the out look completely for those infected with Hepatitis C. Treatment is very successful and without any significant side effects. THF is also providing free treatment for both Hepatitis B and C.

We have to go a long way to get rid of the menace of Chronic Viral Hepatitis from our homeland and THF is working on all fronts to achieve this.



Dr Laila Rizvi – Executive Director

**“Challenges are what make life Interesting;
Overcoming them is what makes life Meaningful”**



Working for Hepatitis prevention and control is a constant challenge but the THF team takes pride in its untiring commitment to make a difference!

It would not be possible to achieve any result alone. THF is so proud that it has a network partners, supporters, advocates and friends who have joined hands with us in this war against the menace of Hepatitis in Pakistan.

We look forward to expansion of our work to high prevalent areas throughout Pakistan.

Inshallah, we pray that Allah (SWT) empowers us to help the marginalized section of our society who looks us for relief from this debilitating and often fatal disease.

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OVERVIEW

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 repute, media and advertising personnel, and social workers. Each of them brings social consciousness and a wealth of experience in their respective fields; thus contributing positively to program objectives and goals.

Board of Directors

Mr Saeed Allawala (Chairman)
Dr. Saad Khalid Niaz
Dr. Sohail Nawab

Executive Director:

Dr. Laila Rizvi

Programme Manager:

Dr. Muhammad Kashif Riaz

General Advisory Body:

Dr. Huma Qureshi
Dr. Naseem Salahuddin
Mr. Abdul Latif Shaikh
Mr. Ahsan Saleem
Mr. Rashid Abdulla
Dr. Arshad Kamal Butt
Mr. Masood Hashmi
Ms. Qudsia Akber
Mr. Tariq Rafi
Ms. Gul-e-Rana Saeed

Mr. Abrar Hasan
Dr. Yahya Chawla
Mr. Adnan Sarfraz
Ms. Raana Syed
Mr. Talib Karim
Mr. Shahrukh Hasan

Lahore Chapter:

Dr. Munir Ahmed
Dr. Sardar Fakhar Imam
Dr. Akmal Bhatti
Dr. Shaila Anwer
Dr. Khaleeq Qureshi



VISION

A. Changing the outlook of the general population with awareness programs through developing output based awareness strategy and comprehensive awareness campaign/ Projects.

THE MISSION

The Health Foundation aims to create awareness and promote healthy practices for management of various diseases in the general public, with an initial emphasis on Hepatitis B & Hepatitis C.



PROJECT STRATEGIES

A. Community empowerment leading to behavior change - Changing the perception of the general population with targeted awareness programs leading to behavior change thus empowering the common man to protect him/her-self from acquiring the disease.

B. Capacity building of team members and partners - Developing and hand holding of the field as well as the head office staff. Collaborating with partners where needed to enhance output and to prevent duplication of activities.

C. Facilitating treatment for non-affording patients who live well below the poverty line and developing an effective referral system to facilitate the patients seeking treatment.

D. Strengthening Partnerships- Collaborating with Public and Private Enterprises in Hepatitis B immunization services delivery, since vaccination against vaccine-preventable diseases is essential to reaching the Sustainable Development Goals. Approximately 7 lac deaths per year ; from Hepatitis B can be prevented via vaccination.

E. Mobilization of requisite resources for Treatment and Rehabilitation of referred patients.



PROJECT TARGETS

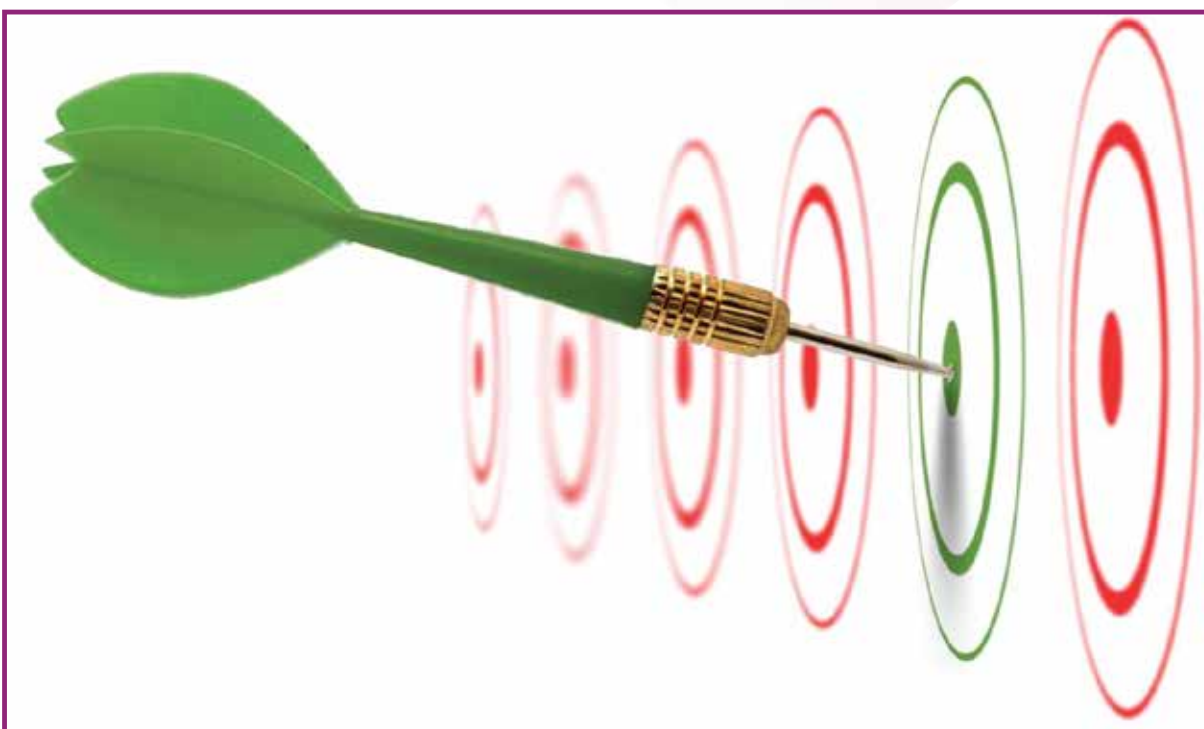
01 To raise awareness for Hepatitis B and C; its causes and prevention in at least 90% of the target population in our intervention areas.

03 Ensure free treatment and follow up of our “Adopted” patients in our intervention geographical areas.

02 To vaccinate and raise the immunization coverage to at least 85 % within our target population with all three doses of Hepatitis B in project focus areas.

04 To equip at least 1 healthcare facility per Union council practicing Safe Sharp Waste Management protocols.

GOALS

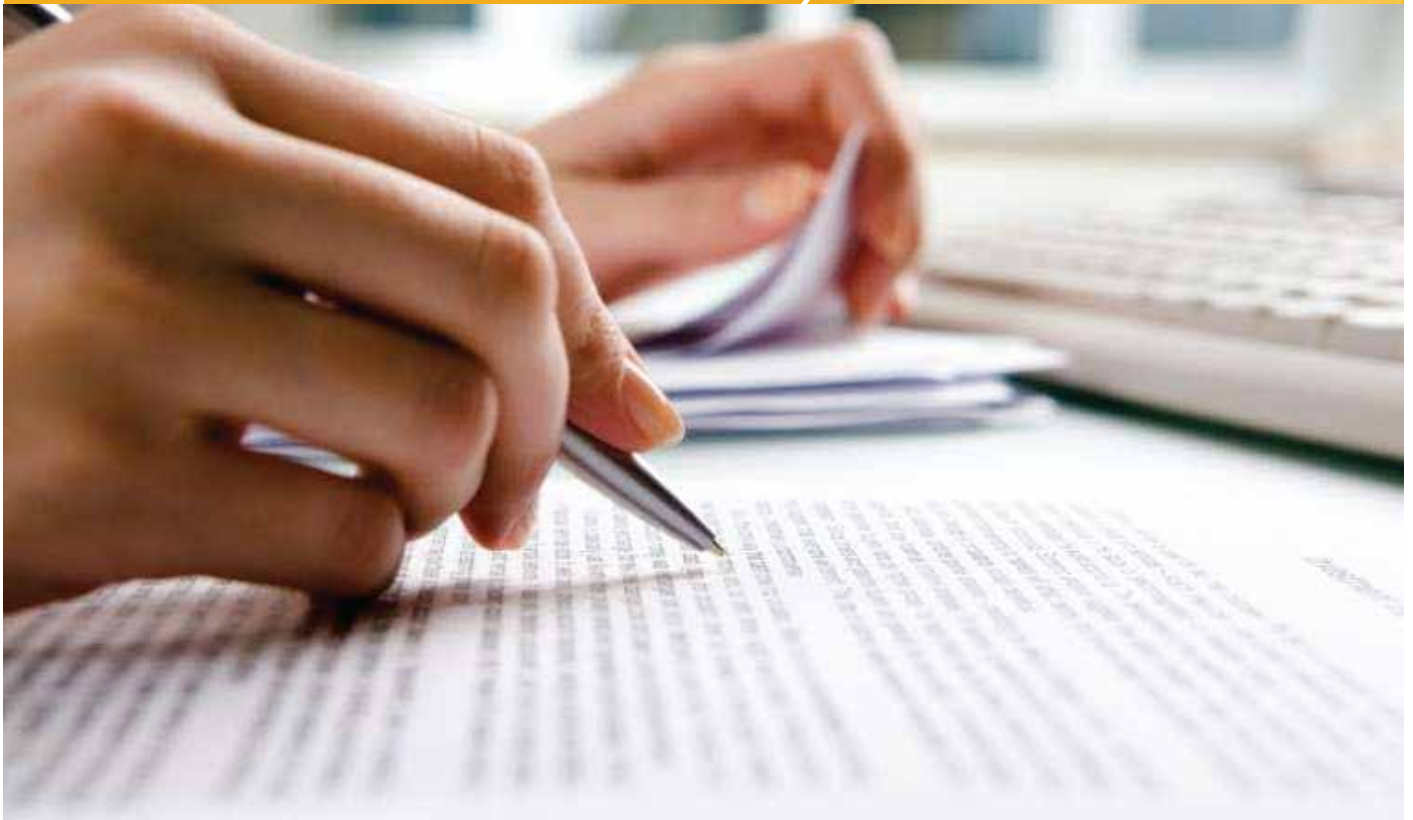


Overall goal is attainment of community health through elimination of Hepatitis B and C through the strategies being implemented in the Hepatitis Free Community model.

THF is thus aimed to invest in a social change and help alleviate the sufferings related to preventable diseases in destitute communities in Pakistan.

02

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

The Hepatitis Free Community Project (HFCP) is a hallmark venture of THF. The Model being implemented, with its partnership aims at:

- ④ Overcoming bottle necks and providing easy access to underutilized vaccines.
- ④ Strengthening Health and Immunization systems worldwide.
- ④ Introducing innovation and new techniques via immunization technology, including vaccines.
- ④ Promoting vaccination in hard to reach areas and reaching the unreached.
- ④ Community and resource mobilization and to increase awareness among the masses for routine and Catch-up vaccination.

Expansion of Hepatitis Free Community Project in other areas in Sindh Province.

The Health Foundation Pakistan recently adopted Thar Coal Block II (Islamkot, Tharparkar) as its new areas for replication of the Hepatitis Free Community Project.

The projects are being implemented as a joint venture with Sindh Engro Coal Mining Company in Tharparkar.

The projects entails Catch up Hep B vaccination of total population in the target villages. It also supports social mobilization, awareness programs within communities & Free treatment.



18 Jan 2016: Air Chief Marshal Mr. Sohail Aman inaugurated “The Health Foundation’s” field office at Rashidabad.



The Health Foundation via this center will implement its Hepatitis Free Community Project Rashidabad in one union council that is UC Dinghona Bozdar. The main focus will be working against Hepatitis B&C. Key components of the project will include Programs such as Mass Awareness, Catch up Hepatitis B Vaccination, free Hepatitis treatment for the poor and non-affording people along with Safe Sharp Waste Management intervention.

Lahore Hepatitis Free Community Project:

"Lahore Hepatitis Free Community Project , in collaboration with Sir Ganga Ram Hospital, was initiated in 2015. Till date **18,000** people have been given **Awareness** regarding Hepatitis B and C via multiple Community sessions

Hepatitis B Catch up Vaccination has also been initiated in target Schools and within the Community

Free treatment for Hepatitis B and C positive patients is also ongoing

In December 2015, a seminar on Hepatitis was also organized by the Lahore Chapter team at Royal Palm club. Local philanthropists, renowned persons from the Health sectors as well as Media personnel attended the seminar"



03

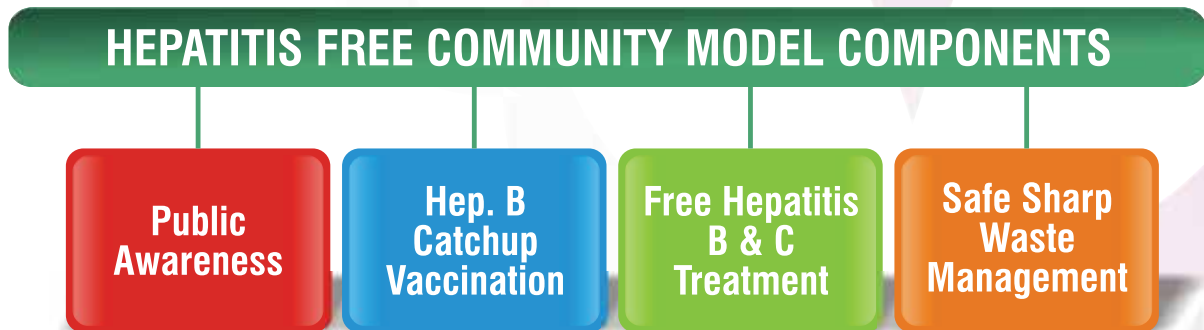
PROGRAMS KEY FOCUS AREA



GEOGRAPHICAL SCOPE

Sindh province Karachi (Korangi & Malir Town), District Sanghar (Kandiari), District Ghotki (Raharki) and District Thar (Islamkot) and in Punjab province - Lahore .

(I) PROGRAM KEY FOCUS AREA



(II) MASS COMMUNITY AWARENESS

- Various awareness sessions/ Behavior change sessions for different target groups (students, teachers, parents, health care providers (medics/Para medics, doctors, nurses, and janitorial staff), barbers/beauticians and field staff of other CSO's.) are being held at all levels
- Focus group discussions within the community being held using relevant IEC materials
- 3786 sessions reaching 107873 No. Of people



(II) Hepatitis B Catchup Vaccination

Hepatitis B vaccination with all three doses is being given in schools, Madrassas both private & public and within the community.

Vaccination Achievements During Current Year

32,000

individuals have been fully immunized during the current reporting period

(III) Safe Sharp Waste Management

16 health care facilities in Karachi (13 in Korangi Town and 3 in Malir town) plus 2 hospitals in Lahore are implementing the Safe sharp Waste Management project. This project is a joint collaboration of WHO, THF and PMRC.



Free treatment is being provided to patients being referred to THF through its network of gastroenterologists/Liver specialists.

There is good news for patients with Hepatitis C. The new miracle drug “Sofosbuvir” is creating waves globally in the medical community bosting it's cure rate to be around 90%[1]

(To follow the latest treatment protocols; THF has launched a nationwide **“ADOPT A PATIENT”** campaign where Sofosbuvir (Oral Drug) is being provided to Non-affording patients free of cost.)



Yes! I want to use my Zakat to Adopt a Hepatitis Patient

☐ I am providing a cheque for the _____ in honor of The Islamic Foundation
☐ Please charge by _____ from my Credit Card _____

Member ID: _____

☐ Yes ☐ No

Contact Information

Name _____

Address _____

Mobile _____

Email _____

☐ I wish to remain anonymous.

How to Donate

1. Please fill in the donation details described
2. Enclose endorsement cheque in favour of The Health Foundation if you are donating by cheque
3. Send the donation card and your cheque in the pre-printed donation envelope provided
4. Complete our donation envelope to T.H.F. Head Office, Office No. 3, 10th floor, Jumeirah Trade Centre, Sheikh Mohammed Bin Rashid Road, Dubai (UAE) or _____ and we will arrange to have it collected from your address.



**Help us Help You
SAVE A LIFE**



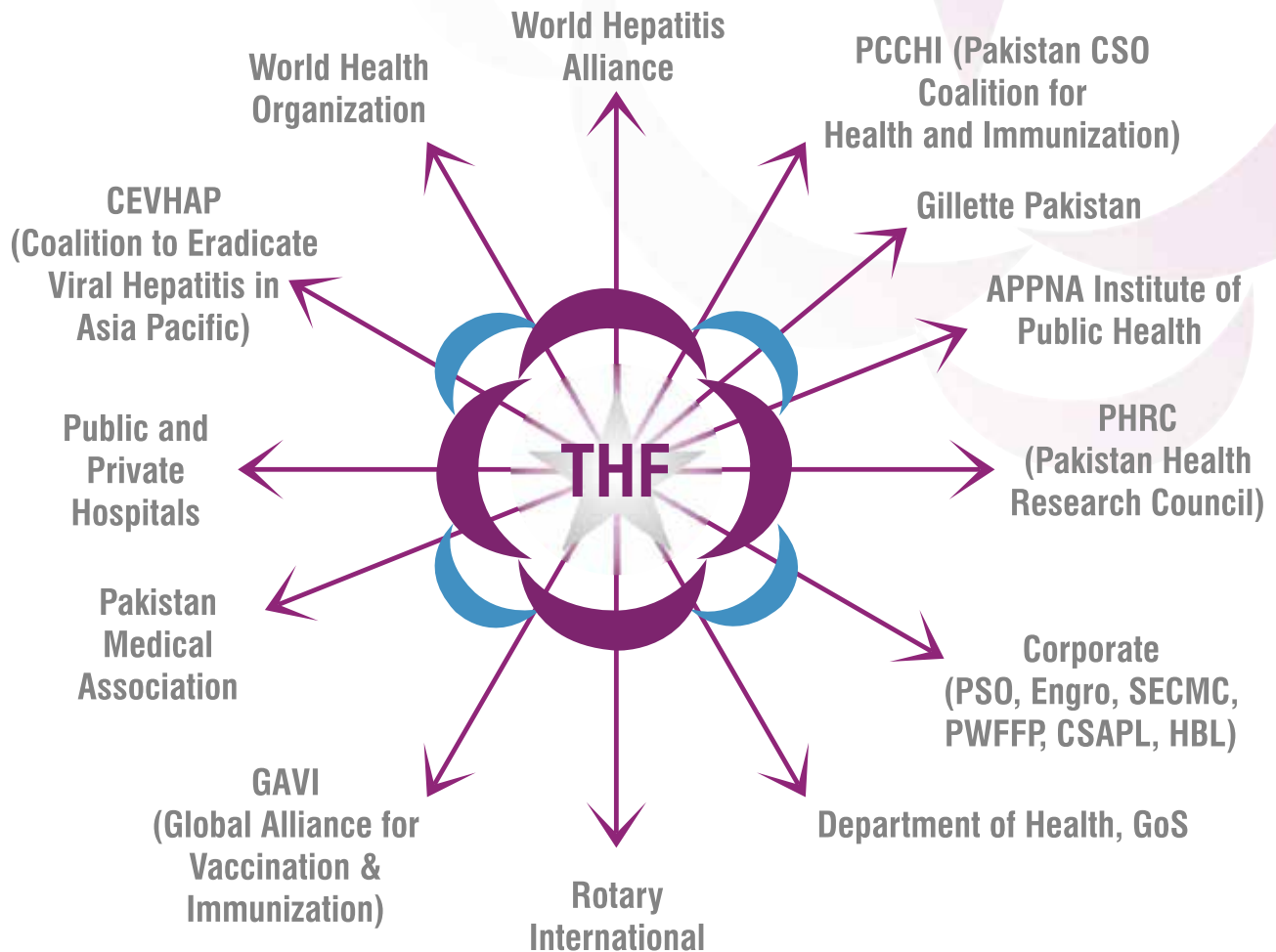
THE HEALTH FOUNDATION
 Saving Lives - One Donation at a Time

STRATEGIC ALLIANCES PARTNERSHIPS

04



WORKING KEY TO SUCCESS!!!!



05

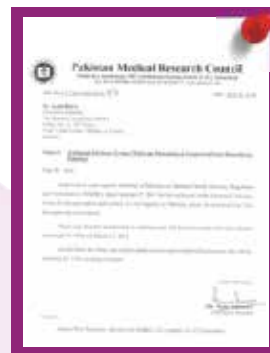
EVENTS & UPDATES



Events & Updates

(i) THF is proud to be accepted as a member of the Technical Advisory Group (TAG) on Prevention & Control of Viral Hepatitis in Pakistan.

As of 1st April 2016 THF has become the first Civil Society Organization to be accepted as a member for TAG under the Ministry of National Health Services, Regulation and Coordination (NHSRC) for the next two years.



(ii) Pakistan Center for Philanthropy Certification.

As of 7th March 2016 THF fulfilled the requirements that were essential to acquire the certification from Pakistan Center for Philanthropy. This certification is valid for the next 3 years.

(iii) Annual Dinner/Fund Raiser (Rahet Fateh Ali Khan performs for THF!!!!)

The Health Foundation organized its annual fund raiser on 13th May 2016. Rahat Fateh Ali Khan performed and wowed the crowd with his hits. Thanks to all friends of THF for making this event a big success.



(iv) World Hepatitis Day Celebrations

THF celebrated WHD with its usual fervor and vigor. Various events took place for sensitizing the general masses regarding the disease Hepatitis- its prevention , protection and treatment.

► Seminars at Educational institutes for getting staff and students on board as “Change agents”



- **Walks** involving THF staff and management, govt. officials, schools, local notables, other NGOs, Corporates, community



- **Camps** (i) Screening camp organized at Patel Hospital Karachi. Approx 200 persons screened for Hep B and Hep C. 4 Hep B positive and 6 Hep C positive patients found.

(ii) Vaccination camp at Lahore



- **Mass media involvement**

(i) Live interview on PTV



(ii) Launch of Awareness campaign with focus of "Safe Shaving" in partnership with Gillette Pakistan Mass sensitization through Social media (Facebook, twitter, etc) and Electronic media (ad aired on 7 TV channels)



The cover features a collage of financial-related images. At the top right, there's a close-up of a calculator and a pen resting on a document with bar charts. At the bottom, a hand is shown placing a coin on top of a stack of coins, with several other stacks of coins of varying heights in the foreground. The background is composed of overlapping geometric shapes in shades of blue and grey.

FINANCIALS STATEMENT FOR YEAR 2016

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A.F. FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of The Health Foundation as at 30 June 2016 and the related income and expenditure account, cash flow statement and statement of changes in funds 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 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 accounts 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, cash flow statement and statement of changes in funds 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 30 June 2016 and of the surplus, its cash flows and changes in funds 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).

The financial statements of the Company for the year ended 30 June 2015 were audited by another firm of Chartered Accountants whose report dated 03 October 2015, expressed an unmodified opinion thereon.

Chartered Accountants
Karachi

Dated: 05 October 2016

Name of the Engagement Partner: Farrukh Rehman

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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• KARACHI • LAHORE • ISLAMABAD

THE HEALTH FOUNDATION

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	(Re-stated) 2015 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,377,292	1,820,149
Long term deposits		56,000	40,000
		<u>1,433,292</u>	<u>1,860,149</u>
CURRENT ASSETS			
Stock-in-hand	6	10,084,180	21,498,470
Loans and advances	7	110,939	115,390
Prepayments		7,887	-
Accrued mark-up		174,339	282,225
Other receivable		34,338	-
Cash and bank balances	8	46,476,792	16,362,923
		<u>56,888,475</u>	<u>38,259,008</u>
		<u>58,321,767</u>	<u>40,119,157</u>
FUND AND LIABILITIES			
FUND			
Sponsors' fund		160,100	160,100
Accumulated surplus / (deficit)		12,886,052	(556,604)
		<u>13,046,152</u>	<u>(396,504)</u>
CURRENT LIABILITIES			
Deferred income	9	44,567,708	39,375,806
Accrued and other liabilities	10	707,907	1,139,855
		<u>45,275,615</u>	<u>40,515,661</u>
		<u>58,321,767</u>	<u>40,119,157</u>

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive


Director

THE HEALTH FOUNDATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	(Re-stated) 2015 Rupees
INCOME			
Government grants		28,077,570	50,838,640
Specific donations		11,057,274	2,197,799
Zakat		2,424,730	2,380,158
General donations		12,923,974	9,618,859
Fund raising event	11	20,880,530	-
		<u>75,364,078</u>	<u>65,035,456</u>
EXPENDITURE			
Medicines and vaccinations utilised			
- Government grant		28,077,570	50,838,640
- Own purchases	12	769,686	-
Salaries and allowances		12,876,434	9,989,500
Treatment expense		2,861,646	3,458,793
Travelling and conveyance		1,083,644	915,629
Vehicle running expenses		1,162,540	528,976
Printing and stationary		741,604	376,576
Waste management expense		133,875	76,800
Fund raising event expense	11	8,946,480	-
Advertisement and promotion		3,084,734	1,417,759
Office rent		330,000	350,000
Maintenance charges		281,910	340,118
Utilities expense		323,810	388,475
Communication		225,389	102,543
Depreciation		340,593	314,589
Fixed assets written off		450,934	-
Legal and professional charges		37,595	410,335
Auditors' remuneration	13	46,500	25,000
Bank charges		87,220	42,620
Others		59,258	162,834
		<u>61,921,422</u>	<u>69,739,187</u>
Surplus / (deficit) for the year		<u>13,442,656</u>	<u>(4,703,731)</u>

There is no other comprehensive income item.

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive


Director

THE HEALTH FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		13,442,656	(4,703,731)
Adjustment for non cash expenses:			
Depreciation		340,593	314,589
Fixed assets written off		450,934	-
		791,527	314,589
Surplus before working capital changes		14,234,183	(4,389,142)
Working capital changes			
(Increase) / decrease in current assets			
Accrued mark-up		107,886	(257,448)
Loan and advances to employee		64,000	(79,900)
Placement in term deposit - net		(880,762)	(5,033,401)
Advance for expenses		(59,549)	32,910
Prepayments		(7,887)	-
Long term deposits		(16,000)	-
Other receivable		(34,338)	-
		(826,650)	(5,337,839)
Increase / (decrease) in current liabilities			
Accrued and other liabilities		(431,948)	1,100,093
Deferred income		16,606,192	6,910,864
		16,174,244	8,010,957
Net cash generated from / (used in) operating activities		29,581,777	(1,716,024)
CASH FLOW FROM INVESTING ACTIVITY			
Fixed capital expenditure		(348,670)	(83,000)
Net increase / (decrease) in cash and cash equivalents		29,233,107	(1,799,024)
Cash and cash equivalents at beginning of the year		1,005,906	2,804,930
Cash and cash equivalents at end of the year	14	30,239,013	1,005,906

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive


Director

THE HEALTH FOUNDATION

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Sponsors' fund	Accumulated Surplus (Rupees)	Total
	←		→
Balance as at July 1, 2014 - as previously reported	160,100	15,113,599	15,273,699
Effect of restatement - note 4	-	(10,966,472)	(10,966,472)
Balance as at July 1, 2014 - re-stated	160,100	4,147,127	4,307,227
Deficit for the year ended June 30, 2015	-	(4,703,731)	(4,703,731)
Balance as at June 30, 2015	160,100	(556,604)	(396,504)
Surplus for the year ended June 30, 2016	-	13,442,656	13,442,656
Balance as at June 30, 2016	160,100	12,886,052	13,046,152

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive


Director

THE HEALTH FOUNDATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. THE COMPANY AND ITS OPERATIONS

The Health Foundation (the Company) was incorporated in Pakistan under section 42 of the Companies Ordinance, 1984 (the Ordinance) on August 24, 2007 as a company limited by guarantee not having share capital, having its registered office at B-18, S.I.T.E. Mangopir Road, Karachi. The company is formed with the primary objective to develop, establish, setup, maintain, operate, administrator 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 Company's initial focus is on awareness, prevention, collaboration and treatment of Hepatitis. It receives medicines and vaccinations from Hepatitis Prevention and Control Program of the Government of Sindh, free of cost. The Company runs various programs / campaigns in order to create awareness about Hepatitis and also provides medicines and vaccinations (received from the Provincial Government) to the needy, free of cost. Further, the Company arranges free Hepatitis treatment for the needy patients.

In order to achieve this, the Company invites / solicits specific donations in order to run the aforementioned programs / campaigns. Moreover, the Company invites general donations and organises fund raising events. Currently, the company is running projects in Karachi, Sanghar, Thar, Ghotki and Lahore.

The Company signed a memorandum of understanding with Sir Ganga Ram Hospital, Lahore on November 18, 2014 and is operating its Lahore Chapter since then. The Company has also obtained certification from Pakistan Centre for Philanthropy on March 7, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

2.1 Basis of preparation

2.1.1 Statement of compliance

This is the first set of financial statements prepared by the Company in accordance with the revised approved accounting and financial reporting standards as applicable in Pakistan. Revised approved accounting and financial reporting standards comprise International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board as adopted in Pakistan by Council of Institute of Chartered Accountants of Pakistan, and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

Previously, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified under Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 were followed. Transition to revised approved accounting and financial reporting standards has been effected by SRO 929(I) / 2015 dated September 10, 2015 issued by the Securities and Exchange Commission of Pakistan amending the approved accounting and financial reporting standards. Company's approved accounting and financial reporting standards have changed, however, measurement and recognition criteria in previous accounting and financial reporting standards and revised approved accounting and financial reporting standards relevant to financial statement line items of Company is same. Any changes in disclosures required due to the revised approved accounting and financial reporting standards have been incorporated in the financial statements.

SECP through SRO No. 413/2016 dated May 11, 2016 has further to its notification through SRO No. 929(I)/2015 dated September 10, 2015, directed the non-listed companies formed / licensed under Section 42 and 43 of the Companies Ordinance, 1984 to follow the Accounting Standards for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan (NPO Standards by ICAP) in addition to disclosure requirements of IFRS for SMEs. The NPO Standards by ICAP have been notified by SECP on the recommendation of ICAP. The SECP's directive is applicable for annual financial periods beginning on or after July 1, 2016, therefore financial statements for the year ended June 30, 2017 of the Company will be prepared as per the directions contained in SRO No. 413/2016 dated May 11, 2016.

2.1.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Management believes that there are no such matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical estimates and judgments made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Foreign currencies

Transactions in foreign currencies are recorded in rupees at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees using the exchange rates approximating those prevailing at the balance sheet date. Exchange differences are taken to income and expenditure account currently.

2.4 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency and figures are rounded off to the nearest Rupees.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

2.6 Stock-in-hand

Stock-in-hand consists of goods donated by the Provincial Government for nil consideration and is initially recorded at retail price with a corresponding credit to deferred income. The carrying value of stock-in-hand is charged to the income and expenditure account when it is distributed, with the corresponding credit released from deferred income.

Provision made against expired stock is deducted from stock-in-hand with a corresponding deduction from deferred income (government grant).

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks on current and savings accounts.

2.8 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.9 Donations, zakat and government grants

Donations not restricted in its use by the donor (general donations) are accounted for on receipt basis in the income and expenditure account. Donations restricted in its use by the donor (specific donations) and zakat are utilised for the specified purpose and classified as deferred income. Any income earned from investments made from such specific donations and zakat are also credited directly in deferred income.

Government grants are recorded on receipt basis at retail price where there is reasonable assurance that all attaching condition will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate whereas unspent grants at the end of the year are disclosed separately in the balance sheet as deferred income.

2.10 Deferred income

Specific donations and zakat contributed by donors are initially recognised as deferred income on receipt. Subsequently, these are recognised in the income and expenditure account to match the costs and expenses incurred in respect of the same.

Government grants consists of medicines and vaccinations donated by the Provincial Government for nil consideration and is initially recorded at retail price with a corresponding debit to stock-in-hand. The carrying value of deferred income is recorded as income when such stock is distributed, with the corresponding debit released from stock-in-hand and recorded as expenditure in the income and expenditure account.

2.11 Provisions

Provisions are recognised 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. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.12 Taxation

The Company is registered with the income tax authorities as a not for profit organisation under section 2(36)(c) of the Income Tax Ordinance, 2001 read with Rule 212 of the Income Tax Rules, 2002. The Company does not account for taxation, as not for profit organisations are allowed a tax credit equal to one hundred percent (100%) of the tax payable including minimum tax and final tax payable, under Section 100C of the Income Tax Ordinance, 2001.

2.13 Revenue recognition

General donations received are recorded as income in the year of receipt.

Specific donations and zakat are initially recognised as deferred income on the balance sheet and, subsequently as income, in the income and expenditure account, by matching the costs and expenses incurred in respect of the same.

Government grants are recognised in income and expenditure account on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Income on investments and return on deposits are recognised on time proportionate basis by reference to the principal outstanding and the applicable rate of return.

3. TRANSITION TO THE REVISED APPROVED ACCOUNTING AND FINANCIAL REPORTING STANDARDS

3.1 Basis of the transition

3.1.1 Application

The Company's financial statements for the year ended June 30, 2016 are its first financial statements prepared under accounting policies that comply with the revised approved accounting and financial reporting standards as disclosed in note 2.1.

Company's transition date is July 1, 2015. The Company has not prepared its opening balance sheet in accordance with revised approved accounting and financial reporting standards at that date as there is no change in measurement and recognition criteria. Any changes in disclosures required due to the revised approved accounting and financial reporting standards have been incorporated in the financial statements.

4. CORRECTION OF PRIOR PERIOD ERRORS

- 4.1** During the current year, the Company reviewed its position regarding the recognition of donations restricted in its use by the donors (specific donations) and zakat, on receipt basis, and concluded that the same should be recognised each year initially as deferred income and subsequently in the income and expenditure account to match the costs and expenses incurred in respect of the same. Accordingly, the Company has re-stated the financial statements retrospectively in accordance with Section 10 of International Financial Reporting Standards for Small and Medium sized entities (IFRS For SMEs) 'Accounting Policies, Estimates and Errors' by adjusting opening balance of Accumulated Funds and Deferred Income for the earliest prior period presented.

The effects of the re-statement / reclassifications have been set out in note 4.2, 4.3 and 4.4.

4.2 Effect on balance sheet

	As at July 1, 2014		
	As previously stated	Re- statement	As Re-stated
	(Rupees)		
Deferred income	(39,134,506)	(10,966,472)	(50,100,978)
Decrease in accumulated funds		(10,966,472)	

	As at June 30, 2015		
	As previously stated	Re- statement	As Re-stated
	(Rupees)		
Deferred income	(21,498,470)	(17,877,336)	(39,375,806)
Decrease in accumulated funds		(17,877,336)	

4.3 Effect on income and expenditure account

	For the year ended June 30, 2015		
	As previously stated	Re- statement	As Re-stated
	(Rupees)		
Income	69,566,162	(6,910,864)	62,655,298
Decrease in surplus for the year		(6,910,864)	

4.4 There is no cash flow impact as a result of such re-statement.

4.5 Certain re-classifications have been made in these financial statements, where necessary, for better presentation. Significant re-classifications are set out below:

Reclassification from component	Reclassification to component	Rupees
Balance Sheet		
Short term investment	Cash and bank balances	15,357,017
Accrued and other liabilities	Cash and bank balances	1,114,855
Trade and other payables	Accrued and other liabilities	135,617
Income and Expenditure Account		
Zakat	Treatment expnse	2,380,158

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Furniture & Fixtures	Computer equipment	Vehicles	Container	Total
	← Rupees →					
Year ended June 30, 2016						
Opening net book amount	435,227	191,228	142,517	584,971	466,206	1,820,149
Additions	241,500	50,050	57,120	-	-	348,670
Reclassification - at NBV	(70,505)	-	70,505	-	-	-
Write off - at NBV	(75,369)	(126,292)	(34,238)	(215,035)	-	(450,934)
Depreciation charge for the year	(67,390)	(23,626)	(85,961)	(116,994)	(46,622)	(340,593)
Closing net book amount	463,463	91,360	149,943	252,942	419,584	1,377,292
At June 30, 2016						
Cost	587,503	110,450	301,446	698,700	900,000	2,598,099
Accumulated depreciation	(124,040)	(19,090)	(151,503)	(445,758)	(480,416)	(1,220,807)
Net book value	463,463	91,360	149,943	252,942	419,584	1,377,292
Year ended June 30, 2015						
Opening net book value (NBV)	396,794	202,128	203,595	731,214	518,007	2,051,738
Additions	74,200	8,800	-	-	-	83,000
Depreciation charge for the year	(35,767)	(19,700)	(61,078)	(146,243)	(51,801)	(314,589)
Closing net book value	435,227	191,228	142,517	584,971	466,206	1,820,149
At July 01, 2015						
Cost	572,804	233,640	402,746	1,492,000	900,000	3,601,190
Accumulated depreciation	(137,577)	(42,412)	(260,229)	(907,029)	(433,794)	(1,781,041)
Net book value	435,227	191,228	142,517	584,971	466,206	1,820,149
Rate of depreciation	10%	10%	30%	20%	10%	

6. STOCK-IN-HAND

	Note	2016 Rupees	2015 Rupees
Stocks		10,084,180	30,140,420
Less: Provision for expired stock	6.1	-	8,641,950
		<u>10,084,180</u>	<u>21,498,470</u>
6.1 Provision for expired stock			
Balance at the beginning of the year		8,641,950	7,201,950
Charge during the year		1,785,000	1,440,000
Written off against provision		(10,426,950)	-
Balance at the end of the year		<u>-</u>	<u>8,641,950</u>

	Note	2016 Rupees	2015 Rupees
7. LOANS AND ADVANCES			
Short term loans to employees - considered good		43,500	107,500
Advances to employees		67,439	7,890
		<u>110,939</u>	<u>115,390</u>
		2016 Rupees	(Re-stated) 2015 Rupees
8. CASH AND BANK BALANCES			
Cash in hand		54,414	26,668
Balance with banks on			
- Current accounts		19,409,286	826,045
- Savings account	8.1 & 8.3	10,775,313	153,193
- Deposit account	8.2 & 8.3	16,237,779	15,357,017
		<u>46,476,792</u>	<u>16,362,923</u>
8.1	At June 30, 2016, the mark-up rate on savings account was 2.4% per annum (2015: 3.23% per annum).		
8.2	This represents investment in Term Deposit Receipts held with Meezan Bank Limited. The expected rate of profit is 4.79% per annum. The investment amounting to Rs. 10.96 million will mature on September 23, 2016 and investment amounting to Rs. 5.27 million will mature on November 26, 2016.		
8.3	Savings account and deposit account are maintained with a bank for zakat purposes.		
	Note	2016 Rupees	2015 Rupees
9. DEFERRED INCOME			
Government grants		10,084,180	21,498,470
Specific donation		7,246,097	2,084,901
Zakat including profit thereon	9.1	27,237,431	15,792,435
		<u>44,567,708</u>	<u>39,375,806</u>
9.1	This includes profit earned on savings account and deposit account maintained with a bank for zakat purposes.		

	2016 Rupees	2015 Rupees
10. ACCRUED AND OTHER LIABILITIES		
Accrued liabilities	58,719	25,000
Salaries payable	127,633	856,954
Tax deducted at source and payable to statutory authorities	149,106	129,797
Liability against treatment expenses	238,590	-
Others	133,859	128,104
	<u>707,907</u>	<u>1,139,855</u>
11. FUND RAISING EVENT		
During the year, company organised a fund raising event at Pearl Continental Hotel, Karachi in which artist Mr. Rahat Fateh Ali Khan was invited to perform. The breakup of expense in respect of the same is as follows:		
	2016 Rupees	2015 Rupees
Artist's performance charges	3,630,000	-
Hotel charges	3,604,948	-
Event management charges	916,666	-
Advertisement	794,866	-
	<u>8,946,480</u>	<u>-</u>
12. MEDICINE AND VACCINATION UTILISED - OWN PURCHASES		
These medicines and vaccinations are purchased by the Company to meet its requirements if the government grant is not received on a timely basis.		
	2016 Rupees	2015 Rupees
13. AUDITORS' REMUNERATION		
Audit fee	25,000	25,000
Out of pocket expenses	21,500	-
	<u>46,500</u>	<u>25,000</u>
14. CASH AND CASH EQUIVALENTS		
Cash in hand	54,414	26,668
Balance with banks on		
- Current accounts	19,409,286	826,045
- Savings account	10,775,313	153,193
	<u>30,239,013</u>	<u>1,005,906</u>

	2016 Rupees	2015 Rupees
15. FINANCIAL INSTRUMENTS		
Financial assets measured at amortised cost	<u>46,852,408</u>	<u>16,800,538</u>
Financial liabilities measured at amortised cost	<u>707,907</u>	<u>1,139,855</u>

16. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of entities under common control / directorship and key management personnel. Significant transactions with related parties are as follows:

Name and particulars	Nature of	2016 Rupees	2015 Rupees
Key management personnel	Salaries and allowances	3,979,920	3,875,200
	Donation received	850,000	-
Associated Company	Donation received	4,000,000	1,500,000

17. REMUNERATION OF EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the executives of the Company are as follows:

	2016 Rupees	2015 Rupees
Managerial remuneration	5,442,674	4,482,800
Utility allowance	386,690	90,000
Others	97,250	361,000
	<u>5,926,614</u>	<u>4,933,800</u>
Number of persons	<u>4</u>	<u>3</u>

17.1 Chief Executive and directors of the Company are not paid any remuneration.

18. NUMBER OF EMPLOYEES

The average and total number of employees as at June 30, 2016 and 2015 respectively are as follows:

	2016	2015
Average number of employees during the year	<u>45</u>	<u>44</u>
Number of employees as at June 30	<u>42</u>	<u>44</u>

19. DATE OF AUTHORISATION

The financial statements were authorised for issue on _____ by the Board of Directors of the Company.


Chief Executive


Director



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TO MAKE PAKISTAN HEPATITIS FREE

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