

ANNUAL REPORT 2023

**EMPOWERING CHANGE,
SAVING LIVES.**

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Chairman's Message

It brings me great pleasure to share The Health Foundation's (THF) annual report for the year ending June 2023.

For more than 16 years, THF has been battling the menace of Hepatitis in Pakistan, with a vision of achieving a **"Hepatitis Free Pakistan"**. With almost **10 million** people requiring treatment, and **400,000** new cases being identified every year, Pakistan has the highest prevalence of hepatitis in the world, displacing Egypt as the previous number one country, and has now significantly reduced hepatitis prevalence.

Todate, THF has screened over 600,000 individuals for hepatitis and has completely cured more than 30,000 patients with another 3,000 patients currently undergoing treatment. Additionally, 480,000 individuals have received all three doses of the preventive hepatitis B vaccine.

The operational year in review witnessed possibly the worst flooding in the history of Pakistan, with millions displaced and loss of countless lives and livelihood. THF remained steadfast in these testing times and despite overwhelming odds, screened more than 200,000 individuals and provided treatment to over 5,000 hepatitis patients, alongwith administering hepatitis B vaccination doses to 6,800 individuals.

On behalf of the Board of Directors of THF, I wish to record my appreciation of the staff of THF for their dedication and hard work throughout a difficult year.

We also wish to express our gratitude to the supporters, partners, advocates and friends of THF who have partnered with us in the fight against hepatitis and continue to support us in this noble cause.



DR FARID A. KHAN
CHAIRMAN

The Health Foundation

Established in 2007, The Health Foundation is a non-profit Civil Service Organization registered with the SECP under Section 42 of the Companies Ordinance 1984. Since inception, THF has been striving towards the elimination of Hepatitis from Pakistan. The organization's efforts and resources are focused towards creating mass community awareness, free of cost screening, treatment and vaccination to those in need.

THF is certified by the Pakistan Center of Philanthropy (PCP) and is a member of the World Hepatitis Alliance (WHA) and the Coalition to Eradicate Viral Hepatitis in Asia Pacific (CEVHAP). Additionally, THF works in close coordination with WHO and Pakistan's Health Department and other public and private organizations.

By virtue of being a member of WHA, the organization has aligned its work to their mandate; i.e. Educate, Find and Treat (Find The Missing Millions!).

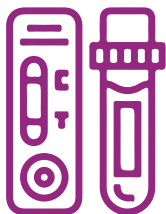


THF Hepatitis Free Community Model



Mass Community Awareness

Hepatitis B Catch up Vaccination



Hepatitis B & C Free Screening

Hepatitis B & C Free Treatment





OUR 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.



OUR VISION

A Hepatitis Free Pakistan

Overall goal is attainment of Community Health through elimination of Hepatitis B and C through set strategies being implemented in the Hepatitis Free Community Model. THF is thus aimed to invest in social change and help alleviate the sufferings related to these preventable diseases in destitute communities in Pakistan.



OUR VALUES

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.

Board of Directors



Dr. Farid Khan



Mr. Saeed Allawala



Dr. Saad Khalid Niaz



Dr. Huma Qureshi



Dr. M. Yahya Chawla



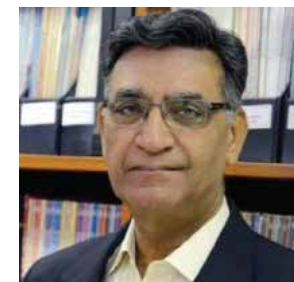
Mr. Tariq Allawala



Mr. Ali Allawala



Ms. Fatimah Bilal Habib



Mr. Abdul Latif Sheikh



Mr. Salman Alvi



Kashif Shafi

General Body Members

Mr. Abrar Hasan

Dr. Naseem Salahuddin

Mr. Adnan Ahmed Sarfaraz

Mrs. Gule Rana Saeed

Dr. Asad Ali Choudhry

Mr. Mohammad Fazil Bharucha

Dr. Jamal Ara Asad

Mr. Mohammad Haroon Qassim

Dr. Laila Rizvi

Mr. Mohammad Tariq Rafi

Dr. Mohammad Sohail Nawab

Ms. Qudsia Akbar

Dr. Munir Ahmed

Mr. Shahrukh Hasan

Mr. Reza Ahmed Sufi

Mr. Sheikh Perwez Ahmed

Ms. Saadia Bano Mirza

Mr. Talib Karim

Mr. Waqas Jalil

Mr. Ahsan Muhammad Saleem

Mr. Nazim Fldahussain Haji

Ms. Marina Khan

Dr. Akmal Faiz Bhatti

THF Interior Sindh

Parts of interior Sindh witnessed the aftermath of possibly the worst flooding in its history. Despite overwhelming odds and harsh conditions, THF teams in Sanghar, Tando Allahyar, and Ghotki continued its operations providing essential and emergency support in their areas.

THF's long-term partnership with Engro Foundation, played a key role in identifying and treating individuals suffering from the deadly hepatitis disease in Ghotki district. The THF team provided the best screening facilities at the following locations:



THF Sanghar team conducted awareness, screening, and vaccination activities at



THF Tando Allahyar (Rashidabad) team conducted an awareness session and walk at the Nursing Hostel. Additionally, THF's team conducted multiple awareness and screening sessions with provision of hepatitis treatment within the union council villages.

THF Punjab

THF Punjab, based out of its premises in Sir Ganga Ram Hospital Lahore, collaborates with various other implementing partners for micro elimination of hepatitis from affected communities. THF Punjab has partnered with Bunyad Foundation, Infection Prevention and Control Foundation (IPAC), and Al Mustafa Trust besides others for expanding the scope of its activities.

The Foundation For Healthcare (TFH) UK

The Health Foundation (THF) is represented in the United Kingdom through its UK chapter, The Foundation for Healthcare (TFH UK). The Charitable Incorporated Organisation (CIO) was established in 2019 having registered charity number 1183217.

The object of the CIO is to relieve sickness and to preserve the health of people residing in Pakistan through the prevention and cure of Hepatitis B and Hepatitis C, but not exclusively, by making grants to the Pakistan- based charity 'The Health Foundation' and any other charitable body as the trustees see fit from time to time.

TFH UK is actively involved in mobilising the Pakistani diaspora through creating awareness about the alarming situation of hepatitis in Pakistan and engaging them in fundraising efforts to combat the menace of hepatitis in Pakistan.

This year, TFH UK engaged with UK Medical Aid Pakistan (UKMAP) to hold a fundraising charity ball to raise awareness and support for hepatitis treatment in Pakistan. The event featured prominent speakers from the medical fraternity and was attended by young professionals and the Pakistani diaspora from all walks of life.



THF Partners

The massive burden of hepatitis in Pakistan requires all stakeholders to join hands in combatting this menace. THF acknowledges the patronage and support of partner organizations that have been regularly contributing towards this noble cause.

Engro Foundation

Zubaida Machiyara Trust (ZMT) Clinics

Infection Prevention and Control Foundation (IPAC)

Sir Ganga Ram Hospital Lahore

Mozang Teaching Hospital Lahore

Al Mustafa Trust (Karachi & Lahore)

Patients Behbud Society for AKUH

SINA Clinics

Patel Hospital

Saylani Welfare Trust

Hussaini Blood Bank

Community Health Solutions

Kohi Goth Women's Hospital

Pakistan Health Research Council (PHRC) Karachi

Murshid General Hospital

Shine Humanity

Behbud Association

Karachi Central Hospital

Plight Of Hepatitis In Pakistan

Pakistan ranks on top globally with regards to the spread of hepatitis. It is estimated that **almost 10 million people require treatment for hepatitis in Pakistan.**

With more than **400,000** new cases projected every year, it is estimated that every 10th person may test positive for hepatitis B or C. On average there are 100 deaths per day caused by hepatitis.

Hepatitis is a silent killer. Since there are no visible symptoms of this disease (until it's too late) more and more innocent lives are being lost to Hepatitis B and C.

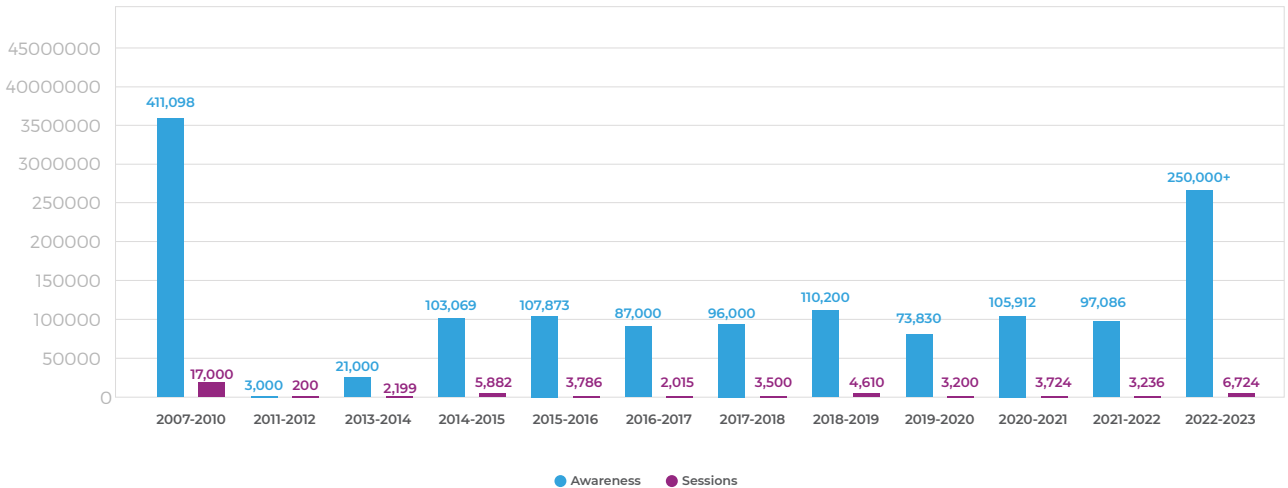
THF Services

Since inception, **The Health Foundation (THF)** has been at the forefront of the battle against hepatitis. By working with the community and within the community, THF provides the following services nationwide:

- **Free of cost awareness for Hepatitis B and C.**
- **Free of cost screening, testing and treatment for Hepatitis B and C.**
- **Free of cost vaccination for Hepatitis B**

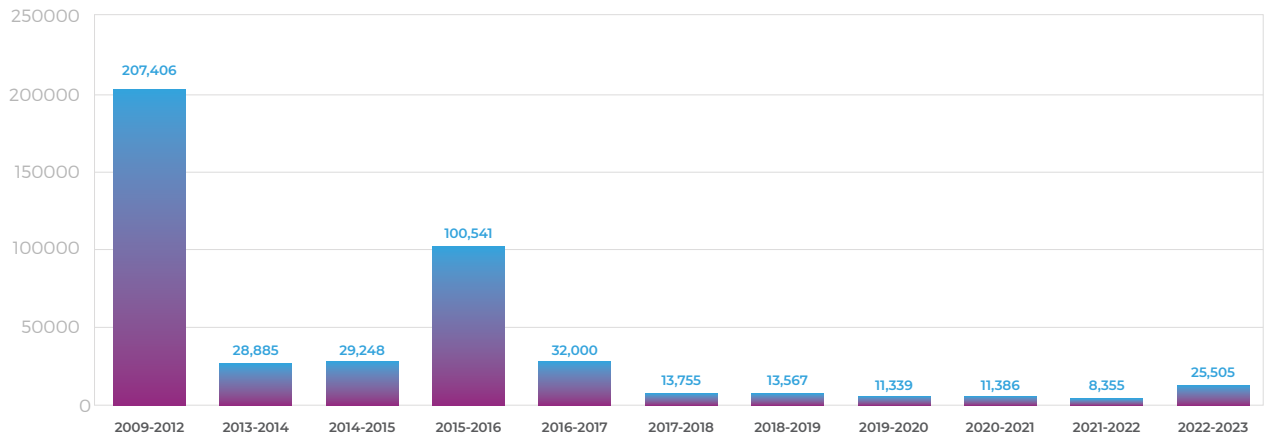
Mass Community Awareness

The first step, and probably the best weapon in the battle against Hepatitis is Awareness. THF continues to arrange awareness sessions in various localities of the nation. Providing information about the causes and symptoms of Hepatitis B and C helps save thousands of lives.



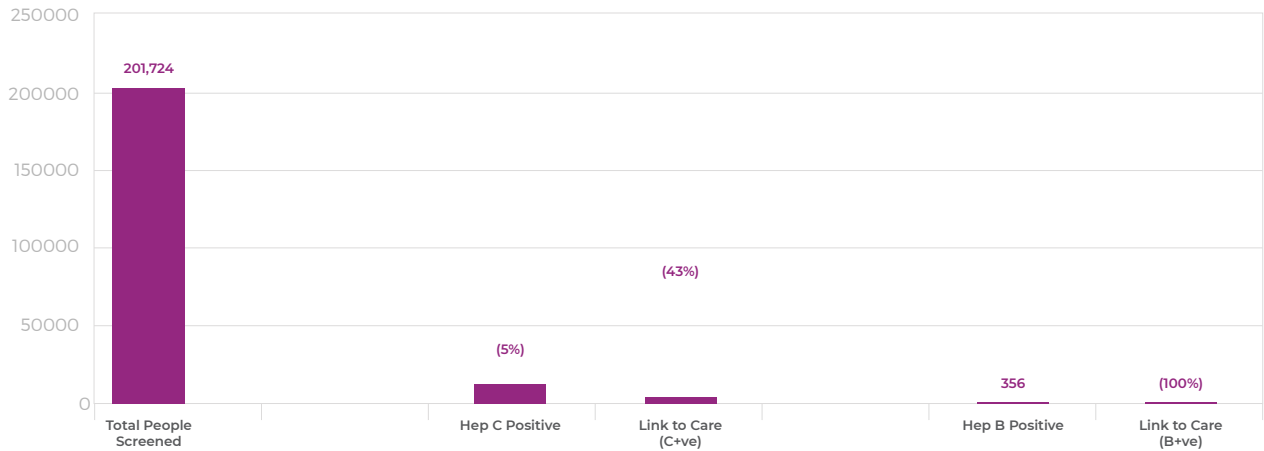
Vaccination

THF continues to provide vaccination for Hepatitis B. From various rural areas to local corporates, educational institutions, other non-profit organizations and general public, THF is making efforts to immunize as many individuals as possible.



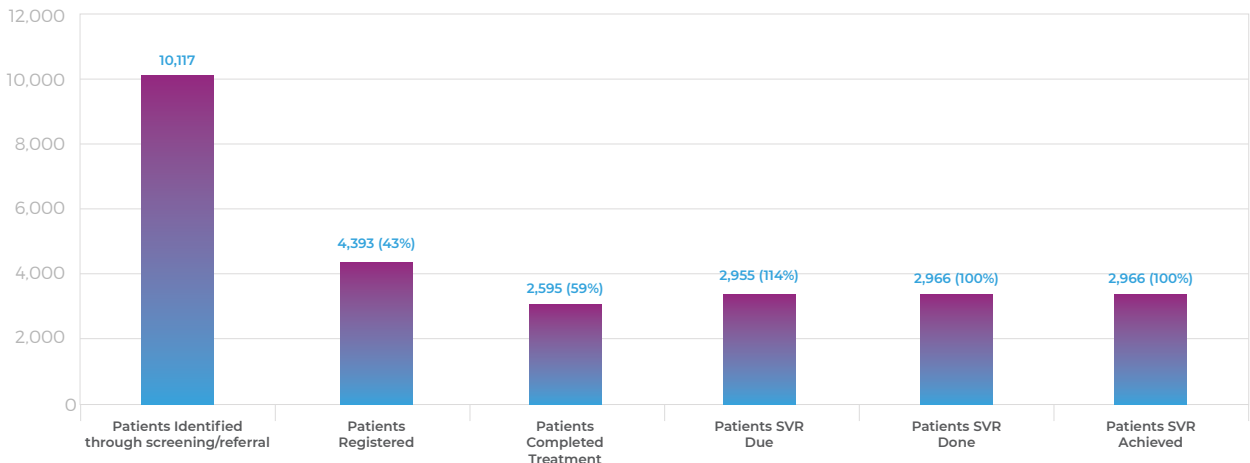
Screening

Early detection of Hepatitis B and C is imperative. An early diagnosis can help prevent other serious issues such as liver cirrhosis and liver cancer, even death. Screening camps are set up in high prevalence areas in order to identify positive patients and provide them with the necessary lab tests and treatment plans, all free of cost.



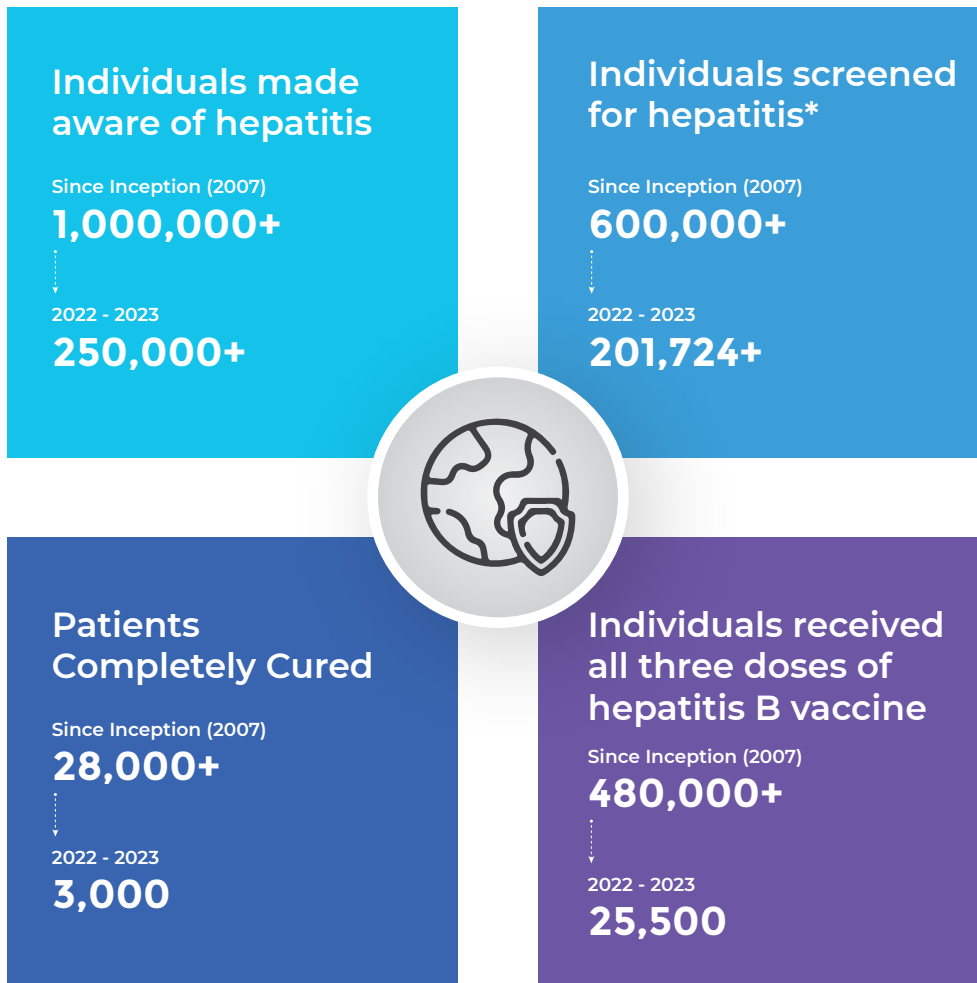
Treatment

Patients are provided with Hepatitis C treatment plans ranging from 3 to 6 months. THF also ensures that all necessary lab tests associated with treatment are carried out in a timely fashion. Below is a cascade of care data for Jul 22 – Jun 23.



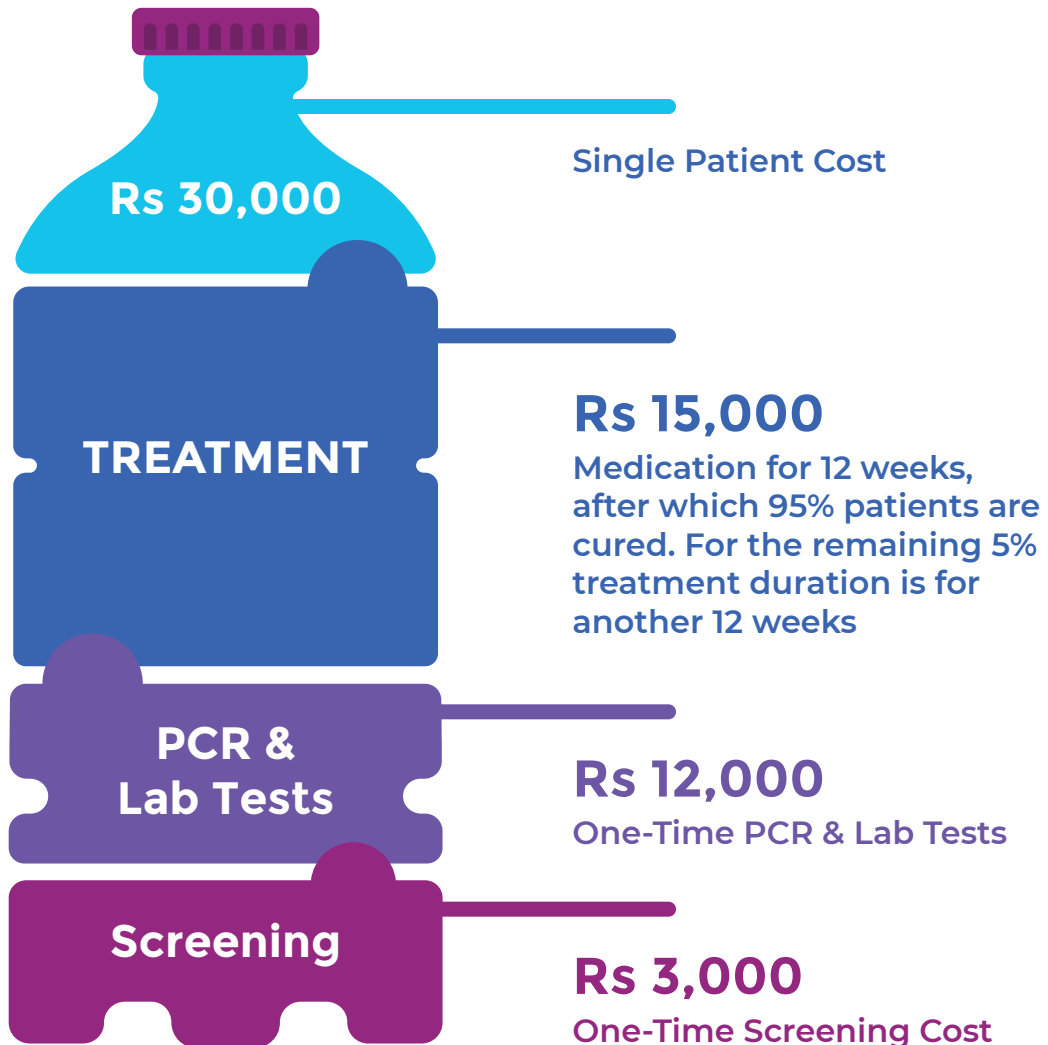
THF Impact – Since Inception

Through the continuous support of our partners, donors, well wishers and friends, THF has been able to accomplish the below milestones:



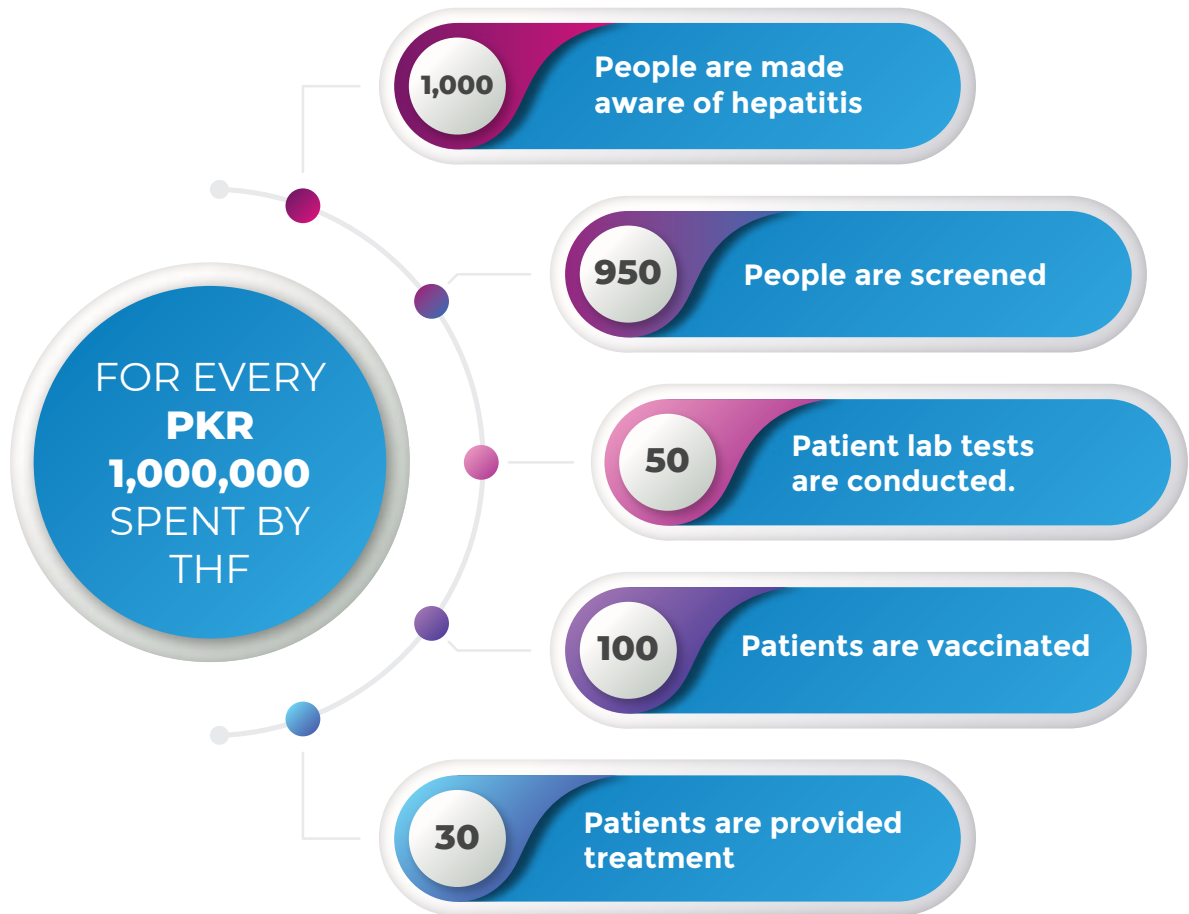
*Screening for hepatitis started in 2018

Treatment Cost for Hepatitis C for one Patient



THE PROVIDES THESE SERVICES TOTALLY FREE OF COST

Economic Impact of Donations



The economic burden of Hepatitis is around Rs. 250,000 per year per patient.

So, for a donation of Rs. 1 million, the overall impact is approximately

Rs. 7.5 million (30 x 250,000)

Economic Burden of Hepatitis

01

Undetected, it takes about 20 - 25 years for the infection to appearance of symptoms (liver damage, cirrhosis and cancer)

Working life is shortened by about 10 years

02

03

Loss in wages is Rs 300,000 per annum (minimum wage being 25,000 pm); often pushing families into poverty

Total one-time cost per patient is Rs 30,000

04

Active Sites & Collaborations - Sindh & Punjab

Sanghar

- Kandiyari
- Behram Bhari
- Sindhri

Tando Allahyar

- Dhingano Bozdar
- Inayat Shah Rizvi

Ghotki

- Reherki

Jacobabad

Khairpur

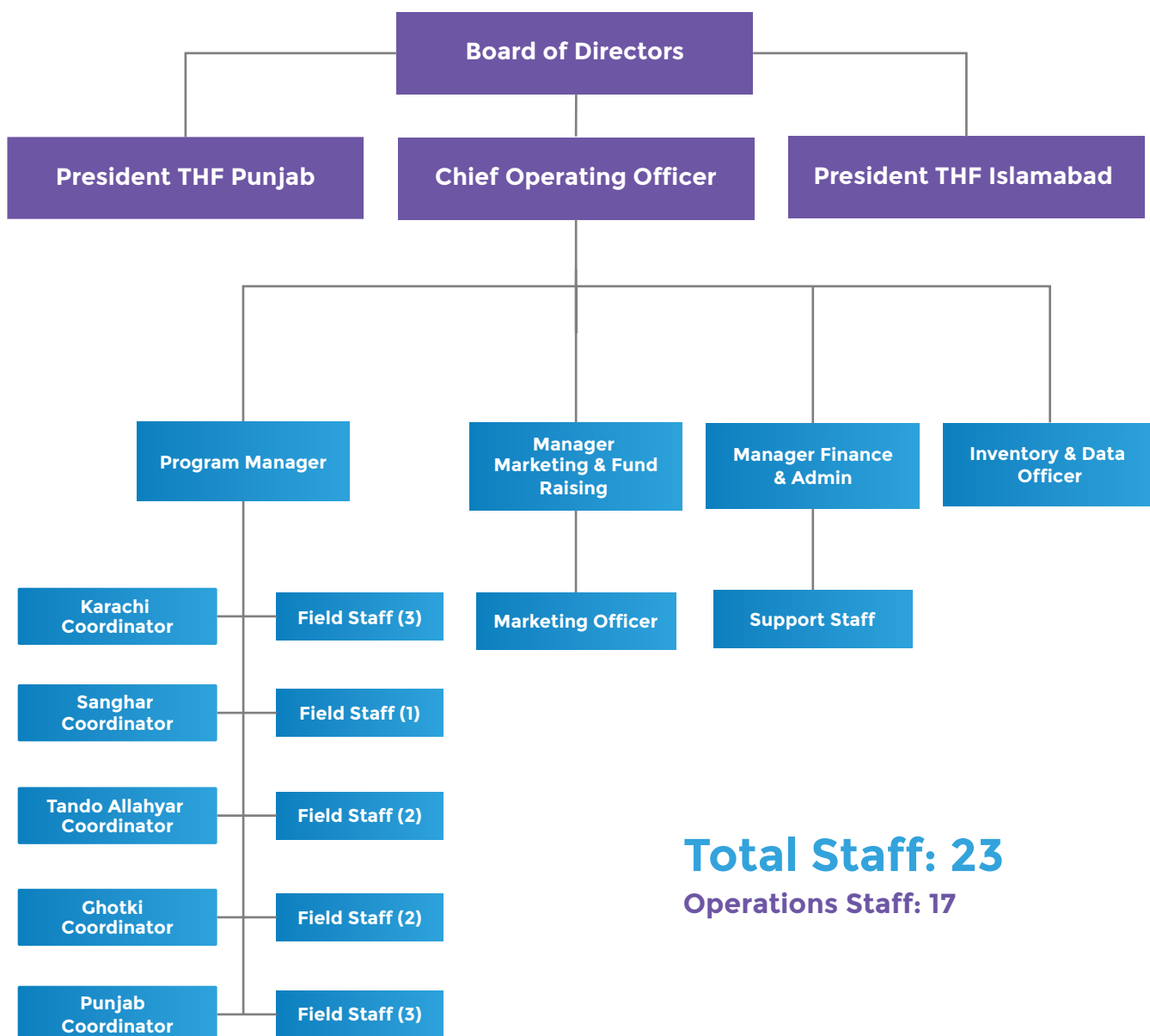
(In Planning)

Punjab

- UC 169: Nisbat Road, Lahore
- Sir Ganga Ram Hospital, Lahore
- Bunyad Foundation Campus in
 - Hafizabad
 - Rahim Yar Khan
 - Sialkot
- Al Mustafa Trust
- Infection Prevention and Control Foundation (IPAC)

Organizational Structure

Organogram



The background is a solid blue color with several overlapping, semi-transparent triangles of varying shades of blue. The triangles are arranged in a way that creates a sense of depth and movement, with some pointing towards the top right and others towards the bottom left.

HIGHLIGHTS OF THE YEAR

THF Fundraising Ghazal Night Featuring Tanya Wells

The internationally acclaimed ghazal and sufi poetry singer Tanya Wells performed for The Health Foundation's fundraising ghazal night. The performance was attended by a packed audience of more than 300 people, who were enthralled by a lively and mesmerizing performance. The proceeds from this fundraiser shall be used for the treatment of deserving hepatitis patients across Pakistan.



THF Corporate Screening Drive

In accordance with the WHA's (World Hepatitis Alliance) mandate for the complete eradication of Hepatitis by 2030, THF began an organizational screening drive. THF is collaborating with local organizations/institutions to provide free of cost screening and treatment of Hepatitis C, and of course create mass awareness about the disease. Over the last fiscal year THF has partnered with the following:

Karachi

Hamdard Laboratories

HinoPak Motors

Indigo Textiles

Sooty Enterprises

Ahmed Foods (Pvt) Limited

Power Cement Nooriabad

Al Razzak fiber

Raj by Industries

Agro Salt

TPL Group

Lucky One Mall

Afeef Packages

Auivronics

TPL Punjab

LIEDA (Lasbella Industrial Estate Development Authority)

THF Punjab has also contributed towards hepatitis elimination from corporate sector employees and medical facilities. This includes:

Packwell

Hope Uplift Foundation

GIGW College

Stars College

Abroo Welfare Organization

King's House

M. Ali Dispensary

Qarshi University

Bunyard Foundation

Standpharm

Rising Sun institute for Special Children

Rustom Towel

BMA Pharma

Kawish Welfare Trust

THF has screened over 22,000 individuals this year through this campaign. We are thankful to our partners and donors for their continuous support and encourage other corporates to collaborate with us on this noble cause.



World Hepatitis Day

28TH JULY, 2022

World Hepatitis Day is celebrated globally on the 28th of July. On this day the world comes under a single theme to raise awareness of the global burden of viral hepatitis and to influence real change. In 2022, the global campaign theme was **“I Can’t Wait”**. With a person dying every 30 seconds due to Hepatitis related illness, **WE** can’t wait to act on viral hepatitis:

The following are some of the major events that took place for WHD 2022.

THF – Habib Metropolitan Bank

In celebration of World Hepatitis Day, senior staff members of Habib Metropolitan Bank visited THF head office in Karachi. After a detailed awareness session with our C.O.O, Mr. Shahid Qadri, they had an opportunity to meet with a few of our patients that are receiving free of cost treatment for Hepatitis B and C.



THF – Orange Tree Foundation

In commemoration of World Hepatitis Day, THF partnered with The Orange Tree Foundation to conduct a Hepatitis B vaccination camp at their premises. **Nearly 200 individuals** (adults and children) received their first dose of the vaccine. THF and OTF have signed an MoU through which both organizations will ensure that the remaining doses are provided as per schedule.



THF Punjab – IPAC (Infection Prevention and Control) Foundation

To celebrate World Hepatitis Day, THF Punjab and IPAC conducted a seminar for Fatima Jinnah Medical University (Lahore) and Sir Ganga Ram Hospital (Lahore). In addition to students and employees from both institutions, the **Vice Chancellor of FJMU, Mr. Khalid Masud Gondal** was also in attendance. The celebrations were concluded by a walk for Hepatitis awareness in which **Dr. Sameer Shafi (MD - IPAC)** and **Dr. Munir Ahmed (President, THF Punjab)** also participated.



Dr. Huma Qureshi – Islamabad Walk

On World Hepatitis Day, a Hepatitis awareness walk was held close to National Institute of Health (NIH), Islamabad. This was followed by a seminar on the plight of hepatitis in Pakistan and where we stand in the race to eliminate hepatitis from Pakistan. **WHO Country Representative, Dr. Palitha Mahipala** and **Director General Health** were in attendance at the walk and the seminar.



CITYFM 89

The Health Foundation would like to give a special shout out to the team at City FM 89 (Dawn Media Group) for partnering with us during the month of July 2022 to celebrate World Hepatitis Day. Together we were able to create mass awareness about Hepatitis B and C.



THF - Tando Allahyar

To commemorate World Hepatitis Day 2022, THF's team in Rashidabad in conjunction with the local DHO, Mr. Ibrahim Purrihar, conducted an awareness session at the **Nursing Hostel** and concluded the celebration by conducting an **awareness walk** from the Nursing School to Civil Hospital Tando Allahyar.

Additionally, THF's team conducted multiple awareness sessions within the UC villages as well.



THF NEW CENTERS & COLLABORATIONS

THF & SINA Health, Education & Welfare Trust

The Health Foundation and SINA Health Education & Welfare Trust signed an MoU for the Screening and Treatment of Hepatitis C. The aim is to increase screening numbers so that we can identify and provide treatment to more and more individuals suffering from Hepatitis C.

Dr. Huma Qureshi (Director, THF) conducted a workshop for the staff of SINA where she shared great insights on the treatment of Hepatitis C.



THF & Patel Hospital

THF and Patel Hospital entered into an agreement to conduct free of cost Hepatitis C screening and treatment at their premises. This partnership focuses on individuals visiting the OPD at Patel Hospital.

THF & Al Mustufa Trust (AMT) Karachi & Lahore

THF and Al Mustufa Trust entered into an agreement to conduct free of cost Hepatitis C screening and treatment camps at two of AMT's locations in Orangi Town and Korangi in Karachi, and at AMT hospital Lahore.



THF & Murshid General Hospital

THF and Murshid General Hospital signed an MoU with an aim to increase screening, and treatment for hepatitis from adjoining affected communities.

Financial Statements

- 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 2023

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 on June 30, 2023.

We would like to thank all THF donors and supporters who have helped us come this far. Our valued patrons are spreading awareness about hepatitis related issues across the country, highlighting THF's efforts towards addressing this burden.

Financial Results

Financial Results for the year are as follows:

Financial Highlights (PKR in Thousands)	2023	2022
Government Grants	182,179	39,052
Donation in Kind	703	276
Specific Donations	7,864	10,247
Zakat	42,508	49,380
General Donations	20,221	26,296
Fund Raising Event	10,420	2,510
Total Assets	127,278	227,847
Current Ratio (Current Assets / Current Liabilities)	0.95	0.99
Cash to Current Liabilities (Cash & Bank / Current Liabilities)	0.066	0.40

Company's Performance

THF's performance for the reporting period has been as follows:

Performance Indicators	2023	2022	Variance (%)
Individuals made aware	250,000	97,086	158%
Screenings conducted	201,724	154,700	30%
Patients registered	4,393	5,077	(13%)
Individuals vaccinated	25,505	8,355	205%

THF Head Office

First Floor, C-10/D, Street 1, Badar Commercial, DHA Phase V, Karachi-75500

☎ 021-37443616 ☎ 0300-0555021

✉ communication@thehealthfoundation.org

🌐 www.thehealthfoundation.org

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

Affiliations



Although operational activities were curtailed in interior Sindh during the first quarter of the year due to unprecedented floods, still THF managed to show an increase in screening numbers through extra efforts at other locations.

THF initiatives/actions during the year

- Continued collaboration with the Hepatitis Control Programs of Sindh and Punjab for the provision of screening kits, laboratory tests, medicines, and vaccines for deserving hepatitis patients.
- Organizing a fundraising ghazal nite featuring the internationally acclaimed performer Tanya Wells. Funds and support generated through this event are being used for treatment of hepatitis patients across Pakistan.
- Conducted extensive awareness and hepatitis screening programs on the occasion of World Hepatitis Day falling on July 28th each year.
- The Foundation for Healthcare UK organized a fundraising charity ball in UK for supporting THF's efforts to raise awareness and support for hepatitis treatment in Pakistan.
- Signing of MoU's with SINA Health, Al Murshid General Hospital, Patel Hospital, Al Mustafa Trust (Karachi & Lahore), and Infection Prevention and Control Foundation (IPAC).
- Expansion of THF activities in Sanghar in new union councils of Behram Bari and Sindhri.
- Added emphasis on screening of corporate sector employees, particularly the labor. This year THF screened over 22,000 employees for hepatitis C.
- Expansion of interventions out of Karachi, and moving out into new union councils/areas across interior Sindh and Punjab

Future Prospects

- Expansion of THF network and scope of operations in interior Sindh including Khairpur, Jacobabad, Sukkur, and Tharparkar.
- Expansion of already running collaborative activities with centers like Hussaini Blood Bank, Saylani Welfare Trust and Shine Humanity Services.
- Establishment of THF own hepatitis center in Punjab providing free of cost screening, lab tests and treatment to deserving patients.
- Establishment of THF center in Islamabad catering to affected communities in the surrounding suburbs.

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Board of Directors

The Board of Directors govern the organization by establishing broad policies and setting out strategic objectives with commitment and ambition to achieve goals of performance. The board currently consists of 11 elected directors.

During 2022 -23, Mr. Kashif Shafi was appointed as a director, increasing the total number of directors to 11.

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

a. Directors' Remuneration

All the Directors of THF 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


Dr. Farid Khan
Chairman 


Saeed Allawala
Chief Executive / Director

THF Head Office

First Floor, C-10/D, Street 1, Badar Commercial, DHA Phase V, Karachi-75500

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 World Hepatitis
Alliance

Affiliations

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

 Pakistan Centre for
Philanthropy

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, 2023, 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 Companies affairs as at June 30, 2023 and of the deficit, 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 annual report, but does not include the financial statements and our auditor's report thereon.

A handwritten signature in black ink, appearing to be 'AF'.

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.

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 9, 2023

UDIN: AR202310073FK6wtDxGE

Statement of Financial Position As At June 30, 2023

ASSETS	Note	2023 Rupees	2022 Rupees
NON-CURRENT ASSETS			
Property and equipment	3.	3,537,378	4,472,911
CURRENT ASSETS			
Inventories	4.	43,047,630	128,937,569
Loans to employees	5.	84,799	43,000
Prepayments		80,071	55,474
Accrued mark-up		314,631	1,197,921
Other receivables	6.	2,612,140	2,557,156
Short term investments	7.	68,898,322	-
Cash and bank balances	8.	8,702,878	90,582,688
		<u>123,740,471</u>	<u>223,373,808</u>
		127,277,849	227,846,719
TOTAL ASSETS			
LIABILITIES			
NON-CURRENT LIABILITIES			
Grants related to asset		102,399	307,199
CURRENT LIABILITIES			
Deferred income	9.	124,758,764	219,463,195
Accrued and other liabilities	10.	5,429,684	5,330,772
		<u>130,188,448</u>	<u>224,793,967</u>
		130,290,847	225,101,166
TOTAL LIABILITIES			
CONTINGENCY			
NET ASSETS			
	11.	<u>(3,012,998)</u>	<u>2,745,553</u>
NET ASSETS			
Sponsors' fund		160,100	160,100
(Deficit) / Unrestricted		(3,173,098)	2,585,453
General donation		<u>(3,012,998)</u>	<u>2,745,553</u>

The annexed notes 1 to 21 form an integral part of these financial statements.


Chief Executive


Director

Income And Expenditure Statement For The Year Ended June 30, 2023

INCOME	Note	2023 Rupees	2022 Rupees
Government grants		182,179,497	39,052,449
Specific donations		7,863,942	10,246,514
Donations in kind		703,223	275,864
Zakat		42,507,993	49,380,122
General donations	12.	20,220,691	26,296,311
Fund raising event		10,419,800	2,510,000
Net gain on investments	13.	1,702,373	295,723
Gain on disposal of property and equipment		586,471	-
Profit on Term Deposit Receipts		404,693	293,265
Others		-	29,385
		266,588,683	128,379,633
EXPENDITURE			
Medicines and vaccines utilised from			
- Government grants		182,179,497	39,052,449
- Own purchases	14.	34,443,537	40,528,252
- Donations in kind		703,223	275,864
Salaries and allowances		20,699,667	21,590,060
Treatment expense		9,393,039	11,116,156
Fund raising event expense		6,303,289	453,858
Advertisement and promotion		3,677,832	7,571,787
Vehicle running expenses		2,824,592	1,928,434
Legal and professional charges		2,572,773	578,888
Auditors' remuneration	15.	1,752,463	50,000
Depreciation		1,734,893	1,747,278
Maintenance charges		1,530,101	1,119,584
Printing and stationary		1,285,943	1,101,420
Utilities expense		783,843	505,874
Travelling and conveyance		749,838	881,643
Communication		605,585	423,393
Waste management expense		70,000	53,750
Bank charges		41,559	89,557
Awareness expense		-	4,333,550
Office rent		-	60,000
Others		995,560	558,555
		272,347,234	134,020,352
Deficit for the year		(5,758,551)	(5,640,719)

There is no other comprehensive income item.

The annexed notes 1 to 21 form an integral part of these financial statements.


Chief Executive


Director

Statement of Changes in Net Assets for the Year Ended June 30, 2023

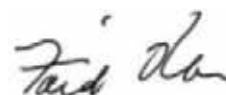
	Sponsors' fund	(Deficit) / Unrestricted General Donation (Rupees)	Total
	←		→
Balance as at July 1, 2021	160,100	8,226,172	8,386,272
Deficit for the year ended June 30, 2022	-	(5,640,719)	(5,640,719)
Balance as at June 30, 2022	160,100	2,585,453	2,745,553
Deficit for the year ended June 30, 2023	-	(5,758,551)	(5,758,551)
Balance as at June 30, 2023	160,100	(3,173,098)	(3,012,998)

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The annexed notes 1 to 21 form an integral part of these financial statements.



Chief Executive



Director

Statement of Cash Flows for the Year Ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(5,758,551)	(5,758,551)
Adjustment for non-cash expense:			
Depreciation		1,734,893	1,734,893
Amortisation of grants related to asset		(204,800)	(204,800)
Gain on disposal of property and equipment		(586,471)	(586,471)
		<u>943,622</u>	<u>943,622</u>
		(4,814,929)	(4,814,929)
Changes in working capital:			
Decrease / (increase) in current assets			
Inventories		85,889,939	85,889,939
Accrued mark-up		883,290	883,290
Loans to employees		(41,799)	(41,799)
Short term investments		(68,898,322)	(68,898,322)
Prepayments		(24,597)	(24,597)
Other receivables		(54,984)	(54,984)
		<u>17,753,527</u>	<u>17,753,527</u>
(Decrease) / increase in current liabilities			
Accrued and other liabilities		98,912	98,912
Deferred income		(94,704,431)	(94,704,431)
		<u>(94,605,519)</u>	<u>(94,605,519)</u>
Cash used in operating activities		<u>(81,666,921)</u>	<u>(81,666,921)</u>
Long term deposit recovered		-	-
Net cash used in operating activities		<u>(81,666,921)</u>	<u>(81,666,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property and equipment		(842,889)	(842,889)
Proceeds from sale of Term Deposit Receipts		-	-
Proceeds from disposal of property and equipment		630,000	630,000
Net cash (used in) / generated from investing activities		<u>(212,889)</u>	<u>(212,889)</u>
Net decrease in cash and cash equivalents		<u>(81,879,810)</u>	<u>(81,879,810)</u>
Cash and cash equivalents at beginning of the year		90,582,688	90,582,688
Cash and cash equivalents at end of the year	16.	<u>8,702,878</u>	<u>8,702,878</u>

The annexed notes 1 to 21 form an integral part of these financial statements.



Chief Executive



Director

Notes to And Forming Part of the Financial Statements for the Year Ended June 30, 2023

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 - First Floor, C-10/D, Street no. 1, Badar Commercial Area, Phase V, D.H.A., Karachi;
- Treatment sentinel sites - Pakistan Health Research Council (PHRC), Jinnah Postgraduate Medical Center, Karachi, Patel Hospital, ST-18, Block 4, Gulshan-e-Iqbal, Karachi, Karachi Central Hospital, platform st. 1/8, Block 17 F.B Area, Karachi, Kohi Goth Women Hospital, Bin Qasim Town, Karachi, Behbood Association, Clifton and Mehmoodabad, Al Mustufa Trust, Korangi Coast Guard Chowrangi, Karachi, KPT Hospital, Kemari, Karachi, Hussaini Blood bank, Qalandri Chowk, Karachi, Sylani Welfare Trust, near Disco bakery, Gulshan e Iqbal, ZMT Clinic Network, FL6/6 Block 4, Gulshan-e-Iqbal, Community Health Solution, 903 - Al- Tijarah Centre, Shahrah-e-Faisal, SINA Health, Education & Welfare Trust, Plot # 1, D - 21, Sector 30, Korangi.
- 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;
- Kemari project - Karachi Port Trust Hospital, Plot no. 33, Kemari, Karachi.

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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.

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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.

Property and equipment

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 Investments - at fair value

Investments are initially recognised and carried at fair values, with any changes in the fair values taken to Income and Expenditure Account if the investments have been made from general

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donations and to deferred income in case of investments made from zakat and specific donations. Investments are derecognised when the right to receive cash flows from the investments has expired or has been transferred and the Company has transferred substantially all the risks and rewards associated with ownership. Gains and losses on disposal of investments are included in the Income and Expenditure Account in case of investments made from general donations and to deferred income in case of investments made from zakat and specific donations in the period in which these arise.

2.8 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.

2.9 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.

2.10 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.

2.11 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, vaccines and screening kits 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.

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2.12 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.

2.13 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.

2.14 Revenue recognition

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

Specific donations and zakat are initially recognised as deferred income in 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 equipment	Furniture & fixtures	Computer equipment	Vehicles	Container	Total
	← Rupees →					
Net carrying value basis						
Year ended June 30, 2023						
Opening net book value (NBV)	1,533,859	1,870,755	554,328	418,681	95,288	4,472,911
Additions	68,889	-	774,000	-	-	842,889
Disposals						
- Cost	-	-	-	(870,600)	-	(870,600)
- Accumulated depreciation	-	-	-	827,071	-	827,071
	-	-	-	(43,529)	-	(43,529)
Depreciation charge for the year	(466,659)	(537,513)	(461,272)	(269,449)	-	(1,734,893)
Closing net book value (NBV)	1,136,089	1,333,242	867,056	105,703	95,288	3,537,378
Gross carrying value basis						
At June 30, 2023						
Cost	2,846,545	2,898,227	1,883,121	2,107,040	900,000	10,634,933
Accumulated depreciation	(1,710,456)	(1,564,985)	(1,016,065)	(2,001,337)	(804,712)	(7,097,555)
Net book value (NBV)	1,136,089	1,333,242	867,056	105,703	95,288	3,537,378
Net carrying value basis						
Year ended June 30, 2022						
Opening net book value (NBV)	1,890,956	1,910,439	154,594	909,209	185,288	5,050,486
Additions	95,500	496,503	577,700	-	-	1,169,703
Disposals						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Depreciation charge for the year	(452,597)	(536,187)	(177,966)	(490,528)	(90,000)	(1,747,278)
Closing net book value (NBV)	1,533,859	1,870,755	554,328	418,681	95,288	4,472,911
Gross carrying value basis						
At June 30, 2022						
Cost	2,777,656	2,898,277	1,109,121	2,977,640	900,000	10,662,644
Accumulated depreciation	(1,243,797)	(1,027,472)	(554,793)	(2,558,959)	(804,712)	(6,189,733)
Net book value (NBV)	1,533,859	1,870,755	554,328	418,681	95,288	4,472,911
Rate of depreciation	20%	20%	30%	20%	10%	

4. INVENTORIES

	2023 Rupees	2022 Rupees
Vaccines	3,153,002	6,453,320
Medicines	30,463,927	118,169,812
Screening kits	9,430,701	4,314,437
	<u>43,047,630</u>	<u>128,937,569</u>

5. LOANS TO EMPLOYEES - considered good

These represent short term interest free loans provided to employees.

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6. OTHER RECEIVABLES

These represent short term interest free loans provided to employees.

- 6.1 These include tax deducted at source on bank profits and cash withdrawals amounting to Rs. 2.06 million (2022: Rs. 2.01 million) for tax years 2018, 2019, 2020, 2021, 2022 and 2023 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, 2020, 2021, 2022 and 2023 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.
- 6.2 These also include Rs. 0.54 million (2022: Rs. 0.54 million) representing ten percent of the tax demanded through assessment orders issued by the Additional Commissioner Inland Revenue under section 122(5A) of Income Tax Ordinance, 2001 for tax years 2015, 2016 and 2017. The said amount was paid under protest so that no recovery proceedings are initiated by the tax department until Commissioner Inland Revenue (Appeals)'s decision in the appeals as explained in note 11.

7. SHORT TERM INVESTMENTS

At fair value through profit or loss

Open-end mutual funds

2023 (Number of units)	2022		2023 Rupees	2022 Rupees
5,010,336	-	NBP Islamic Daily Dividend Fund	50,103,360	-
1,271,851	-	NBP Financial Sector Income Fund	13,516,085	-
272,358	-	NBP Money Market Fund	2,718,054	-
25,286	-	Al Habib Cash Fund	2,560,823	-
6,579,831	-		68,898,322	-

These investments are stated at fair value at the year-end, using the year-end Net Asset Value.

8. CASH AND BANK BALANCES	2023 Rupees	2022 Rupees
Cash in hand	26,988	10,962
Balance with banks on:		
- Current accounts	4,462,133	8,433,959
- Savings accounts - notes 8.1 & 8.3	3,213,777	10,137,767
- Term Deposit Receipts having 3 months maturity - notes 8.2	1,000,000	72,000,000
	8,702,878	90,582,688

- 8.1 At June 30, 2023, the mark-up rate on savings account is 10% per annum (2022: 6.5% per annum).

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8.2 This represents investment in Term Deposit Receipts held with United Bank Limited. The rate of profit on this investment is 20.5% per annum (2022: 8.25% to 12.5% per annum) and will mature on 7 days notice.

8.3 Savings account for zakat purposes is maintained with Meezan Bank Limited.

9. DEFERRED INCOME

	2023 Rupees	2022 Rupees
Externally restricted		
Government grants	27,694,813	118,371,720
Specific donations	30,906,478	24,804,370
Zakat including profit thereon - note 9.1	66,157,473	76,287,105
	<u>124,758,764</u>	<u>219,463,195</u>

9.1 This includes profit earned on savings account and Term Deposit Receipts maintained with Meezan Bank Limited for zakat purposes.

	2023 Rupees	2022 Rupees
9.2 Movement in deferred income		
Balance at the beginning of the year	219,463,195	132,646,810
Funding received during the year - notes 9.3 & 9.4	138,550,224	185,771,334
Funding utilised during the year	(233,254,655)	(98,954,949)
Balance at the end of the year	<u>124,758,764</u>	<u>219,463,195</u>

9.3 Comprise of:

- Government grants	91,502,590	134,404,300
- Zakat	31,109,958	36,719,673
- Specific donations	13,966,051	14,601,578
- Donations in kind	1,971,625	45,783
	<u>138,550,224</u>	<u>185,771,334</u>

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

	2023 Rupees	2022 Rupees
10. ACCRUED AND OTHER LIABILITIES		
Liability against treatment expenses	1,833,519	1,295,879
Salaries payable	1,539,114	3,000,551
Accrued liabilities	599,635	648,506
Tax deducted at source and payable to statutory authorities	302,601	-
Others	1,154,815	385,836
	<u>124,758,764</u>	<u>5,330,772</u>

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11. CONTINGENCY

Description of the factual basis of the proceeding and relief sought	Name of the Authority	Principal Party	Date Instituted	Tax Year
<p>For tax years 2015 and 2017, the Company had filed appeals before the Commissioner Inland Revenue (Appeals) (CIRA) and paid ten percent of the tax demand amounting to Rs. 0.54 million for a relief against recovery of demand till the decision of the CIRA under section 140 of the Ordinance. The appeals for the said tax years were decided in favour of the Company. The Company filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the decision for tax year 2015 which was also decided in favour of the Company.</p>	Commissioner Inland Revenue (Appeals)	Additional Commissioner Inland Revenue	May 5, 2021	2015, 2016 & 2017
<p>For the matter relating to tax year 2016, the CIRA decided the matter against the Company. The Company filed an appeal before the Appellate Tribunal and requested for the stay of recovery of the said tax demand which was granted vide stay order No. 1631/KB/2022 dated August 2, 2022, for sixty days and further extended vide order No. 2044/KB/2022 dated September 28, 2022 till the decision of the main appeal.</p>				
<p>During the current year, Additional Commissioner Inland Revenue (ACIR) issued assessment orders under section 122(5A) of the Income Tax Ordinance, 2001 (Ordinance) for Tax Year 2018 determining tax demand amounting to Rs. 5.06 million on the grounds of wrongful claim of tax credit under section 100C of the Ordinance.</p>	Commissioner Inland Revenue (Appeals)	Additional Commissioner Inland Revenue	Feb 16, 2021	2018
<p>The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) and requested for the stay against the recovery of the said tax demand for tax year 2018 which was granted vide stay order No. 2467/KB/2023 dated August 16, 2023, for thirty days and was further extended vide order No. 2826/KB/2023 dated September 13, 2023 for thirty days. The appeal was heard by ATIR and has been reserved for order on legality of the proceedings.</p>				
<p>The management, based on the advice of the tax advisors, believes that there is a likelihood that the above mentioned cases will be decided in the Company's favour.</p>				

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12. GENERAL DONATIONS

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

	2023	2022
	Rupees	Rupees
13. NET GAIN ON INVESTMENTS		
Net realised gain	1,876,351	295,723
Net unrealised loss	(173,978)	-
	<u>1,702,373</u>	<u>295,723</u>

14. MEDICINE AND VACCINES UTILISED - OWN PURCHASES

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

	2023	2022
	Rupees	Rupees
15. AUDITORS' REMUNERATION		
Audit fee	25,000	25,000
Taxation services	1,533,750	-
Out of pocket expenses	193,713	25,000
	<u>1,702,373</u>	<u>50,000</u>

16. CASH AND BANK BALANCES

Cash in hand	26,988	10,962
Balance with banks on:		
- Current accounts	4,462,133	8,433,959
- Savings accounts - notes 8.1 & 8.3	3,213,777	10,137,767
- Term Deposit Receipts - note 16.1	1,000,000	72,000,000
	<u>8,702,878</u>	<u>90,582,688</u>

16.1. This includes Term Deposit Receipts having maturity of 3 months only.

	2023	2022
	Rupees	Rupees
17. FINANCIAL INSTRUMENTS		
Financial assets		
"Financial assets measured at fair value through profit or loss"	<u>68,898,322</u>	-
"Financial assets measured at amortised cost"	<u>9,249,149</u>	<u>91,970,450</u>
"Financial liabilities measured at amortised cost"	<u>5,127,083</u>	<u>5,330,772</u>

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18. 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	2022 Rupees	2021 Rupees
Associated companies	Donations received	6,067,980	8,750,752
Directors and their close family members	Donations received	16,034,134	4,500,000
	Payment for purchase of moter vehicle		

18. 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 Ltd	Common Directorship	N/A
2.	ATCO Healthcare (Pvt) Ltd	Common Directorship	N/A
3.	Brandit Private Limited	Common Directorship	N/A
4.	Burque Corporation (Pvt) Ltd	Common Directorship	N/A
5.	Criticare Pharmaceuticals	Common Directorship	N/A
6.	Medinostic Health Care (Pvt.) Ltd	Common Directorship	N/A
7.	Softronic System (Pvt.) Ltd	Common Directorship	N/A
8.	The Foundation For Healthcare	Common Directorship	N/A
9.	Mr. Saeed Allawala	Director	N/A
10.	Mr. Salman Alvi	Director	N/A
11.	Dr. Huma Qureshi	Director	N/A
12.	Mr. Tariq Allawala	Director	N/A
13.	Dr. Saad Khalid Niaz	Director	N/A
14.	Dr. Muhammad Yahya Chawla	Director	N/A
15.	Mr. Ali Ahmed Allawala	Director	N/A
16.	Dr. Farid Khan	Director	N/A
17.	Ms. Fatima Bilal Habib	Director	N/A
18.	Mr. Abdul Latif Sheikh	Director	N/A
19.	Mr. Kashif Shafi	Director	N/A

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S.No	Company Name	Basis of Relationship	Aggregate % of Shareholding
20.	Mr. Shahid Qadri	Director	N/A
21.	Mr. Adil Allawala	Close family member of a Key Management Personnel	N/A
22.	Mr. Ismail Allawala	Close family member of a Key Management Personnel	N/A
23.	Mrs. Akhtarunnisa	Close family member of a Key Management Personnel	N/A
24.	Ms. Marium Usman	Close family member of a Key Management Personnel	N/A
25.	Mr. Qasim Bashir Habib	Close family member of a Key Management Personnel	N/A
26.	Mrs. Aliya Qasim Habib	Close family member of a Key Management Personnel	N/A
27.	Mrs. Afroza Sultan	Close family member of a Key Management Personnel	N/A
28.	Mrs. Sarah Adil Allawala	Close family member of a Key Management Personnel	N/A
29.	Ms. Aleena Usman Allawala	Close family member of a Key Management Personnel	N/A
30.	Mr. Asher Usman Allawala	Close family member of a Key Management Personnel	N/A
31.	Ms. Hannah Rahman	Close family member of a Key Management Personnel	N/A
32.	Mr. Rafay Karim Rahman	Close family member of a Key Management Personnel	N/A
33.	Mr. Shaikh Sultan Ahmed	Close family member of a Key Management Personnel	N/A

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19. 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	
	2023	2022	2023	2022	2023	2022
	← (Rupees) →					
Managerial Remuneration	-	-	-	-	5,895,000	5,987,170
Fuel and conveyance allowance	-	-	-	-	240,000	246,350
Others	-	-	-	-	611,892	650,866
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,746,892</u>	<u>6,884,386</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>11</u>	<u>10</u>	<u>1</u>	<u>2</u>

19.1 An Executive is also provided with Company maintained car having net book value of Rs. Nil.

20. NUMBER OF EMPLOYEES

The average and total number of employees as at June 30, 2023 and 2022 respectively are as follows:

	2023 Rupees	2022 Rupees
Number of employees as at June 30, 2023	<u>23</u>	<u>23</u>
Average number of employees during the year	<u>24</u>	<u>30</u>

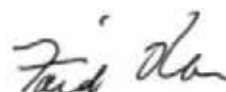
21. DATE OF AUTHORISATION

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

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Chief Executive



Director



Adopt a
Patient

For **Rs. 30,000**

Save a life!

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

Help THF & Make a Hepatitis Free Pakistan!

For Online Transfer Bank Details

General Donation



Account No: 01058932

Branch Code: 0071

Swift Code: UNILPKKA

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

For Zakat



Account No: 0100177391

Branch Code: 0108

Swift Code: MEZNPKKA

IBAN: PK06-MEZN-0001-0801-0017-7391

For General Donation and Zakat



Account No: 0102228849018

Branch Code: 0312

Swift Code: AIINPKKA


IBAN: PK43-AIIN-0000-1022-2884-9018


Donate through:

Cheque / Bank Draft:

Titled **"The Health Foundation"**

For cheque or cash pick up:

 **021-37443616**

 **0300-0555021**

THF Head Office :

First Floor, C-10/D Street 1,
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Contact 021-37443616

THF Punjab Office :

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