

# ANNUAL REPORT 2019

## VIRAL HEPATITIS

A Major Public Health Challenge For Pakistan

**Pakistan has the world's highest  
Prevalence of Hepatitis C**

**It is estimated that every 10th  
Pakistani tests positive for either  
Hepatitis B or C**

**Almost 20 million people are suffering  
from Hepatitis B or C in Pakistan**

**Each year an additional 150,000 new  
Hepatitis infections are added to the existing  
pool of Hepatitis patients in Pakistan**

### THE HEALTH FOUNDATION TODAY.....

**9,000+**

Hepatitis patients treated

**960,000**

Individuals sensitised through  
Awareness Programmes in target areas

**430,000**

High Risk population provided  
Hepatitis B Vaccination

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# Messages from the Management



**Mr. Saeed Allawala (Chairman)**

I am most satisfied when I see that the rural and hard to reach areas let THF enter their communities, and they work with THF to try and rid themselves of this burdensome disease of Hepatitis. Alhamdulillah, The Health Foundation has carried on successively contributing towards Hepatitis B/C elimination in Pakistan. With the commencement of the UK Chapter I am hopeful that THF will garner more support for the cause by increasing awareness about the magnanimity of the problem in the sections of society which can bring change. Going forward The Health Foundation will be working closely with the public and private partners to deliver a tangible decline in the prevalence of Hepatitis in Pakistan.

**Dr. Saad Khalid Niaz (Director)**

Working for hepatitis prevention and control is a constant challenge. The new oral treatment of Hepatitis C has changed the outlook of treatment. THF team takes pride in its untiring commitment to make a difference.

**Mr. Abrar Hasan (Director)**

THF's special emphasis is on eliminating Hepatitis from Pakistan. While our efforts may have constituted not more than a drop in the ocean but this drop has saved thousands of lives. We are all working hard for the wellbeing of Pakistan.

**Mr. Adnan A. Sarfraz (Director)**

"The eradication of hepatitis is a cause very close to my heart, having experienced first-hand how it can be a silent killer.

It is a pleasure to be part of the THF family in fighting for the elimination of it from our beloved country. Please join hands with us and let's make Pakistan hepatitis free."

**Dr. Laila Rizvi (Executive Director)**

"Challenges like the war against Hepatitis cannot be fought alone. Looking at the current alarming situation in Pakistan we are focused on bringing together all public and private organizations working on Hepatitis by learning from each other's experience and working in cohesion with each other."



**Dr. Huma Qureshi (Director)**

THF is a life bridge between disease in poor and its treatment. Through the philanthropic donations and commitment from its members, it has cured hepatitis C in thousands of patients and is providing lifelong virus suppression treatment to many hepatitis B cases. It has played a major role in Hepatitis B prevention through vaccination.



**Dr. Yahya Chawla (Director)**

I have been a supporter of because it is a great hope for people having Hepatitis B or C who cannot afford its diagnosis and treatment. THF supports their testing and treatment free of cost.



**Dr. Muhammad Sohail Nawab (Director)**

"I feel privileged to be a part of THF and we are all motivated to work for this Nobel Cause as it is serving under served, poor and marginalized population.



# About The Health Foundation

The Health Foundation (THF) was established in 2007 as a non-profit Civil Society organization registered with SECP under Section 42 of the Companies Ordinance 1984.



## Mission

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

## Vision

A  
Hepatitis  
Free  
Pakistan

## Goal

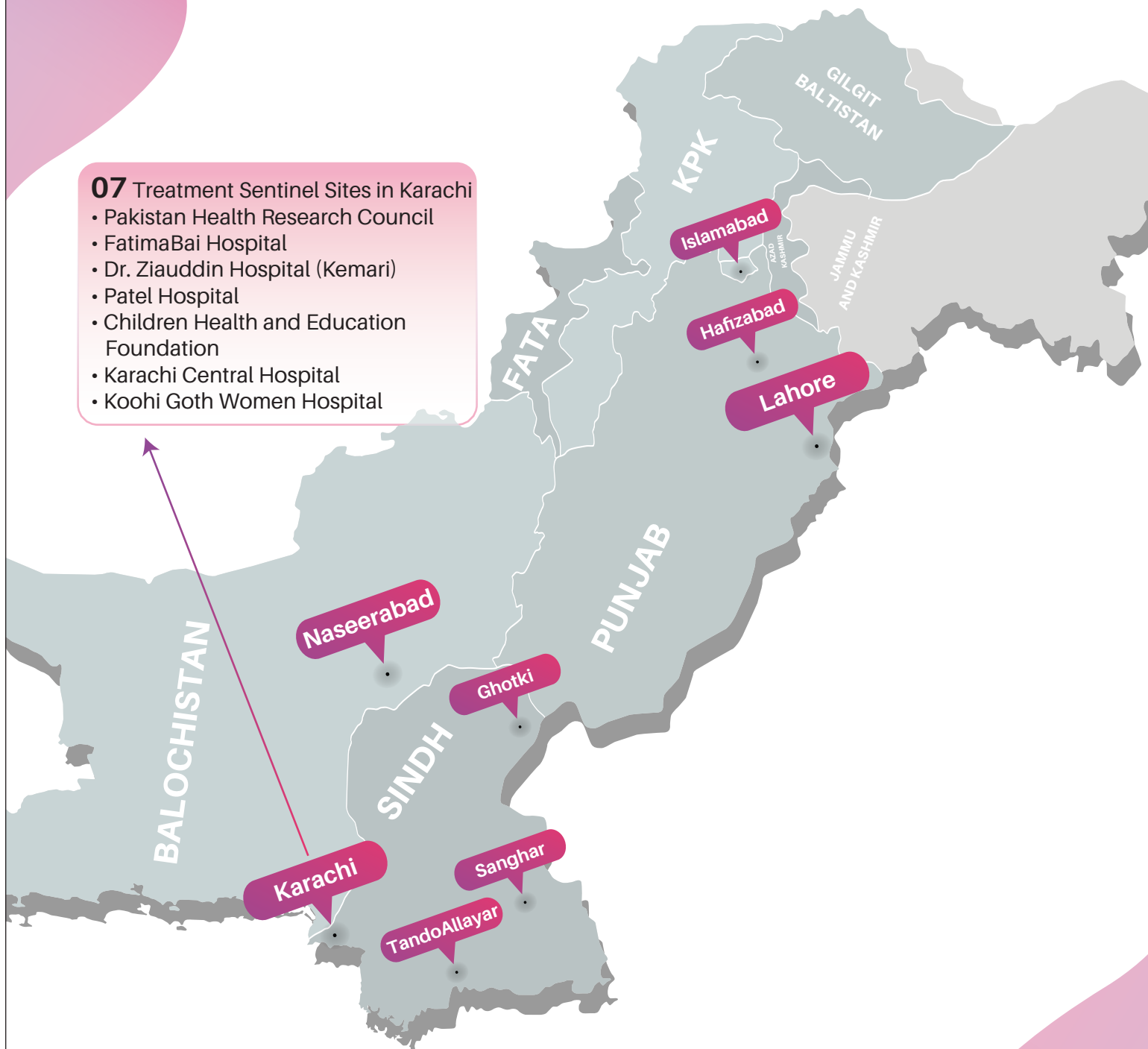
Overall goal is attainment of Community Health through elimination of Hepatitis B and C by implementing the "Hepatitis Free Community Project" Model. THF is thus aimed to invest in social change and help alleviate the sufferings related to this preventable diseases in destitute communities in Pakistan.



# Geographical Coverage

## 07 Treatment Sentinel Sites in Karachi

- Pakistan Health Research Council
- FatimaBai Hospital
- Dr. Ziauddin Hospital (Kemari)
- Patel Hospital
- Children Health and Education Foundation
- Karachi Central Hospital
- Koohi Goth Women Hospital



No. of  
Projects

10

No. of  
Provinces

03

No. of  
District's

08

No. of  
UC

10

No. of  
Villages

240+

# Core Values

- Impeccable Integrity – Honesty, Transparency and Ethical in all dealings
- Demonstrating a Passion for Winning – Deliver what is promised
- Living an Enterprise Culture – We believe in Trust, truth and outstanding teamwork. Provision of an enabling environment is given grave importance
- Making a Better World – We care about and actively contribute to the community in which we live



## THF Accreditation

1. World Hepatitis Alliance (W.H.A)
2. The Coalition for the Eradication of Viral Hepatitis in Asia Pacific (CEVHAP)
3. Pakistan CSO Coalition for Health & Immunization (PCCHI)
4. National Technical Advisory Group on Hepatitis Prevention and Control in Pakistan (TAG)
5. Pakistan Centre For Philanthropy Certification

## Project Strategies

- Community empowerment and demand generation – Changing the outlook of the general population. Health is a basic human right
- Capacity building of team members and partners
- Catch Up Hep B vaccination- Since there is a vaccine available for protection against Hepatitis B, THF is pursuing a catch-up immunization program in its focus areas by the help of the Provincial Governments
- Strengthening Partnerships- Collaborating with Public and Private Enterprises.
- Facilitating preventive health programs and promoting informed decision making about seeking health system support through all mediums available
- Mobilization of requisite resources for Treatment of non-affording patients as per THF SOPs
- Screening camps to find the “Missing Millions” in line with the WHA mandate



# The Health Foundation Organization Chart



## Directors

1. Mr. Saeed Allawala
2. Dr. Saad Khalid Niaz
3. Dr. Muhammad Sohail Nawab
4. Dr. Muhammad Yahya Chawla
5. Dr. Huma Qureshi
6. Mr. Adnan Ahmed Sarfraz
7. Mr. Abrar Hasan

## Executive Director

Dr. Laila Rizvi

## Program Manager

Asim Ali

## Lahore Chapter

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

## General Body Members

1. Mr. Saeed Allawala
2. Dr. Saad Khalid Niaz
3. Dr. Muhammad Sohail Nawab
4. Dr. Muhammad Yahya Chawla
5. Dr. Huma Qureshi
6. Mr. Adnan Ahmed Sarfraz
7. Mr. Abrar Hasan
8. Dr. Jamal Ara Asad
9. Mr. Syed Masood Hashmi
10. Dr. Naseem Salahuddin
11. Mr. Abdul Latif Sheikh
12. Mr. Shahrukh Hasan
13. Dr. Munir Ahmed
14. Mr. Muhammad Tariq Rafi
15. Ms. Qudsia Akbar
16. Mr. Talib Karim
17. Mrs. Gul-e-Rana Saeed
18. Mr. Ahsan Muhammad Saleem
19. Dr. Asad Ali Chaudhry



# World Statistics



**325**

million people are living with viral hepatitis B and C



**2,850,000**

people became newly infected in 2017



**80**

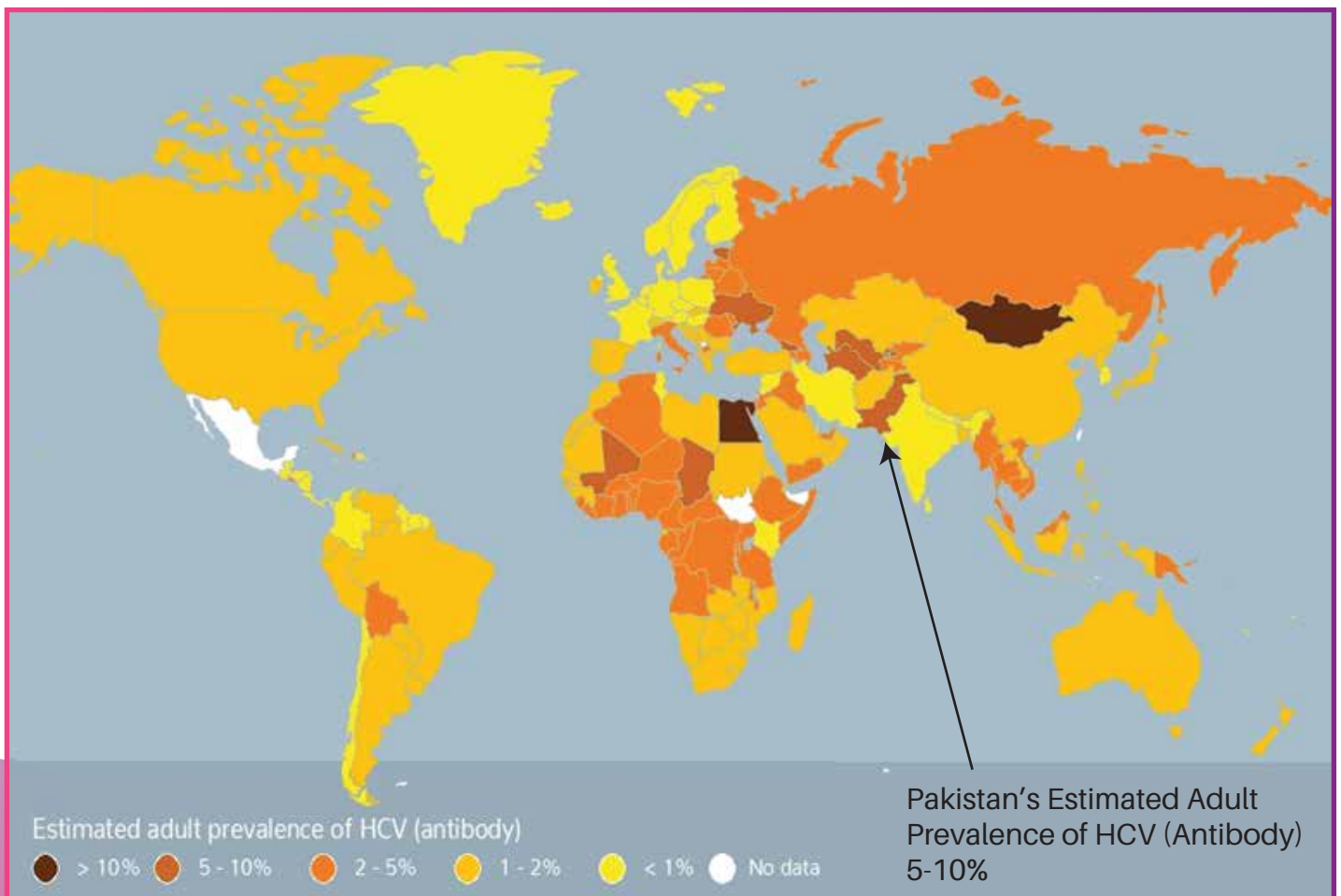
% of people living with hepatitis lack prevention, testing and treatment



**06**

US\$ billion investment needed annually to achieve global elimination targets by 2030

Viral hepatitis B and C affect 325 million people worldwide causing 1.4 million deaths a year. It is the second major killer infectious disease after tuberculosis, and 9 times more people are infected with hepatitis than HIV. **Hepatitis is preventable, treatable, and in the case of hepatitis C, curable.** However, over 80% of people living with hepatitis are lacking prevention, testing and treatment services.



# THF - Field Based interventions - “Hepatitis Free Community Project Model”

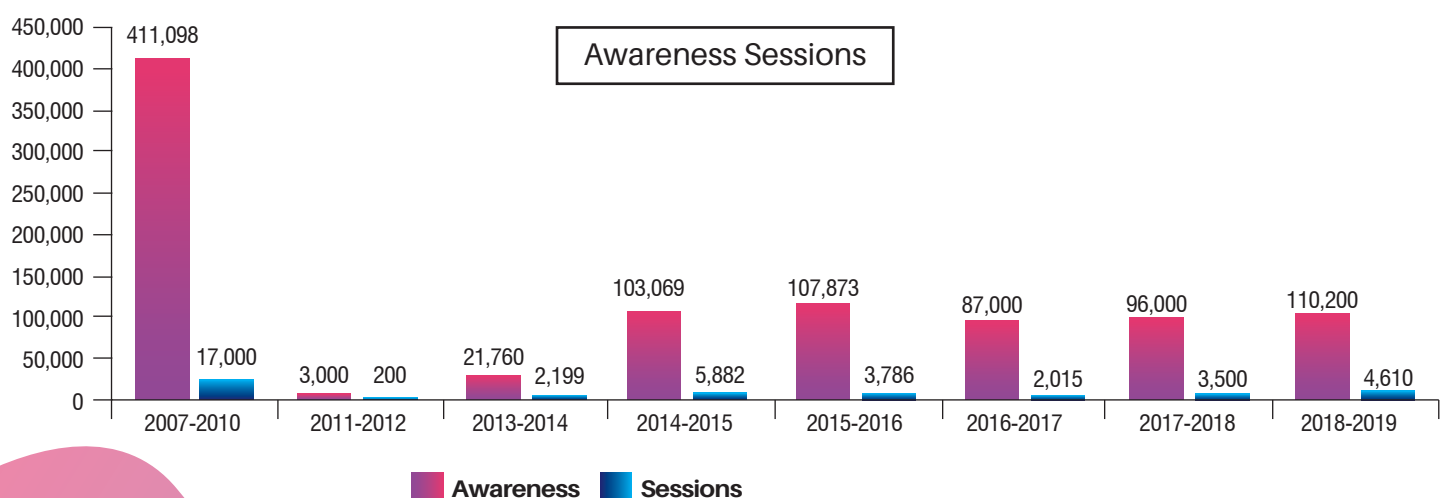


## Mass Community Awareness

Behavior Change is a key to obtaining a healthy life. Till date **963,000** selected populations reached with key messages.

Special tailored Social Mobilization seminars are held for a larger audience with various target group like Students, Teachers, Parents , Health care Providers (Formal and informal), Other NGOs /, CBOS, Corporates and community notables/elders.

Interpersonal Communication sessions are held within the community. Total population reached during the current financial year is **110,200** through **4,610** targeted awareness sessions.



# Hep B Catch up Vaccination

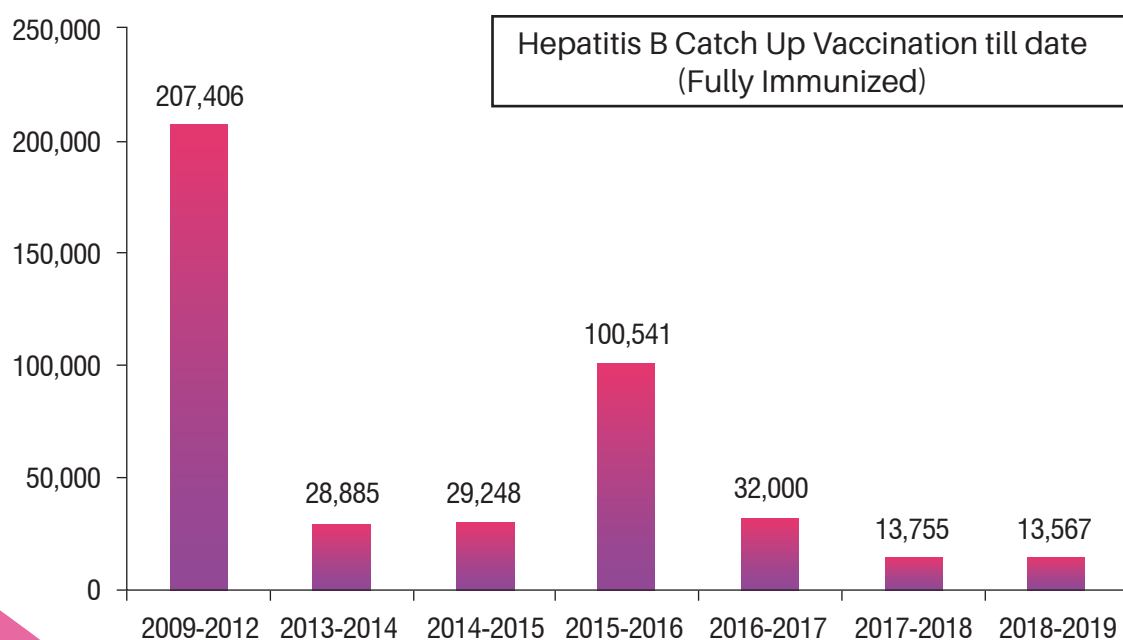
Vaccines are very safe & the most cost effecting intervention available globally.

The main objective of Hepatitis B immunization program is to prevent chronic Hepatitis B virus (HBV) infection and its serious consequences, including liver cirrhosis and hepatocellular cancer (HCC). To date we have carried out vaccination activities for educational institutes, Madrassas, corporates and general community in project areas.



## Year wise achievement of Catch-up Hepatitis B Vaccination ( All Projects)

We have fully immunized **430,000** targeted population in intervention areas



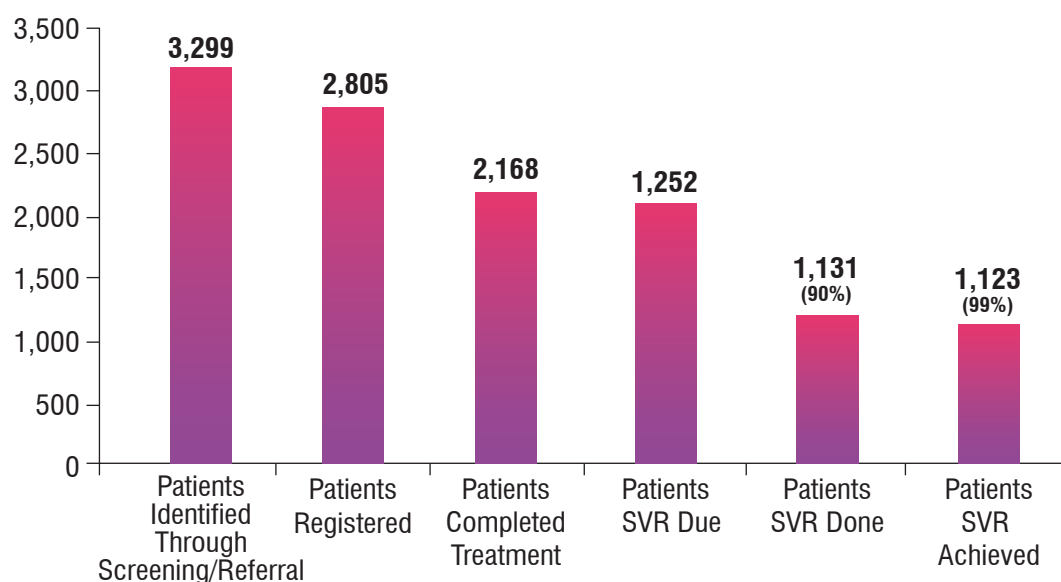
# Hepatitis B & C Treatment

Updated Treatment WHO Protocols are being followed by THF. The introduction of DAA'S (Direct Acting Anti-hepatitis C Virus Drugs) oral drugs has not only changed the treatment scenario but it also provides safe and user friendly options for the patients.

## Total Patients provided free treatment services

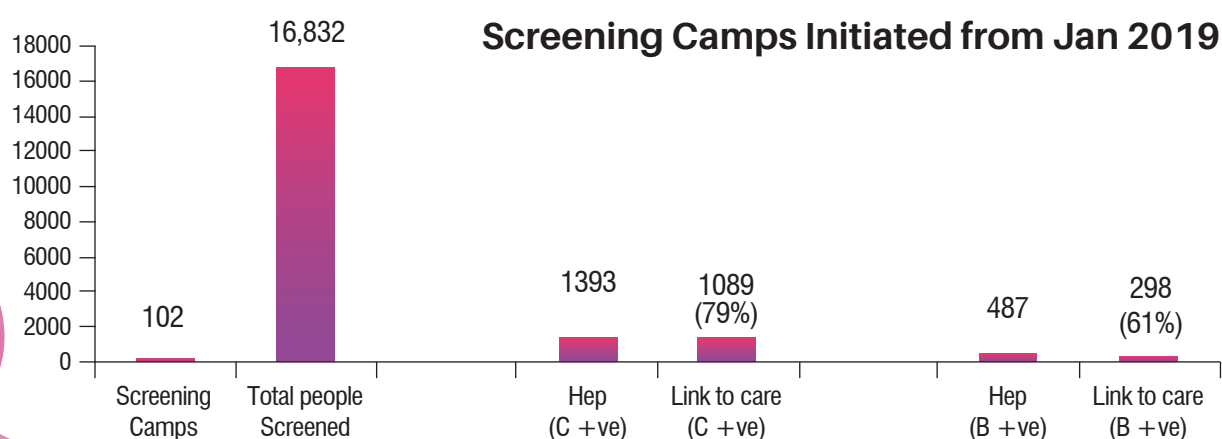
| Total Hepatitis B & C Patients | New Hepatitis B & C Patients Registered During the current Financial Year |             |
|--------------------------------|---|-------------|
| 8,522                          | Hepatitis C   | Hepatitis B |
|                                | 2,805   | 541         |

## Cascade of Care - Hepatitis C (July 2018- June 2019)



## Hepatitis B and C Screening

### "Finding The Missing Millions"





# Reaching the Unreached in Urban Slums of Karachi

THF in collaboration with various organizations (Zubaida Machiyara Trust, FatimaBai Hospital, CHAEF, Koochi Goth, Al Mustufa Trust, Ziauddin Hospital, Karachi Central Hospital, Patel Hospital) have established Hepatitis clinics to provide free Testing and Treatment facilities to the poorest of the poor in these underserved urban slums.

The Health Foundation (THF) is the only non-profit Civil Society Organization working directly with communities for provision of free Preventive and Treatment services.



Zubaida Machiyara Trust



AMT Medical Center



SINA



CHAEF



FatimaBai Hospital



Dr.Ziauddin Hospital Kemari



Patel Hospital



Koochi Goth

# Picture Gallery

## Awareness



## Vaccination



## Screening



## Treatment





# Proud Moments

## Launch of UK CHAPTER

The Health Foundation hosts Introductory Dinner in London to launch its newly registered UK Chapter!

It was an honor to welcome Mr. Nafees Zakaria, High Commissioner of Pakistan to the UK, as the Chief Guest.



## WHO Conference in Morocco

THF seen as a technically sound organization.

Dr. Laila Rizvi (Executive Director) was invited to present role of civil society at the WHO conference in Morocco.

## Partnering with Association of Physicians Of Pakistan Descent of North America (AAPNA)

Donation of a mobile screening van to THF at the first Global Healthcare Summit 2018 held in Karachi, Pakistan.



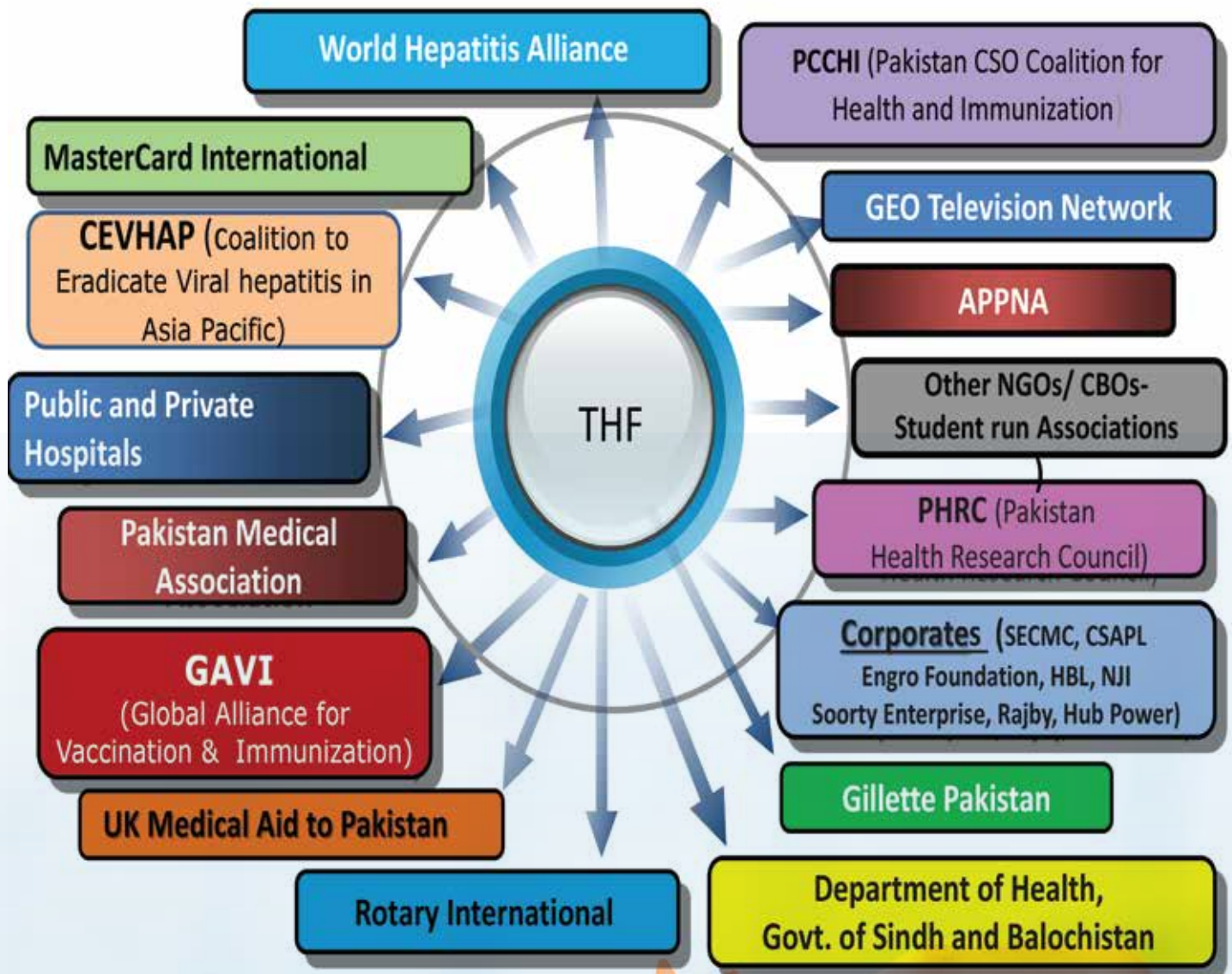
## Building Relationship across Borders

Afghan Medical Team Visited THF's Head Office for briefing on the Hepatitis Free Community Project Model.

They were also trained on maintaining proper patients database (Cascade of Care).



# Strategic Alliances





# Financial Statements

for the  
year ended  
JUNE 30, 2019

- Director's Report
- Auditor's Report
- Statement of Financial Position
- Income and Expenditure Statement
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Notes to and forming part of the Financial Statements

## **DIRECTORS' REPORT 2019**

Dear Members

The directors of our foundation are pleased to present their Annual Report together with the Company's audited financial statements for the year ended June 30, 2019.

We are grateful to the All Merciful, with whose benevolence we have collectively been able to progress and maintain our credibility. We would like to thank all THF Donors and Supporters who have helped us come this far. Supporters of THF across the country are spreading awareness about working against Hepatitis B/C via awareness, prevention, and collaboration and providing free treatment to non-affording individuals.

### **Financial Results**

Financial Results for the year are as follows:

| <b>Financial Highlights<br/>(Rs. In Thousands)</b>              | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Government Grants   | 9,203       | 11,085      |
| Specific Donations  | 11,642      | 11,940      |
| Zakat   | 26,053      | 12,448      |
| General Donations   | 19,749      | 4,389       |
| Fund Raising Event  | 2,786       | 4,312       |
| Total Assets  | 108,914     | 59,908      |
| Current Ratio (Current Assets / Current Liabilities)            | 1.02        | 0.96        |
| Cash to Current Liabilities (Cash & Bank / Current Liabilities) | 0.95        | 0.79        |

### **Company's Performance**

Till June 2019 THF has vaccinated till 425,402 children/individuals (Till June 2018: 411,835) in their target areas and all such vaccinations are free of cost.

Page 1 of 3

Members of:

**World Hepatitis  
Alliance**

**CEVHAP**  
(Coalition for Eradication of  
Viral Hepatitis in Asia Pacific)

**Pakistan Centre for  
Philanthropy**

**Head Office:** Office #2, 10<sup>th</sup> Floor, Jason Trade Center,  
Shahra-e-Faisal, Karachi, 75400

Tel: (92-21) 34320017 / Fax: (92-21) 34320018

Website: [www.thehealthfoundation.org](http://www.thehealthfoundation.org) | Facebook: [www.facebook.com/THFPK](https://www.facebook.com/THFPK)

"A company set up under section 42 of the Companies Ordinance, 1984"

Total awareness sessions given by the foundation in all its projects from July 2018 to June 2019 are 4,610 (July 2017 to June 2018: 3,500) and the total participants in these sessions were 110,200 (July 2017 to June 2018: 96,000).

Total Hepatitis B & C patients registered with our foundation are 1,070 & 7,812 respectively (2017 – 2018: 529 & 4,647 respectively).

THF is running a country wide campaign of “Adopt a Patient” to adopt poor non-affording patients across Pakistan. The cost of adoption comes around Rs. 20,000 per patient which includes all medication, requisite lab tests and consultation.

A project has been initiated in collaboration with Federal Health Ministry and CDC to screen and treat populations in slums of Islamabad.

Expansion of Sanghar project to an additional Union Council (Bobi) also implemented.

New Hepatitis Free Community Project (HFCEP) in Union Council Mozang added in Lahore.

MOU signed with M/s Zubaida Machiyara Trust (ZMT) for establishing 36 Hepatitis C sentinel treatment sites in urban slums of Karachi.

Moreover, THF is conducting awareness sessions for teachers/staff and students of various schools, colleges and universities. The main focus of these sessions is to educate and raise awareness among the teachers, staff and students regarding Hepatitis B & Hepatitis C and create future ambassadors / spokespersons for our cause.

## Future Prospects

THF will be expanding its activities to high risk and hard to reach areas of Pakistan.

## Board of Directors

The Board of Directors governs the organization by establishing broad policies and setting out strategic objectives with commitment and ambition to achieve goals of performance with broader perspective., which currently consists of seven elected directors. One

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executive director is also appointed for implementation and supervision of all the policies and procedures in a smooth manner.

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. It also sets the Company's values and standards and ensures that its obligations are understood and met.

#### **a. Directors' Remuneration**

All the Directors of THF excluding the Executive Director are honorary and are given no remuneration for their services.

#### **Audit**

The auditors, A.F. Ferguson & Co. retire and offer themselves for re-appointment. The audit firm has been given satisfactory rating under the Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants' guideline on codes of ethics, as adopted by ICAP. The Board of Directors of the Foundation have endorsed their appointment for members' consideration at the forthcoming Annual General Meeting.


#### **Acknowledgement**

We would like to acknowledge the continued support of our employees, bankers & suppliers for their dedication and contribution to the Company.

On Behalf of Board of Directors

  
**Abrar Hasan**  
Director



  
**Dr. Saad Khalid Niaz**  
Director

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#### **Members of:**

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A.F. FERGUSON & CO.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE HEALTH FOUNDATION**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the annexed financial statements of The Health Foundation (the Company), which comprise the statement of financial position as at June 30, 2019, and the income and expenditure statement, the statement of changes in net assets, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of changes in net assets and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the surplus, the changes in net assets and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*A.F.*

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



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#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

2 of 3 Pages

*Independent Auditor's Report*



A.F.FERGUSON & Co.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the income and expenditure statement, the statement of changes in net assets and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Date: October 7, 2019



**THE HEALTH FOUNDATION**

**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019**

|   | Note | 2019<br>Rupees          | 2018<br>Rupees          |
|---|------|-------------------------|-------------------------|
| <b>ASSETS</b>                               |      |                         |                         |
| <b>NON-CURRENT ASSETS</b>                   |      |                         |                         |
| Property and equipment                      | 3    | 2,761,407               | 2,191,977               |
| Long-term deposits                          |      | <u>20,000</u>           | <u>20,000</u>           |
|   |      | <b>2,781,407</b>        | <b>2,211,977</b>        |
| <b>CURRENT ASSETS</b>                       |      |                         |                         |
| Inventories                                 | 4    | <u>6,518,952</u>        | <u>9,083,593</u>        |
| Loans to employees                          | 5    | <u>20,000</u>           | <u>28,400</u>           |
| Prepayments                                 |      | <u>36,657</u>           | <u>103,990</u>          |
| Accrued mark-up                             |      | <u>618,182</u>          | <u>751,960</u>          |
| Other receivable                            |      | <u>572,046</u>          | <u>286,652</u>          |
| Cash and bank balances                      | 6    | <u>98,366,956</u>       | <u>47,441,159</u>       |
|   |      | <b>106,132,793</b>      | <b>57,695,754</b>       |
| <b>TOTAL ASSETS</b>                         |      | <b>108,914,200</b>      | <b>59,907,731</b>       |
| <b>LIABILITIES</b>                          |      |                         |                         |
| <b>NON-CURRENT LIABILITIES</b>              |      |                         |                         |
| Grants related to asset                     |      | 1,260,858               | 474,961                 |
| <b>CURRENT LIABILITIES</b>                  |      |                         |                         |
| Deferred income                             | 7    | <u>97,787,839</u>       | <u>57,645,481</u>       |
| Accrued and other liabilities               | 8    | <u>6,287,417</u>        | <u>2,700,723</u>        |
| <b>TOTAL LIABILITIES</b>                    |      | <b>105,336,114</b>      | <b>60,821,165</b>       |
| <b>NET ASSETS</b>                           |      | <b><u>3,578,086</u></b> | <b><u>(913,434)</u></b> |
| <b>NET ASSETS</b>                           |      |                         |                         |
| Sponsors' fund                              |      | 160,100                 | 160,100                 |
| Unrestricted / (Deficit) - General donation |      | <u>3,417,986</u>        | <u>(1,073,534)</u>      |
|   |      | <b><u>3,578,086</u></b> | <b><u>(913,434)</u></b> |

The annexed notes 1 to 17 form an integral part of these financial statements.

  
Chief Executive

  
Director

# THE HEALTH FOUNDATION

## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

|                                  | Note | 2019<br>Rupees    | 2018<br>Rupees     |
|----------------------------------|------|-------------------|--------------------|
| <b>INCOME</b>                    |      |                   |                    |
| Government grants                |      | 9,203,431         | 11,085,114         |
| Donation in kind                 |      | 3,931,076         | 6,049,296          |
| Specific donations               |      | 11,641,887        | 11,940,152         |
| Zakat                            |      | 26,053,439        | 12,448,390         |
| General donations                |      | 19,748,713        | 4,388,987          |
| Fund raising event               |      | 2,786,000         | 4,311,500          |
| Others                           | 9    | 402,457           | 733,484            |
|                                  |      | <u>73,767,003</u> | <u>50,956,923</u>  |
| <b>EXPENDITURE</b>               |      |                   |                    |
| Medicines and vaccines utilised  |      |                   |                    |
| - Government grants              |      | 9,203,431         | 11,085,114         |
| - Donation in kind               |      | 3,931,076         | 6,049,296          |
| - Own purchases                  | 10   | 11,191,558        | 7,227,085          |
| Salaries and allowances          |      | 17,348,130        | 15,306,932         |
| Treatment expense                |      | 19,441,228        | 7,044,955          |
| Advertisement and promotion      |      | 416,680           | 1,014,166          |
| Survey charges                   |      | 272,727           | 1,404,492          |
| Travelling and conveyance        |      | 555,933           | 535,876            |
| Vehicle running expenses         |      | 2,178,007         | 2,124,662          |
| Printing and stationary          |      | 497,724           | 396,932            |
| Waste management expense         |      | 46,800            | -                  |
| Fund raising event expense       |      | 1,187,144         | 1,248,160          |
| Office rent                      |      | 324,946           | 198,000            |
| Maintenance charges              |      | 530,623           | 383,344            |
| Utilities expense                |      | 304,372           | 337,225            |
| Communication                    |      | 288,265           | 228,739            |
| Depreciation                     |      | 658,180           | 514,011            |
| Legal and professional charges   |      | 494,958           | 39,040             |
| Auditors' remuneration           | 11   | 50,000            | 50,000             |
| Bank charges                     |      | 42,663            | 35,790             |
| Others                           |      | 311,038           | 319,265            |
|                                  |      | <u>69,275,483</u> | <u>55,543,084</u>  |
| Surplus / (deficit) for the year |      | <u>4,491,520</u>  | <u>(4,586,161)</u> |

There is no other comprehensive income item.

The annexed notes 1 to 17 form an integral part of these financial statements.

  
Chief Executive

  
Director



THE HEALTH FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2019

|  | Sponsors'<br>fund | (Deficit) /<br>Unrestricted<br>General<br>Donation<br>(Rupees) | Total       |
|--|-------------------|--|-------------|
|  | ←                 |  | →           |
| Balance as at July 1, 2017               | 160,100           | 3,512,627  | 3,672,727   |
| Deficit for the year ended June 30, 2018 | -                 | (4,586,161)  | (4,586,161) |
| Balance as at June 30, 2018              | 160,100           | (1,073,534)  | (913,434)   |
| Surplus for the year ended June 30, 2019 | -                 | 4,491,520  | 4,491,520   |
| Balance as at June 30, 2019              | 160,100           | 3,417,986  | 3,578,086   |

The annexed notes 1 to 17 form an integral part of these financial statements.

  
Chief Executive

  
Director

**THE HEALTH FOUNDATION**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019**

|   | Note | 2019<br>Rupees     | 2018<br>Rupees     |
|---|------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |      |                    |                    |
| Surplus / (deficit) for the year                          |      | 4,491,520          | (4,586,161)        |
| <b>Adjustment for non-cash expense / (income):</b>        |      |                    |                    |
| Depreciation  |      | 658,180            | 514,011            |
| Gain on disposal of property and equipment                |      | -                  | (342,052)          |
|   |      | 658,180            | 171,959            |
|   |      | <u>5,149,700</u>   | <u>(4,414,202)</u> |
| <b>Changes in working capital:</b>                        |      |                    |                    |
| <b>Decrease / (increase) in current assets</b>            |      |                    |                    |
| Inventories   |      | 2,564,641          | 6,543,946          |
| Accrued mark-up   |      | 133,778            | (58,426)           |
| Loans to employees  |      | 8,400              | (13,400)           |
| Placement in term deposit - net                           |      | 16,275,284         | (1,276,196)        |
| Prepayments   |      | 67,333             | (27,990)           |
| Other receivable  |      | (285,394)          | (175,793)          |
|   |      | <u>18,764,042</u>  | <u>4,992,141</u>   |
| <b>Increase / (decrease) in current liabilities</b>       |      |                    |                    |
| Accrued and other liabilities                             |      | 3,586,694          | 2,093,230          |
| Deferred income   |      | 40,928,255         | (348,235)          |
|   |      | <u>44,514,949</u>  | <u>1,744,995</u>   |
| <b>Net cash generated from operating activities</b>       |      | <u>68,428,691</u>  | <u>2,322,934</u>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                |      |                    |                    |
| Payments for acquisition of property and equipment        |      | (1,227,610)        | (960,975)          |
| Proceeds from disposal of property and equipment          |      | -                  | 363,500            |
| Net cash used in investing activities                     |      | <u>(1,227,610)</u> | <u>(597,475)</u>   |
| <b>Net increase in cash and cash equivalents</b>          |      | <u>67,201,081</u>  | <u>1,725,459</u>   |
| <b>Cash and cash equivalents at beginning of the year</b> |      | 15,212,970         | 13,487,511         |
| <b>Cash and cash equivalents at end of the year</b>       | 12   | <u>82,414,051</u>  | <u>15,212,970</u>  |

The annexed notes 1 to 17 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, 2019

#### 1. THE COMPANY AND ITS OPERATIONS

The Health Foundation (the Company) was incorporated in Pakistan on August 24, 2007 under section 42 of the repealed Companies Ordinance, 1984 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, administrate 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 vaccines and syringes 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 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 Sanghar, Ghotki, Rashidabad, Nasirabad, Lahore and Islamabad and treatment sentinel sites in Karachi.

The geographical locations and addresses of the Company's head office, storage facility, treatment sentinel sites and project offices are as under:

- Head office - Office No. 2, 10th Floor, Jason Trade Center, Shahrah-e-Faisal, Karachi
- Storage facility - B-18, S.I.T.E. Manghopir Road, Karachi
- Treatment sentinel sites- Pakistan Health Research Council (PHRC), Jinnah Postgraduate Medical Center, Karachi, Patel Hospital, ST-18, Block 4, Gulshan-e-Iqbal, Karachi, DR. Ziauddin Hospital, Plot# 33, Behind KPT Hospital, Kemari, Karachi, ZMT Clinic Network, FL6/6 Block 4 Gulshan-e-Iqbal, Karachi, Fatima Bai Hospital, Business Recorder Road, Patel Para, Karachi, Karachi Central Hospital platform st. 1/8, Block 17 F.B Area, Karachi, Kohi Goth Women Hospital, Karachi, Bin Qasim Dhe Landhi, Karachi, CHAEF, Abbas Goth, Gulshan-e-Iqbal, Karachi, and Bilqees Razia Trust, UC Sitaroad, Taluka KN Shah, District Dadu
- Lahore projects - Office No. 3, 2nd Floor, Pakistan Medical Research Council Building, Lahore, Fatima Memorial Hospital, Shadman Road, Ichra, Lahore, and Mozang Hospital, Mozang Road, Lahore
- Sanghar project - THF office, Village Khair Muhammad Junejo, Perumal road, Kandiyari, taluka, District Sanghar





- Ghotki project - Near Engro Fertilizers Limited's plant, Daharki, District Ghotki
- Rashidabad project - 1st Floor, Bilquis Mushaf Medical Complex, Rashidabad, Tando Allahyar
- Nasirabad project - Dera Murad Jamali, District Nasirabad, Balochistan
- Islamabad Project - Polyclinic Hospital, 44 Luqman Hakeem Rd, G-6/2

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### **2.1 Basis of preparation**

#### **2.1.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not for Profit Organisations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Further, the Securities and Exchange Commission of Pakistan (SECP) through its notification dated July 29, 2019 brought certain alterations in fifth schedule to the Companies Act, 2017 with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company for the year ended June 30, 2019.

#### **2.1.2 Critical accounting estimates and judgements**

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.

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## **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 Pak Rupees at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rates approximating those prevailing at the statement of financial position date. Exchange differences are taken to income and expenditure statement.

## **2.4 Functional and presentation currency**

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

## **2.5 Property and equipment**

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. 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. A contributed asset is recognised at nominal value in the financial statements when its fair value at the date of contribution can not be reasonably determined.

The Company adds to the carrying amount of an item of property 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 income and expenditure statement during the period in which they are incurred.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

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 statement.



## **2.6 Inventories**

Inventories includes goods donated by the Provincial Government and donors for nil consideration and is initially recorded at retail price with a corresponding credit to deferred income. The carrying value of inventory is charged to the income and expenditure statement when it is distributed, with the corresponding credit released from deferred income.

Provision made against expired inventory is deducted from inventories with a corresponding deduction from deferred income (government grant).

Inventories also include medicines purchased from Zakat and donations. These are valued at lower of cost and current replacement cost, as the inventory is held for treatment of patients at no charge. Cost is determined using first-in-first-out method.

## **2.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.8 Accrued and other liabilities**

Accrued and other liabilities 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 statement. 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 when 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 statement of financial position as deferred income.

Where the grant received is in the form of an asset, it is recorded as deferred revenue and charged to income and expenditure statement in equal amounts over the expected useful life of the related asset through depreciation, amortisation and / or disposal.

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#### **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 statement to match the costs and expenses incurred in respect of the same.

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

#### **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 statement of financial position 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 statement of financial position and, subsequently as income, in the income and expenditure statement, by matching the costs and expenses incurred in respect of the same.

Government grants and donation in kind are recognised in income and expenditure statement 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.

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### 3. PROPERTY AND EQUIPMENT

|                                     | Office<br>equipments | Furniture<br>&<br>fixtures | Computer<br>equipments | Vehicles         | Container      | Total            |
|-------------------------------------|----------------------|----------------------------|------------------------|------------------|----------------|------------------|
|                                     | Rupees               |                            |                        |                  |                |                  |
| <b>Net carrying value basis</b>     |                      |                            |                        |                  |                |                  |
| <b>Year ended June 30, 2019</b>     |                      |                            |                        |                  |                |                  |
| Opening net book value (NBV)        | 123,020              | 121,587                    | 74,459                 | 1,533,049        | 339,862        | 2,191,977        |
| Additions                           | 65,000               | 92,670                     | 12,900                 | 1,057,040        | -              | 1,227,610        |
| Depreciation charge for the year    | (54,058)             | (42,411)                   | (37,901)               | (489,824)        | (33,986)       | (658,180)        |
| <b>Closing net book value (NBV)</b> | <b>133,962</b>       | <b>171,846</b>             | <b>49,458</b>          | <b>2,100,265</b> | <b>305,876</b> | <b>2,761,407</b> |
| <b>Gross carrying value basis</b>   |                      |                            |                        |                  |                |                  |
| <b>At June 30, 2019</b>             |                      |                            |                        |                  |                |                  |
| Cost                                | 651,628              | 318,370                    | 405,671                | 2,977,640        | 900,000        | 5,253,309        |
| Accumulated depreciation            | (517,666)            | (146,524)                  | (356,213)              | (877,375)        | (594,124)      | (2,491,902)      |
| <b>Net book value (NBV)</b>         | <b>133,962</b>       | <b>171,846</b>             | <b>49,458</b>          | <b>2,100,265</b> | <b>305,876</b> | <b>2,761,407</b> |
| <b>Net carrying value basis</b>     |                      |                            |                        |                  |                |                  |
| <b>Year ended June 30, 2018</b>     |                      |                            |                        |                  |                |                  |
| Opening net book value (NBV)        | 196,352              | 145,669                    | 101,816                | 944,999          | 377,625        | 1,766,461        |
| Additions                           | 43,500               | 18,050                     | 28,825                 | 870,600          | -              | 960,975          |
| Disposals (at NBV)                  | (21,448)             | -                          | -                      | -                | -              | (21,448)         |
| Depreciation charge for the year    | (95,384)             | (42,132)                   | (56,182)               | (282,550)        | (37,763)       | (514,011)        |
| <b>Closing net book value (NBV)</b> | <b>123,020</b>       | <b>121,587</b>             | <b>74,459</b>          | <b>1,533,049</b> | <b>339,862</b> | <b>2,191,977</b> |
| <b>Gross carrying value basis</b>   |                      |                            |                        |                  |                |                  |
| <b>At June 30, 2018</b>             |                      |                            |                        |                  |                |                  |
| Cost                                | 586,628              | 225,700                    | 392,771                | 1,920,600        | 900,000        | 4,025,699        |
| Accumulated depreciation            | (463,608)            | (104,113)                  | (318,312)              | (387,551)        | (560,138)      | (1,833,722)      |
| <b>Net book value (NBV)</b>         | <b>123,020</b>       | <b>121,587</b>             | <b>74,459</b>          | <b>1,533,049</b> | <b>339,862</b> | <b>2,191,977</b> |
| <b>Rate of depreciation</b>         | <b>20%</b>           | <b>20%</b>                 | <b>30%</b>             | <b>20%</b>       | <b>10%</b>     |                  |

### 4. INVENTORIES

|                | 2019<br>Rupees   | 2018<br>Rupees   |
|----------------|------------------|------------------|
| Vaccines       | 912,294          | 4,490,725        |
| Medicines      | 4,943,494        | 4,530,104        |
| Screening kits | 663,164          | 62,764           |
|                | <b>6,518,952</b> | <b>9,083,593</b> |

### 5. LOANS TO EMPLOYEES - considered good

These represent short term interest free loans provided to employees.

|                                     | 2019<br>Rupees    | 2018<br>Rupees    |
|-------------------------------------|-------------------|-------------------|
| <b>6. CASH AND BANK BALANCES</b>    |                   |                   |
| Cash in hand                        | 4,482             | 25,990            |
| Balance with banks on:              |                   |                   |
| - Current accounts                  | 9,812,843         | 3,803,794         |
| - Savings account - notes 6.1 & 6.3 | 54,162,383        | 11,383,186        |
| - Deposit account - notes 6.2 & 6.3 | 34,387,248        | 32,228,189        |
|                                     | <b>98,366,956</b> | <b>47,441,159</b> |

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- 6.1 At June 30, 2019, the mark-up rate on savings account ranges from 2.40% to 7.00% per annum (2018: 2.76% to 2.78% per annum).
- 6.2 This represents investment in Term Deposit Receipts held with Meezan Bank Limited. The expected rates of profits on these investments range from 4.39% to 10.43% per annum (2018: 4.14% to 5.23% per annum) and will mature on various dates latest by July 29, 2019.
- 6.3 Savings account and deposit account are maintained with Meezan Bank Limited for zakat purposes.

|   | 2019<br>Rupees    | 2018<br>Rupees    |
|---|-------------------|-------------------|
| <b>7. DEFERRED INCOME</b>                 |                   |                   |
| <b>Externally restricted</b>              |                   |                   |
| Government grants                         | 912,294           | 4,490,725         |
| Specific donation                         | 18,094,513        | 15,664,166        |
| Zakat including profit thereon - note 7.1 | 78,781,032        | 37,490,590        |
|   | <u>97,787,839</u> | <u>57,645,481</u> |

- 7.1 This includes profit earned on savings account and deposit account maintained with Meezan Bank Limited for zakat purposes.

|  | 2019<br>Rupees    | 2018<br>Rupees    |
|--|-------------------|-------------------|
| <b>7.2 Movement in deferred income</b>             |                   |                   |
| Balance at the beginning of the year               | 57,645,481        | 57,858,014        |
| Funding received during the year - notes 7.3 & 7.4 | 90,972,191        | 41,310,419        |
| Funding utilised during the year                   | (50,829,833)      | (41,522,952)      |
| Balance at the end of the year                     | <u>97,787,839</u> | <u>57,645,481</u> |
| <b>7.3 Comprise of:</b>                            |                   |                   |
| - Government grants                                | 5,625,000         | 2,852,000         |
| - Specific donation                                | 11,695,006        | 16,647,766        |
| - Zakat  | 67,393,880        | 15,585,667        |
| - Others   | 6,258,305         | 6,224,986         |
|  | <u>90,972,191</u> | <u>41,310,419</u> |

- 7.4 The names of donors have not been disclosed as per the understanding of the management with the donors.

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|   | 2019<br>Rupees    | 2018<br>Rupees    |
|---|-------------------|-------------------|
| <b>8. ACCRUED AND OTHER LIABILITIES</b>   |                   |                   |
| Accrued liabilities   | 267,864           | 116,037           |
| Salaries payable  | 1,583,322         | 1,118,886         |
| Tax deducted at source and payable<br>to statutory authorities                                  | 156,093           | 104,286           |
| Liability against treatment expenses  | 4,233,306         | 1,087,372         |
| Others  | 46,832            | 274,142           |
|   | <u>6,287,417</u>  | <u>2,700,723</u>  |
| <b>9. OTHER INCOME</b>  |                   |                   |
| Gain on disposal of property and equipment  | -                 | 342,052           |
| Others  | 402,457           | 391,432           |
|   | <u>402,457</u>    | <u>733,484</u>    |
| <b>10. MEDICINE AND VACCINES UTILISED - OWN PURCHASES</b>                                       |                   |                   |
| These medicines are purchased by the Company from zakat and donations to meet its requirements. |                   |                   |
|   | 2019<br>Rupees    | 2018<br>Rupees    |
| <b>11. AUDITORS' REMUNERATION</b>   |                   |                   |
| Audit fee   | 25,000            | 25,000            |
| Out of pocket expenses  | 25,000            | 25,000            |
|   | <u>50,000</u>     | <u>50,000</u>     |
| <b>12. CASH AND CASH EQUIVALENTS</b>  |                   |                   |
| Cash in hand  | 4,482             | 25,990            |
| Balance with banks on:  |                   |                   |
| - Current accounts  | 9,812,843         | 3,803,794         |
| - Savings account   | 54,162,383        | 11,383,186        |
| - Deposit account   | 18,434,343        | -                 |
|   | <u>82,414,051</u> | <u>15,212,970</u> |
| <b>13. FINANCIAL INSTRUMENTS</b>  |                   |                   |
| Financial assets measured at<br>amortised cost  | <u>99,597,184</u> | <u>48,528,171</u> |
| Financial liabilities measured at<br>amortised cost   | <u>6,287,417</u>  | <u>2,700,723</u>  |

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#### 14. TRANSACTIONS WITH RELATED PARTIES

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

| Name and particulars                                    | Nature of               | 2019<br>Rupees | 2018<br>Rupees |
|---|-------------------------|----------------|----------------|
| Key management personnel and their close family members | Salaries and allowances | 6,577,741      | 4,690,732      |
|   | Donation received       | 9,808,000      | 566,000        |
| Directors and their close family members                | Donation received       | 1,874,000      | 931,500        |
| Associated Companies                                    | Donation received       | 5,381,734      | 1,967,276      |

##### 14.1 Following are the related parties including associated companies with whom the Company has entered into transactions or have arrangements / agreements in place.

| S.No. | Company Name                              | Basis of Relationship                             | Aggregate % of Shareholding |
|-------|---|---|-----------------------------|
| 1.    | ATCO Laboratories Limited                 | Common Directorship                               | N/A                         |
| 2.    | The Anjum & Aizaz Sarfaraz Memorial Trust | Common Directorship                               | N/A                         |
| 3.    | Dr. Saad Khalid Niaz                      | Director  | N/A                         |
| 4.    | Dr. Muhammad Yahya Chawla                 | Director  | N/A                         |
| 5.    | Dr. Huma Qureshi                          | Director  | N/A                         |
| 6.    | Mr. Abrar Hasan                           | Director  | N/A                         |
| 7.    | Mr. Saeed Allawala                        | Key Management Personnel                          | N/A                         |
| 8.    | Mr. Shaikh Sultan Ahmed                   | Close family member of a Director                 | N/A                         |
| 9.    | Mrs. Laiqa Hasan                          | Close family member of a Director                 | N/A                         |
| 10.   | Mrs. Shakila Allawala                     | Close family member of a Key Management Personnel | N/A                         |
| 11.   | Mrs. Gul-e-Rana                           | Close family member of a Key Management Personnel | N/A                         |
| 12.   | Mrs. Akhtarunnisa                         | Close family member of a Key Management Personnel | N/A                         |
| 13.   | Mrs. Mariam Usman                         | Close family member of a Key Management Personnel | N/A                         |
| 14.   | Mr. Tariq Allawala                        | Close family member of a Key Management Personnel | N/A                         |
| 15.   | Mr. Ismail Allawala                       | Close family member of a Key Management Personnel | N/A                         |
| 16.   | Mr. Adil Usman Allawala                   | Close family member of a Key Management Personnel | N/A                         |

*AS*

# 15. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year in respect of remuneration, including benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

|                         | CHIEF EXECUTIVE |      | DIRECTORS |      | EXECUTIVES |           |
|-------------------------|-----------------|------|-----------|------|------------|-----------|
|                         | 2019            | 2018 | 2019      | 2018 | 2019       | 2018      |
|                         | (Rupees)        |      |           |      |            |           |
| Managerial remuneration | -               | -    | -         | -    | 5,393,551  | 3,854,300 |
| Utility allowance       | -               | -    | -         | -    | 439,800    | 418,800   |
| Others                  | -               | -    | -         | -    | 744,390    | 417,632   |
|                         | -               | -    | -         | -    | 6,577,741  | 4,690,732 |
| Number of person(s)     | 1               | 1    | 6         | 6    | 2          | 1         |

- 15.1 The Executive is also provided with the Company maintained car having value of Rs. 0.53 million.

## 16. NUMBER OF EMPLOYEES

The average and total number of employees as at June 30, 2019 and 2018 respectively are as follows:

|   | 2019 | 2018 |
|---|------|------|
| Average number of employees during the year | 39   | 36   |
| Number of employees as at June 30           | 42   | 37   |

## 17. DATE OF AUTHORISATION

The financial statements were authorised for issue on *OCTOBER 04, 2019* by the Board of Directors of the Company.



  
Chief Executive

  
Director



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## Adopt A Patient in just Rs.20,000

This amount is spent for the complete diagnostic tests, consultation and medication of the Hep B and C patients.



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IBAN: PK78-UNIL 0112-0071-0105-8932



Plot no B/9C State Avenue,  
S.I.T.E Branch, Karachi.  
Account No: 0100177391  
Branch Code: 0108, Swift Code: MEZNPKKA  
IBAN: PK06 MEZN 0001 0801 0017 7391



Account No: 0102228849018  
Branch Code: 0312, Swift Code: AIINPKKA  
IBAN: PK43-AIIN-0000-1022-2884-9018

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