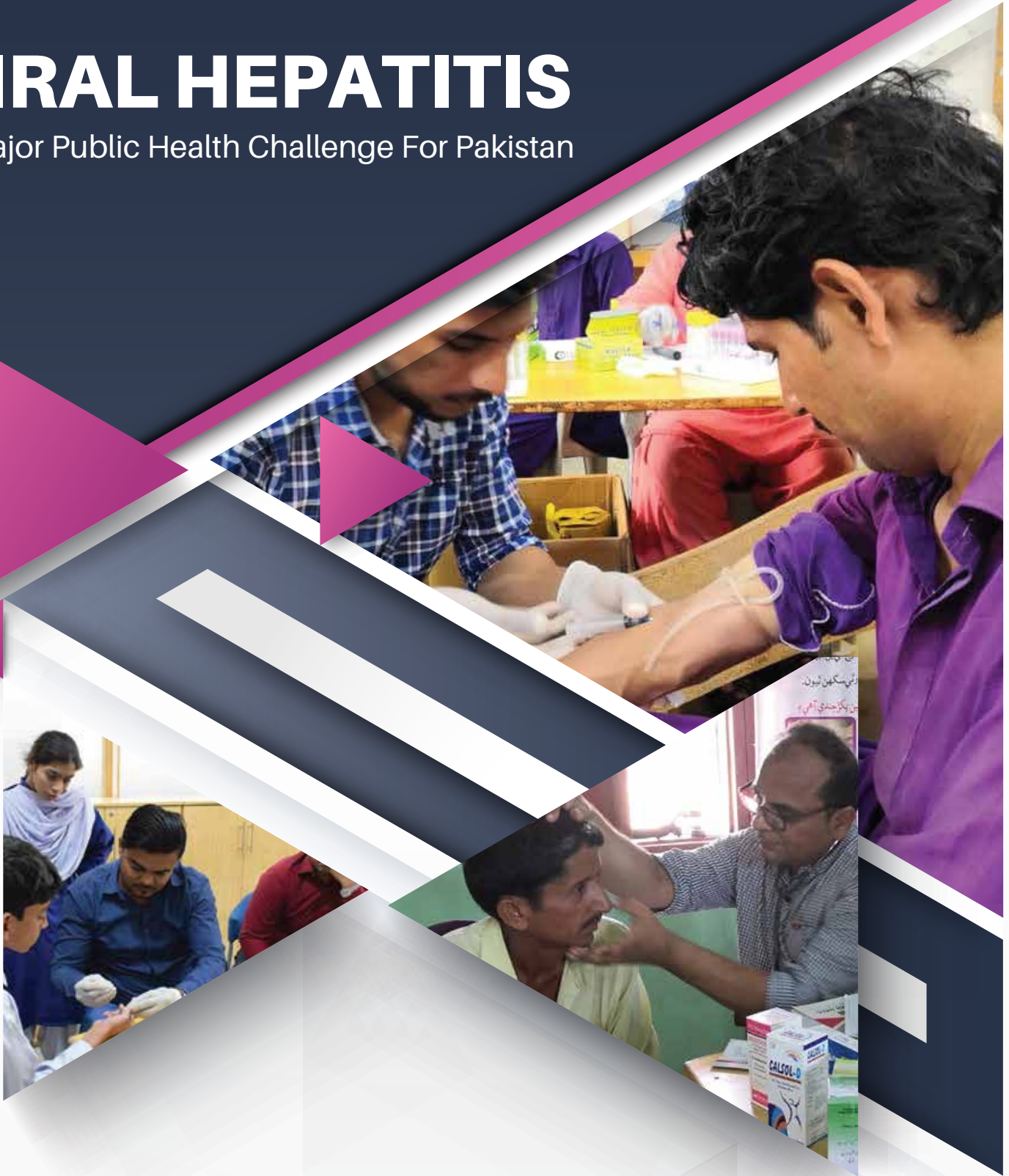


# VIRAL HEPATITIS

A Major Public Health Challenge For Pakistan



THE  
HEALTH  
FOUNDATION

*Striving For A Healthier Pakistan*

**Annual Report 2019-2020**

# Table of Contents

Chairman's Message

Directors and GBMs of THF

About The Health Foundation

What THF has achieved

Our Projects

Mass Community Awareness

Vaccination

Screening

Events

Financials

# Chairman's Message:

Looking back at the year 2019-20, which was the year of uncertainty and turmoil, I bow down firstly and thank The ALMIGHTY for choosing us to serve our ailing populace with all His blessings to bring a healthy change in their lives. THF has seen many upheavals during this period, but it continued successfully to move forward. ALLAH (SWT) showered His Blessings on us to efficiently fight the war against the spread of the menace of Hepatitis in Pakistan.

Svante Arrhenius has said "Humanity stands ... before a great problem of finding new raw materials and new sources of energy that shall never become exhausted. In the meantime, we must not waste what we have, but must leave as much as possible for coming generations". I firmly believe that it might be difficult if not impossible as our intentions are noble and we have the sincerity in our cause to restore health and vigour to the people of Pakistan with the help of ALMIGHTY.

THF is not a traditional Philanthropist or Charitable organization, giving only monetary support to patients. THF is working for the eradication of Hepatitis on scientific and innovative lines.

THF is working closely with the public and private partners across the country in the successful intervention of Hepatitis Free Community Projects. It has made a positive impact on the lives of the marginalized population in the high Hepatitis prevalent areas across Pakistan. One such new project which started this year was in collaboration with Zubaida Machiara Trust (ZMT). THF is working at their ten clinics where screening, testing and treatment is provided to the patients. We are hopeful that new projects with collaborative partnerships will emerge in future to fight for our great cause.

In this long productive journey of THF, I would especially like to thank our network of partners, supporters, advocates and friends who have joined their hands with us in this war against the menace of Hepatitis in Pakistan. I would like to welcome the new members to the THF general body, whom I am sure would participate in this humane cause which shall be rewarded adequately by HIM in this world and also thereafter.

I pray that Allah (SWT) empower us and provide the resources to help us continue to serve the marginalized section of our society.



## **Directors of THF**

Mr. Saeed Allawala

Dr. Saad Khalid Niaz

Dr. Muhammad Sohail Nawab

Dr. Huma Qureshi

Mr. Abrar Hasan

Dr. Muhammad Yahya Chawla

Mr. Adnan Ahmed Sarfraz

## **General Body Members of THF**

Dr. Naseem Salahuddin

Mr. Abdul Latif Sheikh

Dr. Munir Ahmed

Dr. Jamal Ara

Mr. Tariq Rafi

Ms. Qudsia Akbar

Mrs. Rana Allawala

Dr. Asad Ali Choudhry

Mr. Perwez Ahmed

Dr. Talib Karim

Mr. Ahsan Saleem

Mr. Masood Hashmi

### **Lahore Chapter**

Dr. Munir Ahmed (President)

### **Program Manager**

Mr. Asim Ali

# The Health Foundation

- The Health Foundation is a registered and operational NGO working to eliminate Hepatitis from Pakistan since 2007
- Our Vision includes Hepatitis free nation
- Our strength is working directly within high risk and hard to reach areas. We cover about 240 villages across the country and our operations are carried out with careful planning, communication and team work
- Being members of the World Hepatitis Alliance, we have aligned our work to their mandate i.e. Educate, Find, Test and Treat (Find the Missing Millions!)



## THF Objective

We want to cover masses in marginalized communities, reach out personally to the poorest and highly prevalent areas, educate them about Hepatitis, screen the target population and link the identified patients to timely, quality free treatment.

## THF Accreditation

1. World Hepatitis Alliance (W.H.A)
2. The Coalition for the Eradication of Viral Hepatitis in Asia Pacific (CEVHAP)
3. World Health Organization (W.H.O)
4. Global Alliance for Vaccines and Immunization (GAVI)
5. CSO Alliance for Immunization in Pakistan (PCCHI)
6. National Technical Advisory Group on Hepatitis Prevention and Control in Pakistan (TAG)

## What THF has achieved?

**SENSITIZED**

**SCREENED**

**TREATED**

**IMMUNIZED**



**Over  
1,000,000**

**99,300+**

**14,800+**

**436,700+**

## PROUD MOMENT FOR THF

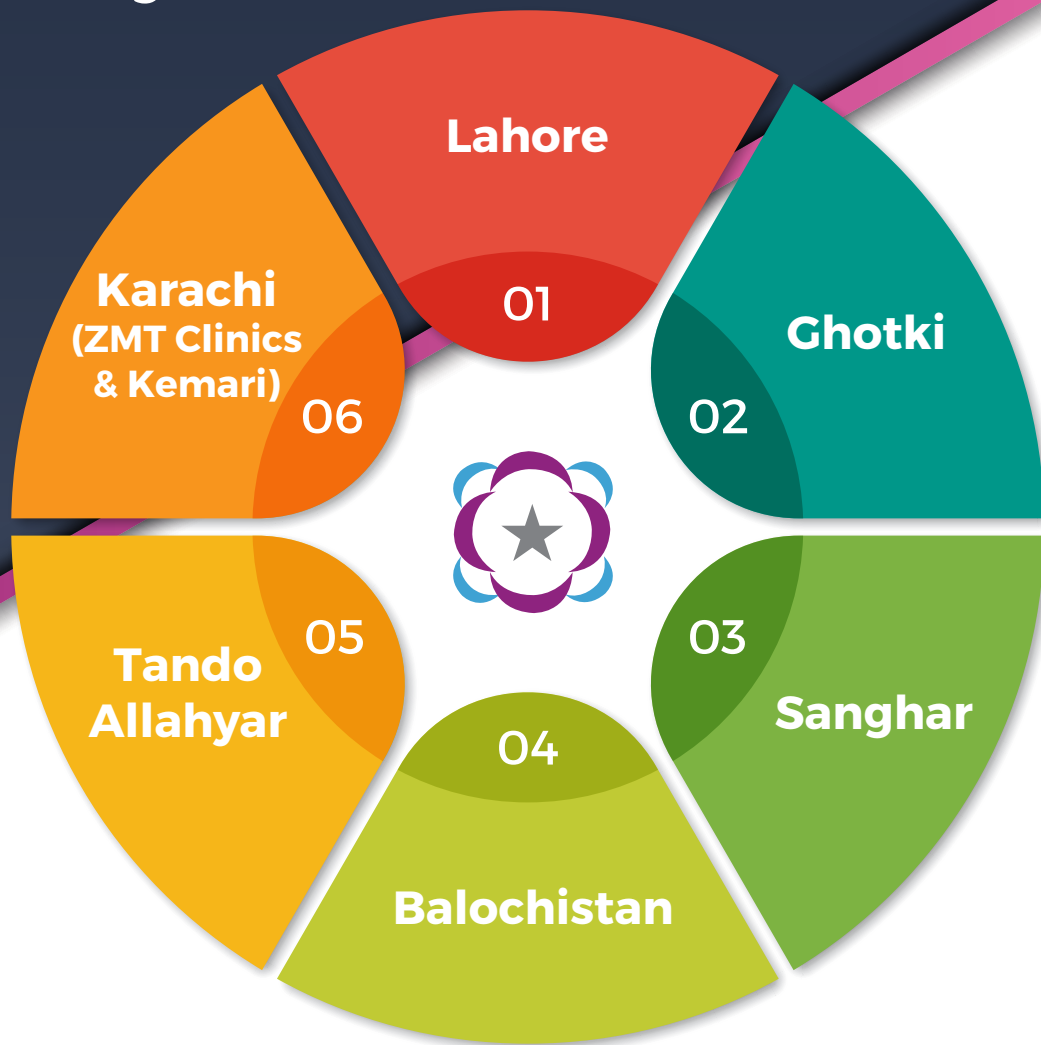
The Health Foundation received

**“Staff Favourite Organization”**

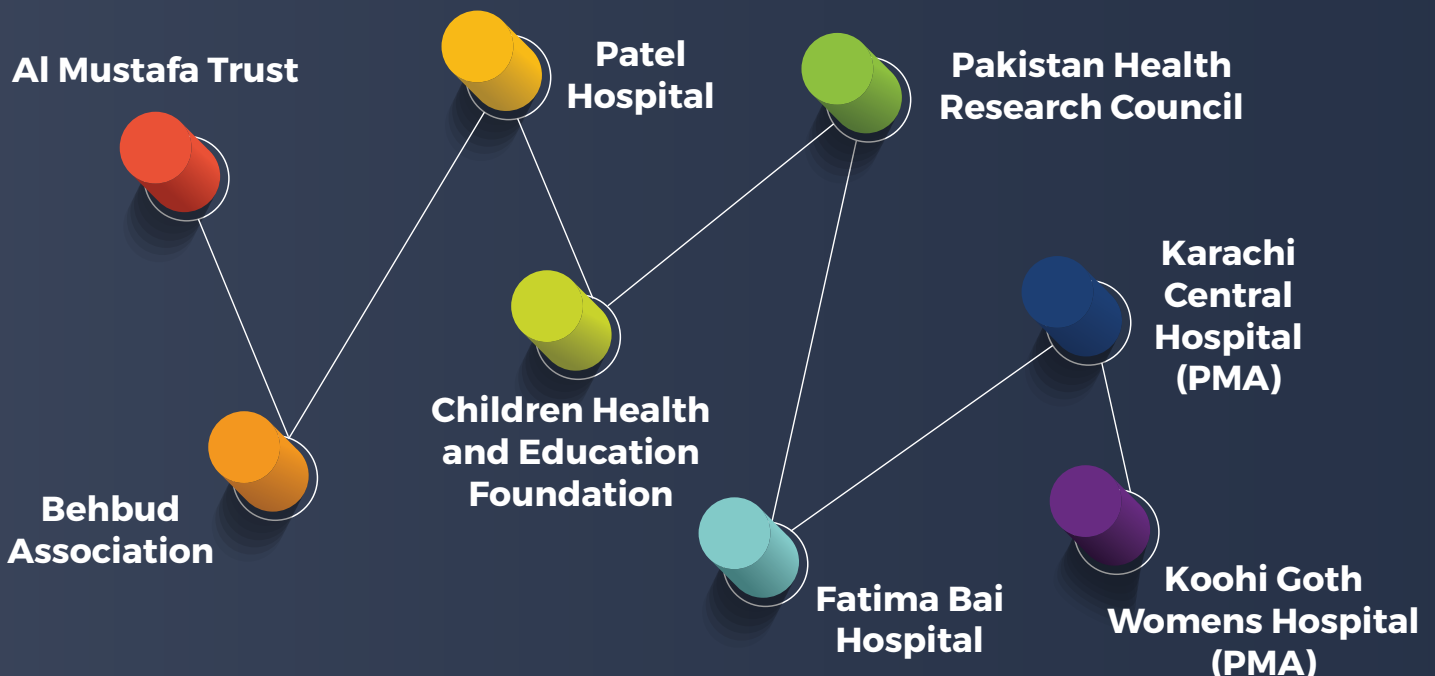
badge by Global Giving for the year 2019



# Our Projects



## 08 treatment sentinel sites in Karachi

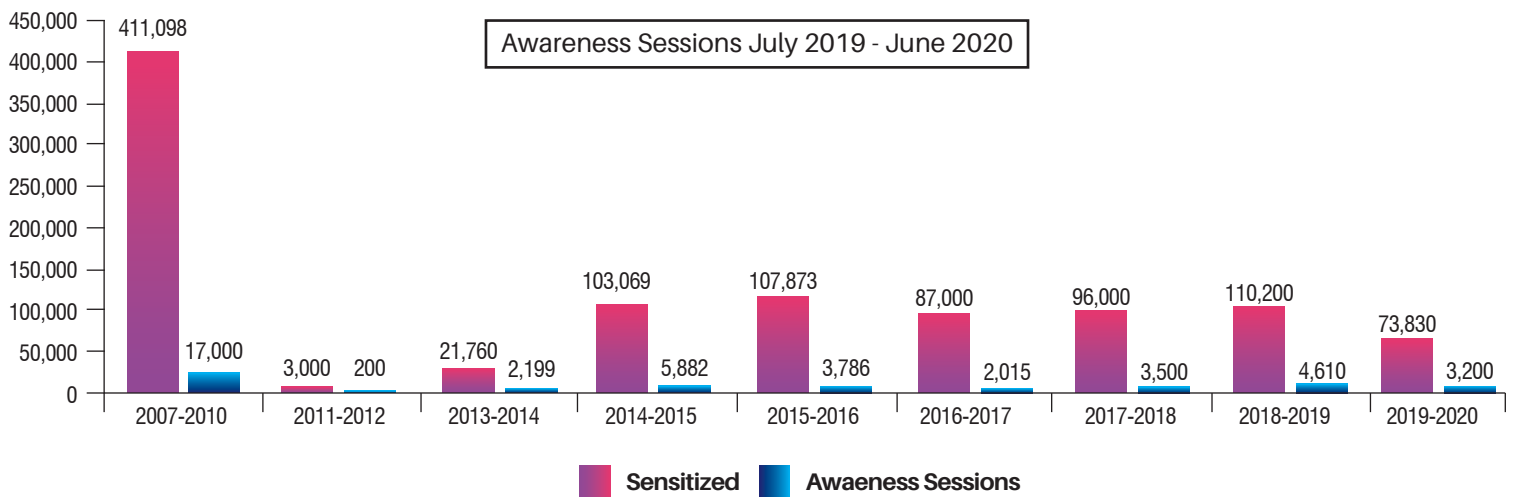


# Mass Community Awareness

To fight Hepatitis, we have to equip our community with the accurate knowledge and create awareness regarding Hepatitis B and C among the masses. This helps us in encouraging priority population to get themselves tested for this silent yet deadly disease.

Our interpersonal communication sessions within the community were paused due to the Pandemic COVID-19.

1,013,830 individuals reached through 42,392 customized Sessions in various target groups from inception till June 30<sup>th</sup>, 2020





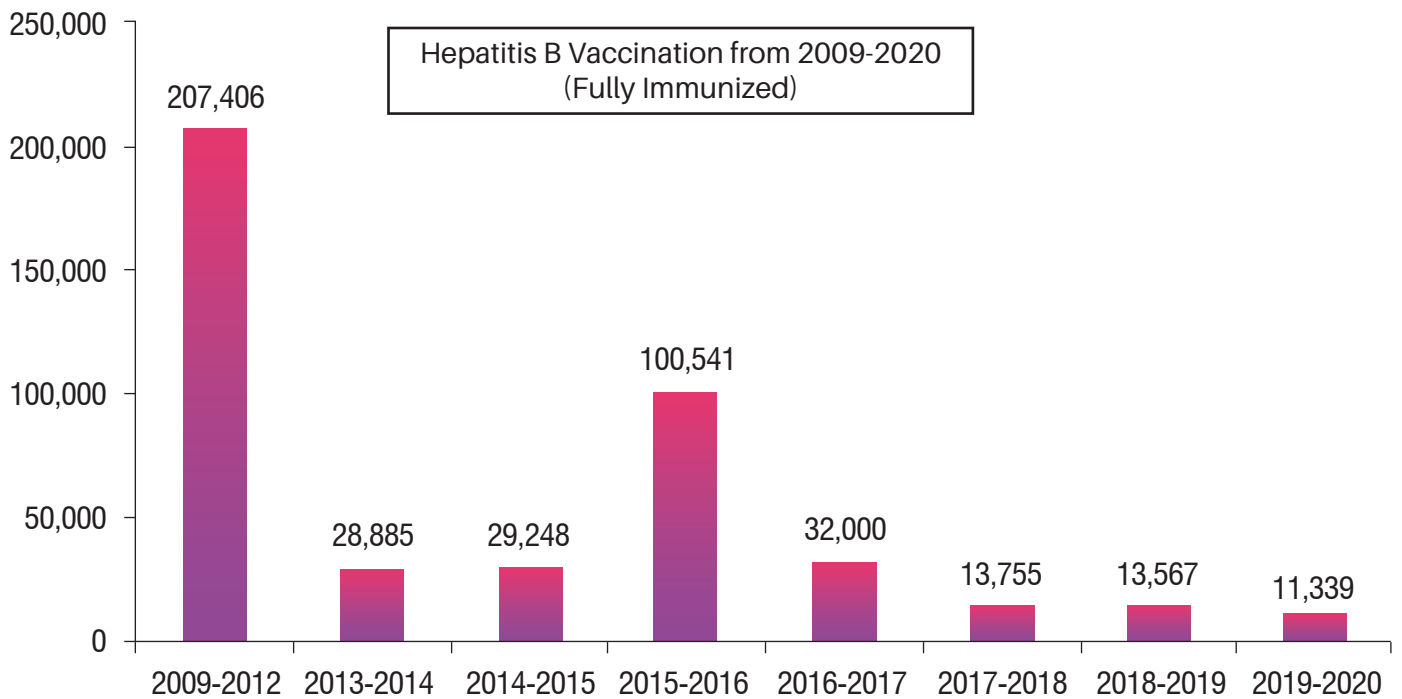
# Vaccination

Vaccinations are the safest and cost effective way to protect yourself from Hepatitis B.

Vaccinations are carried out in Madrassas, Educational institutes, Corporates and general community in target population.

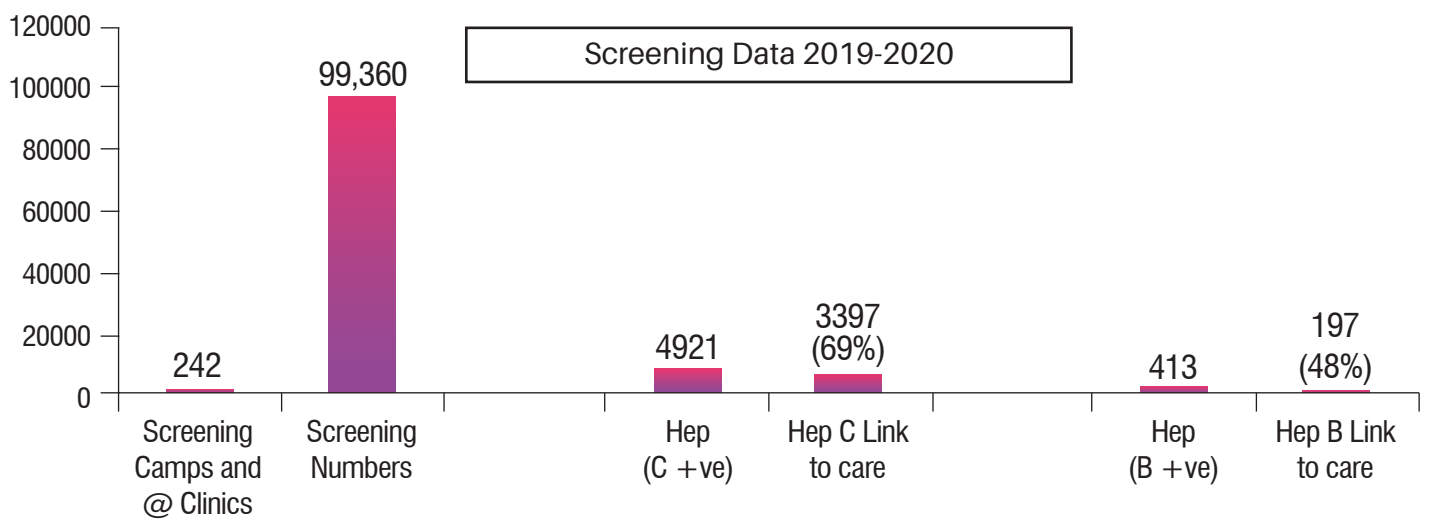
This activity helps in protecting communities from chronic Hepatitis B Virus and its consequences such as liver cirrhosis and Hepatocellular Carcinoma (HCC).

Till date we have vaccinated 436,741 people against Hepatitis B.

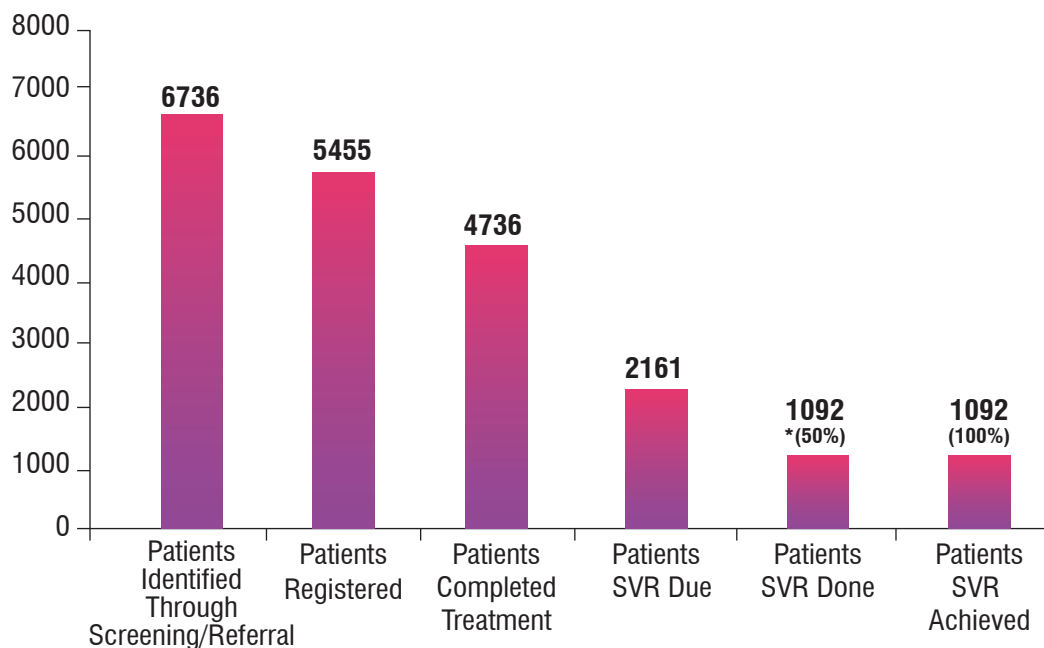


# Screening

THF aims to equip people with proper equipment to fight this menace of Hepatitis before it's too late. THF sets up screening camp in high prevalent areas with the objective to find the missing millions and treat them before the disease progresses to chronic condition.



## Cascade of Care - Hepatitis C (July 2019 - June 2020)



\* Patients SVR were achieved less due to Covid 19

# EVENTS

## W.H.O CONFERENCE IN LAHORE

World Health Organization conference was held in Lahore where representatives gathered from across the Eastern Mediterranean Region to discuss the progress towards Hepatitis Elimination.

Dr. Laila Rizvi, CEO of THF gave a presentation on “Moving forward and leaving no one behind”, which was very well received by all participants. The Health Foundation was acknowledged for its result oriented work.

## FUNDRAISER WITH SEVEN EYES IN KARACHI

A fundraising event was successfully held in Karachi, Pakistan. Internationally recognized group, Seven Eyes, performed at the event. Funds collected were used for Hepatitis elimination efforts being undertaken by THF in Pakistan.

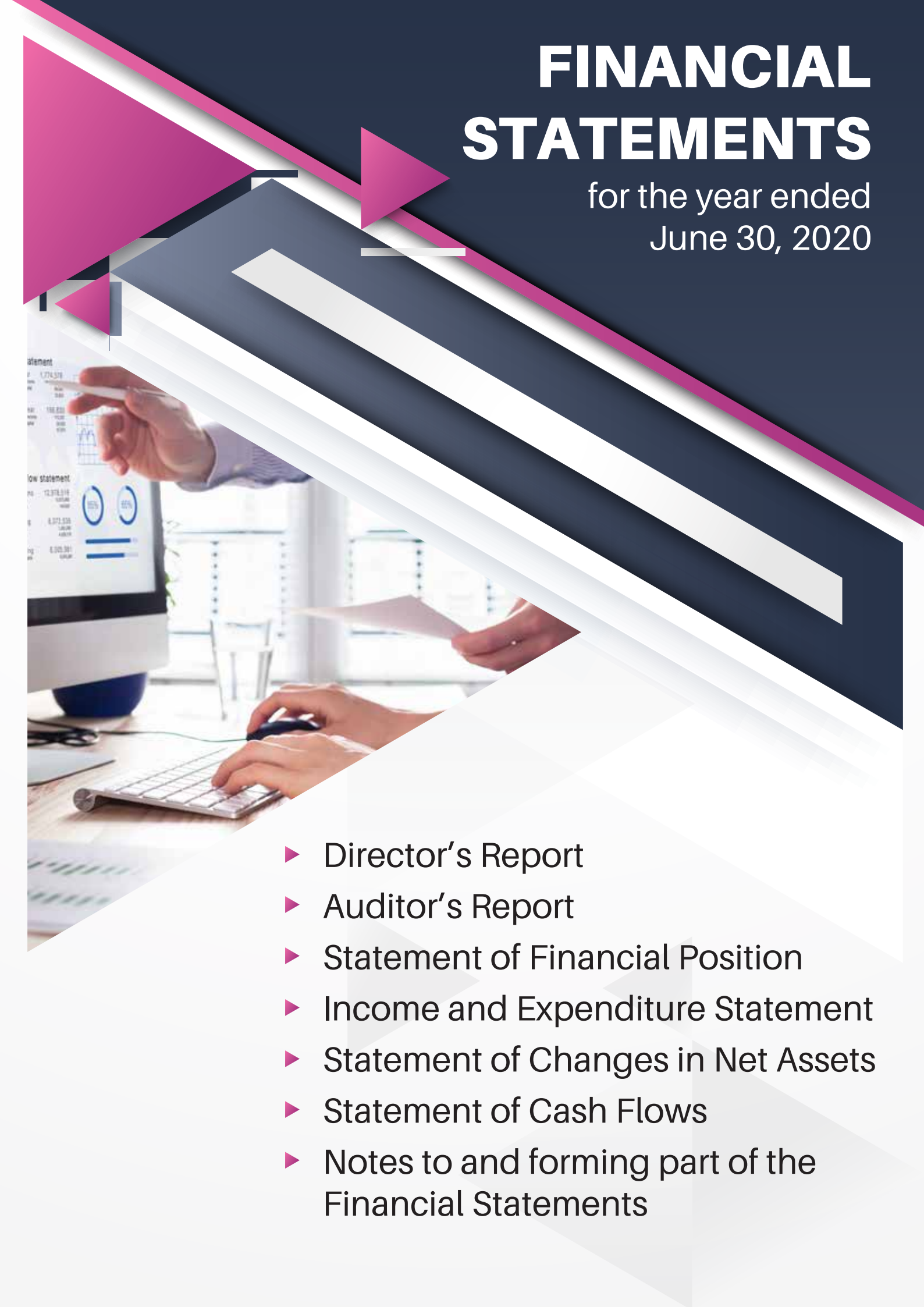


## 8<sup>th</sup> Technical Advisory Group meeting for Hepatitis Control in Pakistan, held in Islamabad on 28 Feb 2020



# FINANCIAL STATEMENTS

for the year ended  
June 30, 2020

- 
- ▶ 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 2020

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, 2020.

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 (PKR in Thousands)</b>	<b>2020</b>	<b>2019</b>
Government Grants	4,118	9,203
Donation in Kind	56,781	3,931
Specific Donations	11,005	11,642
Zakat	31,199	26,053
General Donations	12,171	19,749
Fund Raising Event	8,660	2,786
Total Assets	147,883	108,914
Current Ratio (Current Assets / Current Liabilities)	1.01	1.02
Cash to Current Liabilities (Cash & Bank / Current Liabilities)	0.62	0.95

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, 10th Floor, Jason Trade Centre,  
Main Shahr-e-Faisal, Karachi, 75400  
Tel. (92-21)-34320017  
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\*

## Company's Performance

Till June 2020 THF has vaccinated till 436,741 children/individuals (Till June 2019: 425,402) in their target areas and all such vaccinations are free of cost.

Total awareness sessions given by the foundation in all its projects from July 2019 to June 2020 are 3,200 (July 2018 to June 2019: 4,610) and the total participants in these sessions were 73,830 (July 2018 to June 2019: 110,200).

Total Hepatitis B & C patients registered with our foundation are 1,537 & 13,267 respectively (2018 – 2019: 1,070 & 7,812 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 fund raising musical night was organized by The Health Foundation in which performance was given by Tanya Wells of Seven Eyes.

Funds for Kemari Project were received from M/s Gilead Sciences Inc. However, the project was delayed due to Covid-19.

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

Page 2 of 3



THE  
HEALTH  
FOUNDATION

*Striving For A Healthier Pakistan*

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

  
Saeed Allawala  
Director



  
Dr. Saad Khalid Niaz  
Director



Page 3 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, 10th Floor, Jason Trade Centre,  
Main Shahr-e-Faisal, Karachi, 75400  
Tel: (92-21)-34320017

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\*



**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, 2020, 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, 2020 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.

**Material Uncertainty Relating To Going Concern**

We draw attention to note 1.2 to the financial statements with respect to the license renewal application under Associations with Charitable and Not for Profit Objects Regulations, 2018 filed by the Company to Securities & Exchange Commission of Pakistan (SECP) as the Company's existing license has expired on August 17, 2020. As stated in note 1.2 pending renewal of license indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**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.



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](http://www.pwc.com/pk)>





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.

#### **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.

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.  
Chartered Accountants  
Karachi

Date: October 7, 2020

THE HEALTH FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	2,036,753	2,761,407
Long-term deposits		<u>20,000</u>	<u>20,000</u>
		2,056,753	2,781,407
<b>CURRENT ASSETS</b>			
Inventories	4	<u>53,129,049</u>	<u>6,518,952</u>
Loans to employees	5	90,800	20,000
Prepayments		41,257	36,657
Accrued mark-up		483,917	618,182
Other receivable	6	1,487,106	572,046
Cash and bank balances	7	<u>90,594,351</u>	<u>98,366,956</u>
		145,826,480	106,132,793
<b>TOTAL ASSETS</b>		<b>147,883,233</b>	<b>108,914,200</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Grants related to asset		920,354	1,260,858
<b>CURRENT LIABILITIES</b>			
Deferred income	8	<u>136,268,467</u>	<u>97,787,839</u>
Accrued and other liabilities	9	<u>8,738,005</u>	<u>6,287,417</u>
<b>TOTAL LIABILITIES</b>		<b>145,006,472</b>	<b>104,075,256</b>
<b>NET ASSETS</b>		<b><u>1,956,407</u></b>	<b><u>3,578,086</u></b>
<b>NET ASSETS</b>			
Sponsors' fund		160,100	160,100
Unrestricted - General donation		<u>1,796,307</u>	<u>3,417,986</u>
		<b>1,956,407</b>	<b>3,578,086</b>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
Chief Executive

  
Director

THE HEALTH FOUNDATION

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>INCOME</b>			
Government grants		4,118,229	9,203,431
Donations in kind		56,781,066	3,931,076
Specific donations		11,004,833	11,641,887
Zakat		31,198,921	26,053,439
General donations	10	12,170,851	19,748,713
Fund raising event		8,660,000	2,786,000
Profit on bank account		94,984	402,457
		<u>124,028,884</u>	<u>73,767,003</u>
<b>EXPENDITURE</b>			
Medicines and vaccines utilised			
- Government grants		4,118,229	9,203,431
- Donations in kind		56,781,066	3,931,076
- Own purchases	11	11,326,847	11,191,558
Salaries and allowances		18,718,825	17,348,130
Treatment expense		26,056,042	19,441,228
Advertisement and promotion		249,579	416,680
Survey charges		-	272,727
Travelling and conveyance		344,427	555,933
Vehicle running expenses		1,981,665	2,178,007
Printing and stationary		333,316	497,724
Waste management expense		51,000	46,800
Fund raising event expense		2,311,284	1,187,144
Office rent		532,054	324,946
Maintenance charges		667,710	530,623
Utilities expense		288,707	304,372
Communication		344,261	288,265
Depreciation		767,739	650,100
Legal and professional charges		125,022	494,958
Auditors' remuneration	12	50,000	50,000
Bank charges		72,030	42,663
Others		530,760	311,038
		<u>125,650,563</u>	<u>69,275,483</u>
(Deficit) / surplus for the year		<u>(1,621,679)</u>	<u>4,491,520</u>

There is no other comprehensive income item.

The annexed notes 1 to 18 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, 2020

	← Sponsors' fund	(Deficit) / Unrestricted General Donation (Rupees)	→ Total
Balance as at July 1, 2018	160,100	(1,073,534)	(913,434)
Surplus for the year ended June 30, 2019	-	4,491,520	4,491,520
<b>Balance as at June 30, 2019</b>	<u>160,100</u>	<u>3,417,986</u>	<u>3,578,086</u>
Deficit for the year ended June 30, 2020	-	(1,621,679)	(1,621,679)
<b>Balance as at June 30, 2020</b>	<u><u>160,100</u></u>	<u><u>1,796,307</u></u>	<u><u>1,956,407</u></u>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
Chief Executive

  
Director

THE HEALTH FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Deficit) / surplus for the year		(1,621,679)	4,491,520
<b>Adjustment for non-cash expense:</b>			
Depreciation		767,739	658,180
Loss on disposal of property and equipment		1,615	-
		769,354	658,180
		<u>(852,325)</u>	<u>5,149,700</u>
<b>Changes in working capital:</b>			
<b>(Increase) / decrease in current assets</b>			
Inventories		(46,610,097)	2,564,641
Accrued mark-up		134,265	133,778
Loans to employees		(70,800)	8,400
Placement in term deposit - net		(4,047,095)	16,275,284
Prepayments		(4,600)	67,333
Other receivable		(915,060)	(285,394)
		<u>(51,513,387)</u>	<u>18,764,042</u>
<b>Increase in current liabilities</b>			
Accrued and other liabilities		2,450,588	3,586,694
Deferred income		38,140,124	40,928,255
		<u>40,590,712</u>	<u>44,514,949</u>
<b>Net cash (used in) / generated from operating activities</b>		<u>(11,775,000)</u>	<u>68,428,691</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of property and equipment		(52,700)	(1,227,610)
Proceeds from disposal of property and equipment		8,000	-
Net cash used in investing activities		<u>(44,700)</u>	<u>(1,227,610)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(11,819,700)</u>	<u>67,201,081</u>
<b>Cash and cash equivalents at beginning of the year</b>		82,414,051	15,212,970
<b>Cash and cash equivalents at end of the year</b>	13	<u>70,594,351</u>	<u>82,414,051</u>

The annexed notes 1 to 18 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, 2020

#### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 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, Naseerabad and Lahore 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
- 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, Kandiari, taluka, District Sanghar
- Bilqees Razia Trust, UC Sitaroad, Taluka KN Shah, District Dadu
- 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

- 1.2** The Company's license under section 42 of the repealed Companies Ordinance, 1984, has expired on August 17, 2020. The Company has initiated the process of renewal of license for a period of 3 years as per Associations with Charitable and Not for Profit Objects Regulations, 2018 (the Regulations) and has submitted all the documents required by the Securities & Exchange Commission of Pakistan (SECP) in this regard. However, the renewal application of the Company is still in process. Till the time the license is renewed the existing license shall be deemed valid as per section 8(2) of the Regulations.

Pending renewal of license cast a significant doubt on the Company's ability to continue as a going concern and the Company may be unable to realise its assets and discharge its liabilities in the normal course of the business.

The Company based on its compliance with all the relevant conditions for renewal of license is confident that it will be renewed shortly. Therefore, these financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Company was unable to continue as a going concern.

**1.3 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. The Company was also affected due to the pandemic and there is decline in zakat and general donations received by the Company during last quarter of year.

Further, the field activities of the Company were also curtailed due to the aforementioned circumstances and accordingly there was reduction in the Company utilisation of donated inventories and funds received. In addition, 15,088 vials of Hepatis B vaccine (vials of 1ml) valuing Rs. 4.3 million having expiry in September 2020 remained unutilised as at June 30, 2020. These were received by the Company under Hepatitis Prevention and Control Program Sindh (HPCPS) and were returned to the Sindh Government subsequent to year end.

Apart from above , there is no material impact of COVID-19 on the carrying amounts of assets and liabilities or items of income and expenses as required under the relevant accounting and reporting standards.

**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.

### **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.

Estimates and judgements 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 judgements 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 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.

**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 Governments 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.

### 3. PROPERTY AND EQUIPMENT

	Office equipments	Furniture & fixtures	Computer equipments	Vehicles	Container	Total
	← Rupees →					
<b>Net carrying value basis</b>						
<b>Year ended June 30, 2020</b>						
Opening net book value (NBV)	133,962	171,846	49,458	2,100,265	305,876	2,761,407
Additions	19,100	-	33,600	-	-	52,700
Depreciation charge for the year	(55,245)	(50,490)	(35,888)	(595,528)	(30,588)	(767,739)
Disposals (at NBV)	(9,615)	-	-	-	-	(9,615)
<b>Closing net book value (NBV)</b>	<b>88,202</b>	<b>121,356</b>	<b>47,170</b>	<b>1,504,737</b>	<b>275,288</b>	<b>2,036,753</b>
<b>Gross carrying value basis</b>						
<b>At June 30, 2020</b>						
Cost	626,353	318,370	439,271	2,977,640	900,000	5,261,634
Accumulated depreciation	(538,151)	(197,014)	(392,101)	(1,472,903)	(624,712)	(3,224,881)
<b>Net book value (NBV)</b>	<b>88,202</b>	<b>121,356</b>	<b>47,170</b>	<b>1,504,737</b>	<b>275,288</b>	<b>2,036,753</b>
<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	92,870	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>Rate of depreciation</b>	<b>20%</b>	<b>20%</b>	<b>30%</b>	<b>20%</b>	<b>10%</b>	

	2020 Rupees	2019 Rupees
<b>4. INVENTORIES</b>		
Vaccines	6,814,065	912,294
Medicines	43,382,838	4,943,494
Screening kits	2,932,146	663,164
	<u>53,129,049</u>	<u>6,518,952</u>

**5. LOANS TO EMPLOYEES - considered good**

These represent short term interest free loans provided to employees.

**6. OTHER RECEIVABLE**

This represents tax deducted at source on bank profits and cash withdrawals for tax years 2018, 2019 and 2020, as the Company did not have the tax exemptions certificates at the time of receipt of above mentioned amounts. The Company received the tax exemption certificates for the tax years 2018, 2019 and 2020 after some delay due to procedural issues. The Company intends to claim the tax deducted at source on bank profits and cash withdrawals in consultation with tax consultant.

	2020 Rupees	2019 Rupees
<b>7. CASH AND BANK BALANCES</b>		
Cash in hand	5,548	4,482
Balance with banks on:		
- Current accounts	7,183,264	9,812,843
- Savings account - notes 7.1 & 7.3	60,905,539	54,162,383
- Deposit account - notes 7.2 & 7.3	22,500,000	34,387,248
	<u>90,594,351</u>	<u>98,366,956</u>

7.1 At June 30, 2020, the mark-up rate on savings account ranges from 3.25% to 7.56% per annum (2019: 2.40% to 7.00% per annum).

7.2 This represents investment in Term Deposit Receipts held with Meezan Bank Limited. The expected rates of profits on these investments range from 6.79% to 12.39% per annum (2019: 4.39% to 10.43% per annum) and will mature on various dates latest by January 11, 2021.

7.3 Savings account and deposit account are maintained with Meezan Bank Limited for zakat purposes.

	2020 Rupees	2019 Rupees
<b>8. DEFERRED INCOME</b>		
<b>Externally restricted</b>		
Government grants	6,814,065	912,294
Specific donations	16,791,754	18,094,513
Zakat including profit thereon - note 8.1	112,662,648	78,781,032
	<u>136,268,467</u>	<u>97,787,839</u>
<b>8.1</b> This includes profit earned on savings account and deposit account maintained with Meezan Bank Limited for zakat purposes.		
	2020 Rupees	2019 Rupees
<b>8.2 Movement in deferred income</b>		
Balance at the beginning of the year	97,787,839	57,645,481
Funding received during the year - notes 8.3 & 8.4	141,582,721	90,972,191
Funding utilised during the year	(103,103,049)	(50,829,833)
Balance at the end of the year	<u>136,267,511</u>	<u>97,787,839</u>
<b>8.3</b> Comprise of:		
- Government grants	10,020,000	5,625,000
- Specific donations	11,902,303	11,695,006
- Zakat	36,471,618	67,393,880
- Donations in kind	83,188,800	6,258,305
	<u>141,582,721</u>	<u>90,972,191</u>
<b>8.4</b> The names of donors have not been disclosed as per the understanding of the management with the donors.		
	2020 Rupees	2019 Rupees
<b>9. ACCRUED AND OTHER LIABILITIES</b>		
Accrued liabilities	156,683	267,864
Salaries payable	1,520,112	1,583,322
Tax deducted at source and payable to statutory authorities	94,493	156,093
Liability against treatment expenses	6,866,296	4,233,306
Others	100,421	46,832
	<u>8,738,005</u>	<u>6,287,417</u>

**10. GENERAL DONATIONS**

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

**11. MEDICINE AND VACCINES UTILISED - OWN PURCHASES**

These medicines are purchased by the Company from zakat and donations to meet its requirements.

	2020 Rupees	2019 Rupees
<b>12. 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>13. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	5,548	4,482
Balance with banks on:		
- Current accounts	7,183,264	9,812,843
- Savings account	60,905,539	54,162,383
- Deposit account	2,500,000	18,434,343
	<u>70,594,351</u>	<u>82,414,051</u>
<b>14. FINANCIAL INSTRUMENTS</b>		
Financial assets measured at amortised cost	<u>92,676,174</u>	<u>99,597,184</u>
Financial liabilities measured at amortised cost	<u>8,738,005</u>	<u>6,287,417</u>

## 15. 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 transactions	2020 Rupees	2019 Rupees
Key management personnel and their close family members	Salaries and allowances	7,199,428	6,577,741
Associated Companies	Donation in kind	64,710,000	-
	Donations received	13,787,094	9,808,000
Directors and their close family members	Donations received	8,852,000	1,874,000
Associated Companies	Donations received	4,935,094	5,381,734

15.1 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.	Bismillah Taquee Hospital	Common Directorship	N/A
4.	Burque Corporation (Pvt.) Ltd	Common Directorship	
5.	The Health Foundation UK	Common Directorship	N/A
6.	Dr. Muhammad Yahya Chawla	Director	N/A
7.	Dr. Huma Qureshi	Director	N/A
8.	Mr. Abrar Hasan	Director	N/A
9.	Dr. Laila Rizvi	Key Management Personnel	N/A
10.	Mrs. Akhtarunnisa	Close family member of a Key Management Personnel	N/A
11.	Dr. Talha Saad Niaz	Close family member of a Key Management Personnel	N/A
12.	Mr. Tariq Allawala	Close family member of a Key Management Personnel	N/A



## 16. 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	
	2020	2019	2020	2019	2020	2019
	← (Rupees) →					
Managerial remuneration	3,492,601	-	-	-	2,310,978	5,393,551
Utility allowance	388,067	-	-	-	116,600	439,800
Others	514,760	-	-	-	376,422	744,390
	<u>4,395,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,804,000</u>	<u>6,577,741</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>1</u>	<u>2</u>

16.1 The Executive is also provided with the Company maintained car having value of Rs. 0.32 million.

## 17. NUMBER OF EMPLOYEES

The average and total number of employees as at June 30, 2020 and 2019 respectively are as follows:

	2020	2019
Average number of employees during the year	<u>38</u>	<u>39</u>
Number of employees as at June 30, 2020	<u>34</u>	<u>42</u>

## 18. DATE OF AUTHORISATION

The financial statements were authorised for issue on *October 06, 2020* by the Board of Directors of the Company.



*Saujanya*  
Chief Executive



Director

# GIVE YOUR **ZAKAT** TODAY

## Adopt A Patient in just Rs. 15,000

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



## DONATE

Our Community - Our Responsibility

## ZAKAT

Best Islamic Way

## HELP

Poor Hepatitis Patients

### General Donation:



Account No: 007101058932  
Title of Account: The Health Foundation  
Branch: S.I.T.E, Karachi.  
Branch Code: 0071  
Swift Code: UNILPKKA  
IBAN: PK78-UNIL-0112-0071-0105-8932

### For Zakat:



**Meezan Bank**  
The Premier Islamic Bank

Account No: 0100177391  
Title of Account: The Health Foundation  
Branch: Plot B/9C, State Avenue S.I.T.E,  
Branch Karachi.  
Branch Code: 0108  
Swift Code: MEZNPCKA  
IBAN: PK06-MEZN-0001-0801-0017-7391

### For Donation in Punjab:



Account No: 0102228849018  
Title of Account: The Health Foundation  
Branch Code: 0312  
Swift Code: AIINPKKA  
IBAN: PK43-AIIN-0000-1022-2884-9018



**THE HEALTH FOUNDATION**

*Striving For A Healthier Pakistan*

www: [thehealthfoundation.org](http://thehealthfoundation.org)  
Facebook: [facebook.com/THFPK](https://www.facebook.com/THFPK)  
Tel: 021-34320017

Member of:

World Hepatitis Alliance



Certified by:



[www.thehealthfoundation.org](http://www.thehealthfoundation.org)



<https://www.facebook.com/THFPK>



[Thf77777](https://www.snapchat.com/add/Thf77777)



[thehealthfoundation](https://www.instagram.com/thehealthfoundation)



<https://www.youtube.com/user/thfpk>

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