



ARTHRITIS CARE FOUNDATION

Annual Progress Report

2020-2021

www.arthritiscare.org.pk

ORGANIZATIONAL OVERVIEW

BACKGROUND

The founders of ACF started community services in Pakistan in 1998, with the establishment of Rheumatology Clinics at Akhtar Mubarak Referral Centre, Lahore, in collaboration with AFJOG and Fatima Memorial Hospital. These services were expanded to collaborate with the Health project of Behbud Association, Lahore, in 2005. These facilities provided free consultations, subsidized/free diagnostics, medications, physiotherapy and/or rehabilitation to indigent or less privileged arthritis patients. Arthritis Care Foundation was formally registered in 2010 as a step towards expanding and maximizing these services to deserving patients of rheumatic diseases requiring financial assistance.

MISSION

To establish, encourage, assist and support, Medical, Social Welfare and Educational activities, pertaining to deserving or under privileged patients, both adult and children with arthritis and other related rheumatic diseases, regardless of their gender, religion, caste, or colour, and without prejudice to the generality of the aforesaid.

OBJECTIVES

- To assist non-paying patients with diagnostic tests as well as with treatment including consultations, laboratory test, radiology, medicines and latest Biologic agents;
- To provide latest treatments, which are highly effective but expensive e. g. Biologic therapies;
- To establish an endowment fund for providing scholarships to trainees in Rheumatology, where by addressing the critical shortage of qualified rheumatologists in the country;
- To facilitate joint replacement for deserving arthritic patients, both children and adults;
- To establish a comprehensive physician, patient and public awareness program, through seminars and disease information booklets;
- To establish patient support groups
- To establish the first Institute of Rheumatic Diseases in Pakistan: for patient care, training and research; and collaborate with other organizations for this purpose.

BOARD OF TRUSTEES

PROF. NIGHAT MIR AHMAD, MD
FOUNDER TRUSTEE & CHAIRPERSON

MBBS, FACP, MACR

Diplomate American Board of Rheumatology

Diplomate of American Board of Internal Medicine

Professor & Associate Dean, Institute of Rheumatic Diseases (IRD)

Central Park Medical College

Chair Department of Rheumatology, National Hospital & Medical Centre

Director & Consultant Rheumatologist, Arthritis Care Centre

Chair Faculty, University of Health Sciences (UHS)

Adjunct Faculty, Fatima Jinnah Medical University (FJMU)

PROF. SUMAIRA FARMAN RAJA
FOUNDER TRUSTEE & CO-CHAIRPERSON

MBBS, FRCP, FACP, FACR,

SCE Rheumatology (UK), CCD

Graduate Certificate Paediatric Rheumatology (Australia)

Head Department of Rheumatology

National Hospital & Medical Centre, Lahore

Visiting Faculty & Chair Paediatric Rheumatology

Institute of Rheumatic Diseases

Central Park Medical College, Lahore

Adjunct Faculty, Fatima Jinnah Medical University, Lahore

Director & Consultant Rheumatologist, Arthritis Care Centre

PROF. MUHAMMAD AHMED SAEED
FOUNDER BOARD MEMBER, CO-CHAIR & GENERAL SECRETARY

MBBS, FCPS Internal Medicine,

FCPS Rheumatology, FACP, FACR

Consultant Rheumatologist & Physician

Professor and Head Institute of Rheumatic Diseases,

Central Park Medical College Lahore

Visiting Faculty of Rheumatology, National Hospital and Medical Centre, Lahore

Adjunct Faculty, Fatima Jinnah Medical University, Lahore

MS. SAMINA SULTANA
TREASURER

BA, LLB

Managing Partner, Alliance Education Management Services

PROF. TASNIM A. RAZA

MBBS, M.Phil Anatomy (Pb)
Director Health Project, Behbud, Lahore

MR. FARID AHSANUDDIN

Chief Executive Officer
Engineering Corporation (Pvt) Ltd.

MS. ANJUM SHAMIM AHMED

Chief Executive Officer
Learning Alliance (Pvt) Ltd

COL (R) DR. TAUSEEF IRFAN

MBBS, MRCP
Consultant Family Physician

DR. SHABNUM SARFRAZ

MBBS, MBA, Harvard Global Health LEAD Fellow
Member Social Sector & Devolution
Ministry of Planning, Development & Reform
Planning Commission
Government of Pakistan

MS. LAILA NUSRAT

Chairperson
Bali Memorial Trust

MR. ASSAD AHMAD

BA Economics (Yale University, USA)
Principal/Senior Executive Officer
Frere Hall Capital Management (UAE)

DR. SAIRA ELAINE ANWER KHAN

MBBS, MRCP, FRCP, CESR Rheumatology
Assistant Professor Rheumatology
Shalamar Medical & Dental College, Lahore
Adjunct Faculty, University of Health Sciences (UHS)

ARTHRITIS CARE FOUNDATION

HIGHLIGHTS

Arthritis Care Foundation (ACF) with the support of donations from respectable individuals and corporate organizations, has been able to provide consultation and treatment, both free & subsidized, hence preventing disability and relieving suffering of patients with arthritis and other auto-immune diseases.

- Since inception in 2010, ACF has spent more than **Rs. 242 Million** mainly on its core health related projects, which include free & subsidized medications, biologics, as well as facilitation of diagnostics plus provision of scholarships to Post Graduate (PG) trainees in the field of Rheumatology.
- Since 2010, Medications worth **Rs. 90 Million** were provided to sick patients, who otherwise would have become disabled due to uncontrolled arthritis or, in some cases, developed renal failure due to uncontrolled disease. During last Financial Year, **Rs. 13,169,853/-** worth of medications were consumed.
- ACF during the last financial year provided Biologics worth **Rs. 9,955,175/-**, which is an expensive treatment for patients whose arthritis does not respond to conventional medicines. Since inception total of **Rs. 50 Million** were spent on procurement of Biologics.
- Diagnostics/Medical tests worth **Rs. 11 Million** were facilitated for timely diagnosis and monitoring of treatment since ACF inception.
- Apart from patient care, supporting rheumatology fellowship training program is one of the main objectives of ACF. Since inception, ACF has spent **Rs. 30 Million** of scholarship funding of post graduate trainees in the field of Rheumatology.
- For patients with advanced Osteoarthritis and Rheumatoid Arthritis with irreversible damage to joints, joint replacements are the only option left. ACF has been sponsoring joint replacements of deserving patients since its inception. A single hip replacement costs around Rs. 250,000 to Rs. 300,000 and bilateral knee replacement costs more than Rs. 500,000. So far total of **Rs. 4 Million** has been spent on joint replacements/implants of indigent patients.

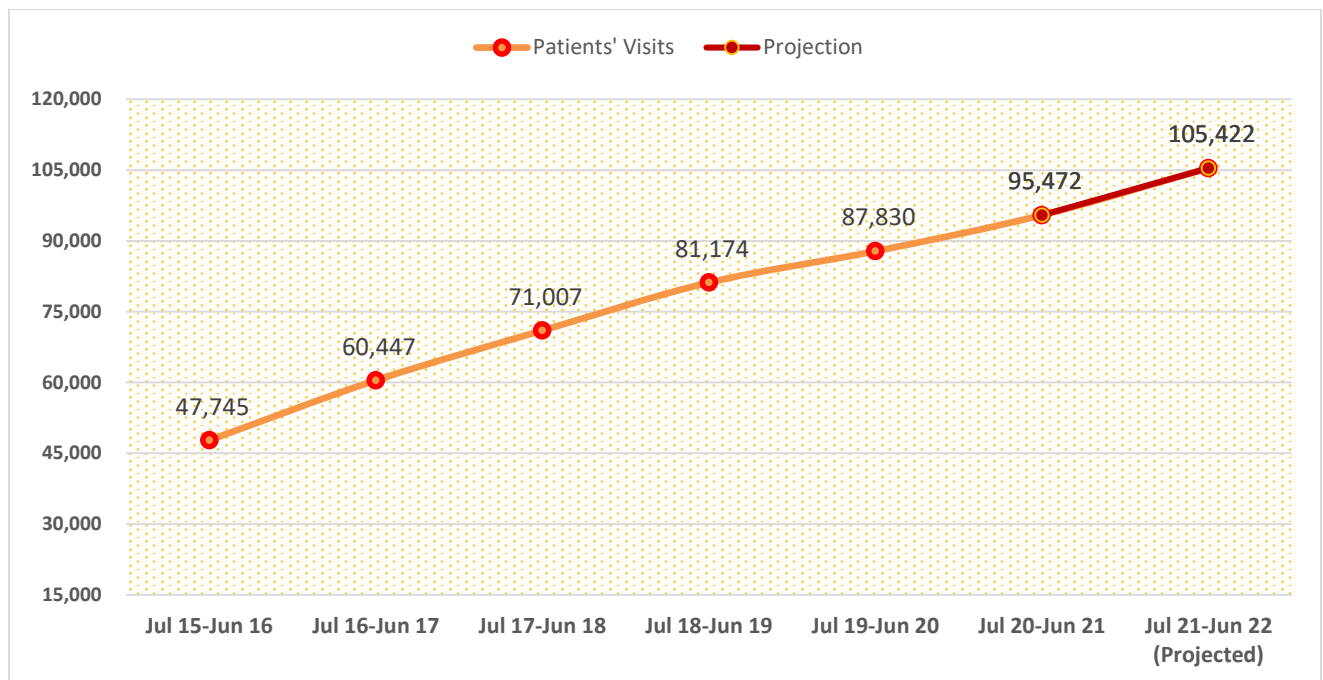
ARTHRITIS CARE FOUNDATION

ACTIVITY REPORT FOR FY 2020-2021

TREND OF PATIENT TURNOVER AT ACF SUPPORTED CLINICS

During financial year 2020-21, a total of 7,642 under privileged patients' visits were accommodated at various ACF supported clinics, depicting 15% yearly increase.

FIGURE 1: IMPROVED QUALITY OF LIFE OF PATIENTS' FAMILIES



ACF as a registered trust started working for the welfare of patients with rheumatic diseases in Pakistan in 2010. At the time of ACF's inception three founding members started volunteer services and provided state of the art free care to less privileged patients.

As of today, seven volunteer rheumatologists and eight doctors on ACF's payroll are providing free & subsidized services at ACF Clinic Shadman and ACF co-opted clinics at Akhtar Mubarak, Behbud Association, National Hospital & Medical Centre, and Central Park Teaching Hospital accommodating thousands of indigent patients with arthritis and autoimmune diseases.

| | July 2020 To June 2021 |
|--|-----------------------------------|
| ACF Behbud Collaborative Rheumatology Clinic | 1,226 |
| ACF AFJOG Collaborative Rheumatology Clinic | 1,736 |
| ACF Charity Clinics (676 Shadman) | 949 |
| ACF patients admitted at NH&MC | 37 |
| Gulab Devi Rheumatology Clinic | 1,091 |
| Department of Rheumatology, Central Park Teaching Hospital (Collaborative Project of ACF and Health & Education Foundation) | 640 |
| ACF Dispensary <i>(Medications of referred patients)</i> | 2,013 |
| TOTAL | 7,642 |

Dedicated rooms had been acquired on rental basis at ACF Shadman for charity clinics. Three days per week clinics are being conducted by qualified rheumatologists i.e. Dr. Saira Khan and Dr. Rafaqat Hameed. Deserving patients are not only getting free or subsidized consultations but also get free medications through ACF dispensary.

ACF SERVICES

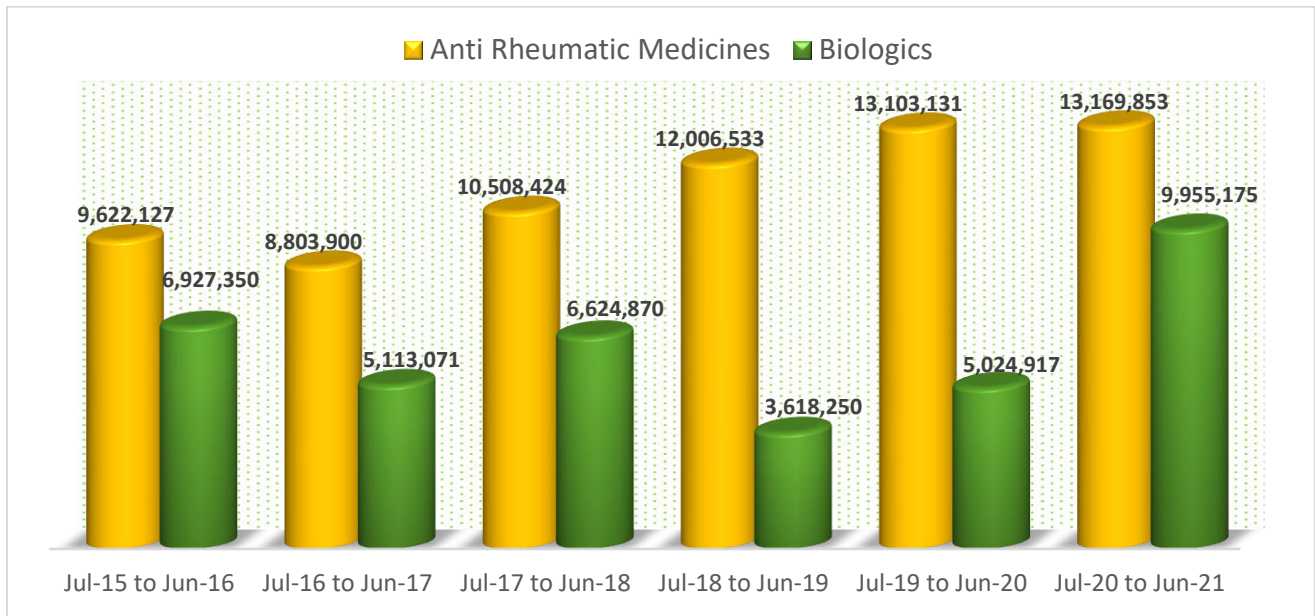
ACF services are listed as below:

1. Conventional Disease Modifying Medications, Diagnostics and Rehabilitation
2. Biologics (Rituximab, Etanercept, Tocilizumab)
3. Joint Replacements Facilitation
4. Expensive Medications for Lupus (SLE) Patients (Mycophenolate Mofetil)
5. Scholarship(s) for Rheumatology Trainee (s)/Fellow(s)
6. Health Awareness Campaigns
7. Printing of Patient Educational Brochures/Newsletters

EXPENDITURE ON MEDICATIONS FUNDED BY ACF

Arthritis patients are first started on conventional disease controlling medications. The average cost for the first line medications ranges from Rs. 15,000 to 80,000 per month.

FIGURE 2 : EXPENDITURE TRENDS; MEDICATIONS & BIOLOGICS



During FY from July-20 to June-21, the cost of medicines consumed for treating of patients with various rheumatic diseases was **Rs. 13,169,853/-**. The spending is **1%** more than as compared to last year expenditure on medication i.e. **Rs. 13,103,131/-**, for same period.

*TOTAL MARKET PRICES OF MEDICATIONS CONSUMED DURING FY 2020-21 WERE **RS. 19,903,755/-**. DUE TO NEGOTIATED DISCOUNTED RATES ACF WAS ABLE TO SAVE AROUND **RS. 6.8 MILLION** DURING THE YEAR.*

Out of total medication procurement during the year, **Rs. 4,769,989/-** were spent on procurement of Mycophenolate Mofetil (MMF) for young lupus nephritis patients who otherwise would have developed renal failure due to uncontrolled disease and would have needed dialysis. The spending on MMF medication in FY 20-21 reflects **36%** of total medicine consumption for the year.

*TOTAL MARKET PRICE OF 'MMF' MEDICATIONS PROCURED DURING FY 2020-21 WERE **RS. 10,717,917/-**. DUE TO NEGOTIATED DISCOUNTED RATES ACF WAS ABLE TO SAVE AROUND **RS. 6 MILLION** ON THIS COSTLY MEDICATION.*

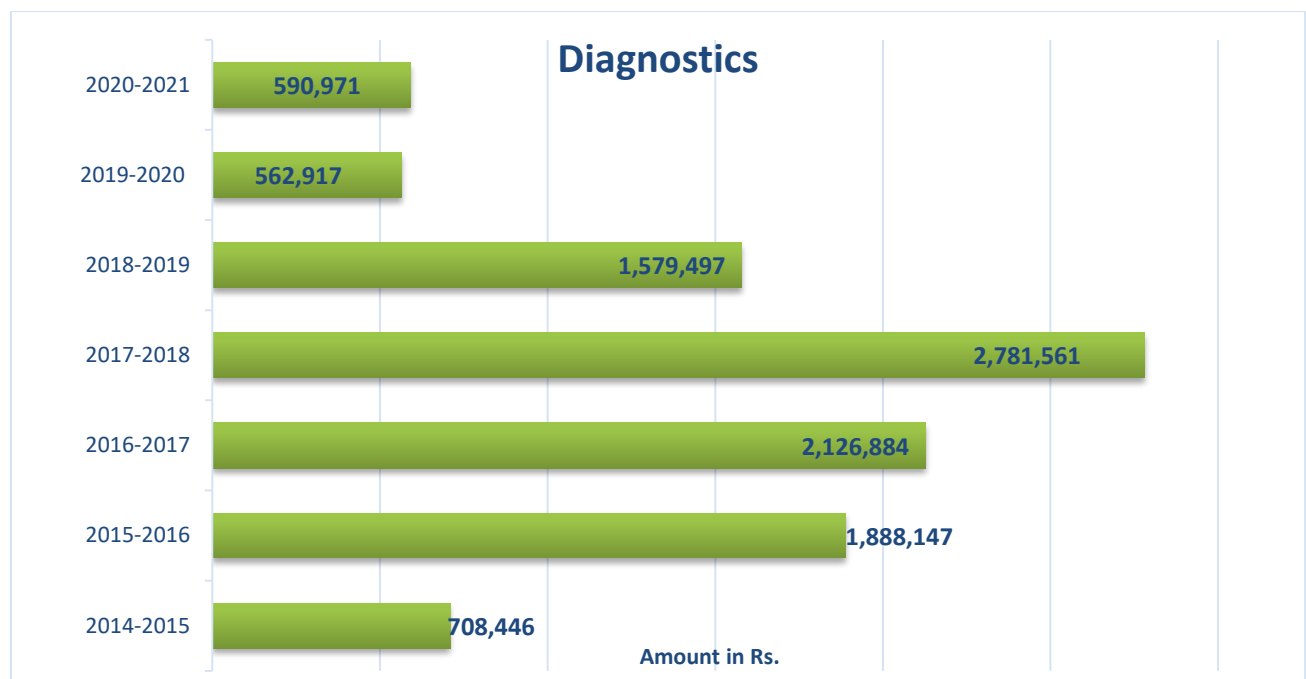
IMPLANTS / JOINT REPLACEMENT

ACF has been sponsoring joint replacements of deserving patients since its inception. For current year a budget of Rs. 1,000,000/- were designated for the implants of deserving patients.

REHABILITATION EQUIPMENT

Every year ACF spent a handful amount on provision of rehabilitation equipment to indigent patients. These equipment includes walkers, crutches, rollators, canes as well as manual and electric wheelchairs. Through this facilitation ACF tries to fulfil its aim of encouraging patients to become an independent member of the society.

FIGURE 3 : EXPENDITURE TREND; DIAGNOSTICS



BIOLOGICS

Patients not getting better with first line medicines have to use Biologics to prevent disability & therefore prevent need for Joint Replacement. Therefore in addition to a huge clinical benefit, there is significant health and economic impact as well. Though, these are very expensive medicines. Total of **Rs. 9,955,175/-** was expensed during July 2020 to June 2021 on provision of costly Biologics showing an increase of **96%** as compared to previous year spending i.e. **Rs. 5,076,459/-**.

ACF team is not only providing facilitation to patients but also channelizing the deserving patients to Pakistan Bait-ul-Mal; liaising with patient support programs initiated by some pharmaceutical firms.

Two of the ACF team members are currently working in public sector hospitals; one at Mayo Hospital and other one at Sir Gangaram Hospital Lahore, have been mainly facilitating these deserving ACF referred patients.

*Through various Access Programs & Patient Support Programs, ACF facilitated patients for their biologics worth **Rs. 5.2 Million** in addition to **Rs. 9,885,831/-** worth of Biologics procured in FY 20-21.*

TEACHING & EDUCATION

ACF has joined hands with Central Park Teaching Hospital & Medical College (CPTH&MC), a significant step towards establishment of an Institute of Rheumatic Diseases and a state of the art Department of Rheumatology. Prof. Nighat Mir Ahmad is Associate Dean at CPMC and Prof. Sumaira Farman is Chair Paediatric Rheumatology. Prof. Muhammad Ahmed Saeed is heading the Department of Rheumatology.

ACF RESEARCH ACTIVITIES

During the year, ACF also expanded its research activities in collaboration with Fatima Jinnah Medical University (FJMU) and National Institute of Health (NIH) USA. Main focus of the research entails the areas of Genetics of lupus in patients and their family members.

Towards to this endeavor, Prof. Nighat Mir Ahmad visited the Lupus Genetics and Global Health Disparities Unit, Maryland USA during her personal visit to US. She apprised them of ACF activities and also discussed future collaborative research endeavors.

Public Awareness Programs/walks and Printing of Brochures/Newsletters

ACF holds frequent public awareness activities including organizing educational seminars & walks and prints brochures on various rheumatic diseases and newsletters for patients & general public. During the years, ACF team organized educational/awareness seminar and walk in collaboration with Department of Rheumatology, Central Park Teaching Hospital, Lahore.

ACF team also conducted free Rheumatology camp at CPTH in connection with World Arthritis Day where less privileged patients from all over Punjab were seen by qualified rheumatologists. This is part of ACF commitment towards public awareness about these diseases.

PUBLIC AWARENESS SEMINAR & WALK IN CONNECTION WITH 'WORLD LUPUS DAY' IN COLLABOTATION WITH DEPARTMENT OF RHEUMATOLOGY, CENTRAL PARK MEDICAL COLLEGE, MAY 2021



PUBLIC AWARENESS SEMINAR & WALK IN CONNECTION WITH 'WORLD ARTHRITIS DAY' IN COLLABOTATION WITH DEPARTMENT OF RHEUMATOLOGY, CENTRAL PARK MEDICAL COLLEGE, OCTOBER 2021



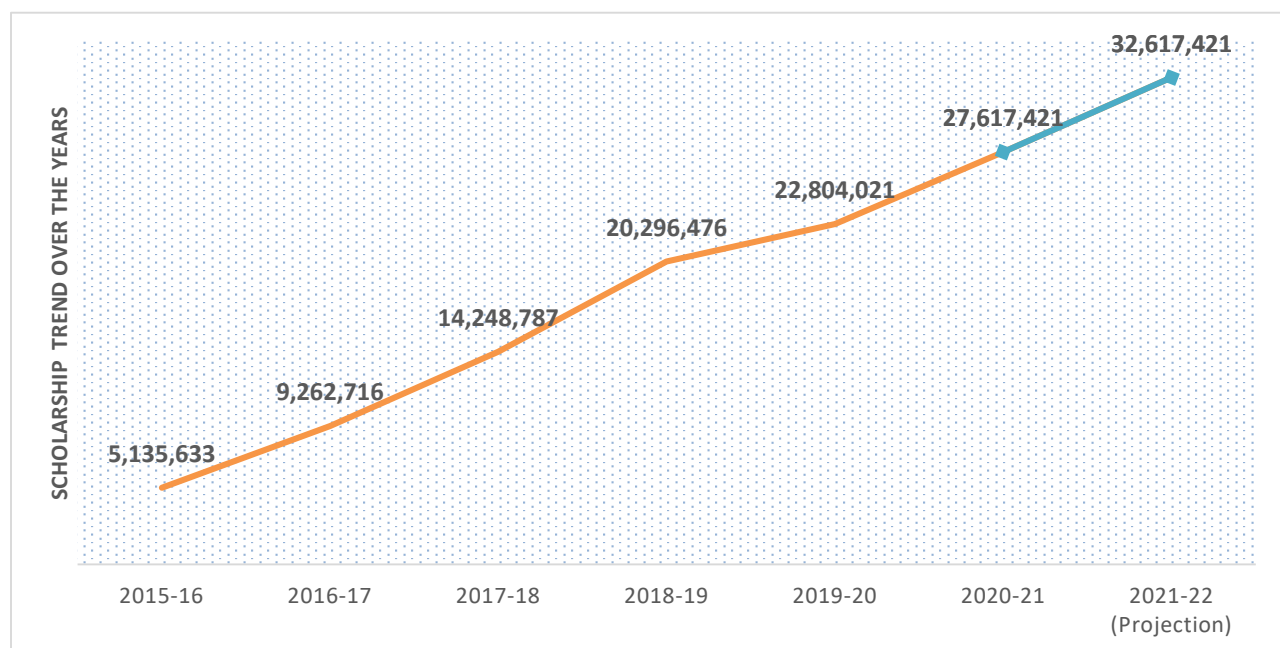
EXPENSES ON SCHOLARSHIP:

During FY 2020-21, ACF provided Four (4) scholarships for Post Graduate training worth **Rs. 4,588,400/-**. In account of Faculty Support Program, ACF also sponsored the salary of Assistant Professor Rheumatology at Central Park Medical College. The overall projected spending on scholarships in the financial year 2021-2022 is around Rs. 5 million.

So far 21 rheumatologists have fully or partially been trained through ACF scholarship program, which covers 50% of total practicing Rheumatologists in Punjab. Six of alumni have pioneered Rheumatology services at public and private hospitals in Lahore including Mayo Hospital, Sir GangaRam Hospital and Jinnah Hospital; setting up the first Rheumatology services in Punjab Govt. sector. ACF funded qualified Rheumatologist recently joined Gulab Devi Teaching Hospital as Head of Department and serving patients with rheumatic diseases.

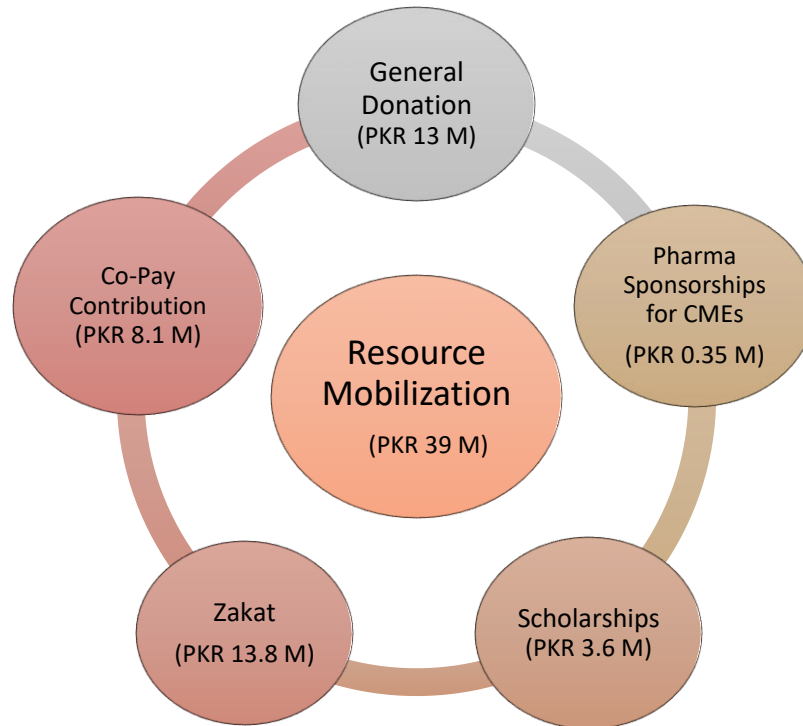
Two have started the first ever Rheumatology services in southern Punjab i.e. Multan. Kindly note, patients from these cities and their remote catchment areas previously had to travel to Lahore for getting expert advice.

FIGURE 4: "ACCUMULATED" TREND OF SCHOLARSHIP FUNDS



RESOURCE MOBILIZATION

Through charity drives during the year, ACF collected Rs. 13,837,837/- through Zakat. We are grateful to our donors for support and assistance, which is always utilized with the utmost care. List of our corporate donors is also growing.



GOVERNANCE AND INTERNAL AUDIT:

In order to improve internal audit, accounting processes and to ensure proper compliance with statutory tax requirements, ACF Board had hired an independent Chartered Accountant firm on permanent retainership basis. The main role of hiring internal auditor & tax advisory firm is to provide independent assurance that all accounts management, governance and internal control processes are operating effectively as well as compliance with any relevant laws or regulations and ongoing changes.

ACF management envisages that strong internal auditing programs are critical for monitoring and verifying all processes reflecting common frameworks and regulations in following ways:

- Provides objective insight and improves efficiency of operations.
- Evaluates risks and protects assets.
- Assesses organizational controls.
- Ensures compliance with tax laws and amendments.
- Ensures compliance with all relevant laws and accounting regulations.
- Helps in preparation of ACF annual external audit.
- It will also be helpful to reduce the errors.

HOW YOU CAN HELP ACF

You can support ACF by making a general donation, a Zakat donation, or a Sadqa donation. Zakat donation are exclusively spent on Medications for deserving patients in line with the Shariah. Your support will help procure medication for deserving arthritis patients or can be used to fully or partially sponsor one of the following:

- ❖ Medication for one Rheumatoid arthritis patient Rs.50,000/annum
- ❖ Medicine for one Lupus (SLE) Nephritis Patient Rs.80,000/annum
- ❖ Biologic/Injectable for un-controlled Rheumatoid arthritis or Lupus patient Rs.20,000/month
- ❖ Joint Replacement Rs. 100,000 (Approx.)
- ❖ Treatment for JIA/Childhood Arthritis Rs.10,000/month

You can donate by choosing one of the following:

1. You can courier crossed cheques in the name of
“ARTHRITIS CARE FOUNDATION”
to ACF Postal Address: 676-Shadman 1, Lahore
or contact ACF Helpline: **0336-4313637**

2. FOR ELECTRONIC TRANSFER:

| | |
|--|--|
| <p>A/C Title: Arthritis Care Foundation A/C No. 0010000326530011 IBAN # PK98ABPA0010000326530011 ALLIED BANK LTD Mahmood Ali Kasuri Road Lahore Branch Code: 0909 Swift Code: ABPAPKKA</p> | <p>A/C Title: Arthritis Care Foundation A/C No. 0081003109950001 IBAN # PK22MCIB0081003109950001 MCB ISLAMIC BANK LTD Z-Block DHA Lahore Branch Code: 008 Swift Code: MCIBPKKI</p> |
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3. International donors can get tax exemption if they opt to donate through I-Care Foundation, America via following link

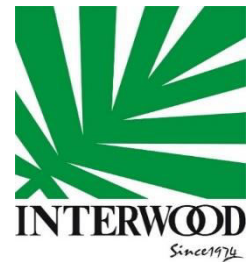
[https://i-care-foundation.org/charity/arthritis-care-foundation-acf/donate/?org=Arthritis%20Care%20Foundation%20\(ACF\)&amount=0](https://i-care-foundation.org/charity/arthritis-care-foundation-acf/donate/?org=Arthritis%20Care%20Foundation%20(ACF)&amount=0)

4. For online donations and to learn about our activities visit our website
www.arthritis-care.org.pk

FRIENDS OF ACF
We are where we are because of you all!



LEARNING ALLIANCE





Waheed Sons



CHAUDHRY NASRULLAH
FAMILY TRUST

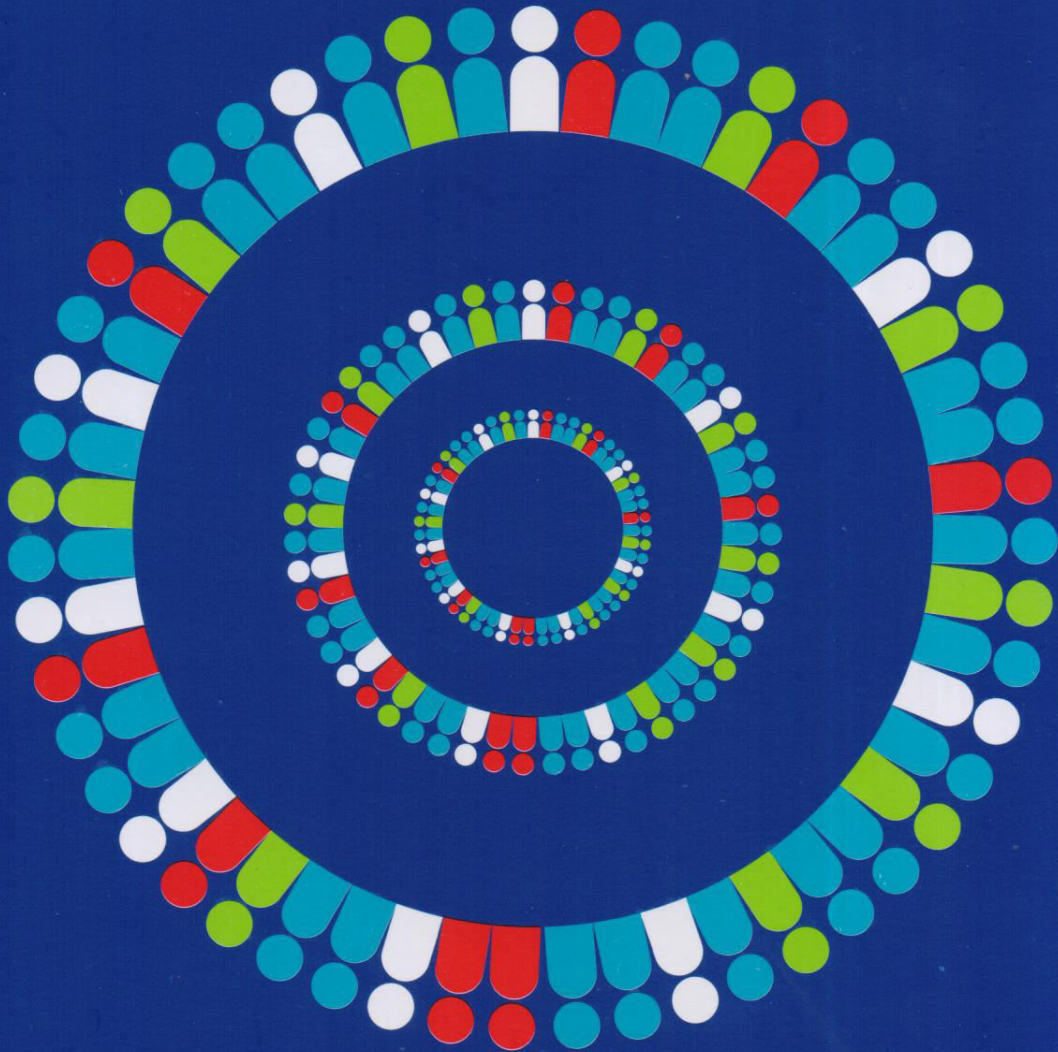


AUDIT REPORT
Arthritis Care Foundation
2020-2021

ARTHRITIS CARE FOUNDATION (THE TRUST)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of **Arthritis Care Foundation (the Trust)**, which comprise the statement of financial position as at June 30, 2021, and the income and expenditure account, statement of changes in fund, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2021 and its financial performance and its cash flows for the year then ended in accordance with Accounting Standard for Not for Profit Organisations (NPOs) issued by the ICAP.

Basis for Opinion

We conducted our audit in accordance with the 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 Trust 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.

Responsibilities of Management and Board of Trustees for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standard for Not for Profit Organisations (NPOs) issued by the ICAP and for such internal control as the 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Board of Trustees are responsible for overseeing the Trust'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.

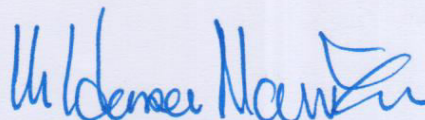
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Trust'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 the events or conditions that may cast significant doubt on the Trust'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 Trust 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 those charged with governance 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.

Date: December 03, 2021

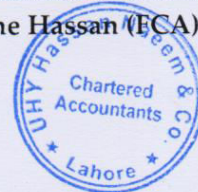
Place: Lahore



UHY Hassan Naeem & Co.

Chartered Accountants

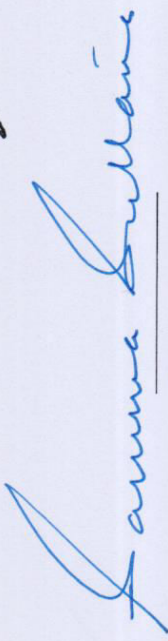
Ibne Hassan (FCA)




Arthritis Care Foundation
Statement of Financial Position
As at June 30, 2021

| FUNDS AND LIABILITIES | Note | 2021 Rupees | 2020 Rupees | ASSETS | Note | 2021 Rupees | 2020 Rupees |
|--------------------------------------|------|-------------------|-------------------|--|------|-------------------|-------------------|
| Funds | | | | Non-current assets | | | |
| Reserve fund | | 640,882 | 640,882 | Equipment | 8 | 383,122 | 332,535 |
| Restricted fund | | 1,329,765 | 99,754 | Intangibles | 9 | 10,500 | 21,000 |
| General Fund | | 27,925,057 | 27,381,718 | | | | |
| | | <u>29,895,704</u> | <u>28,122,354</u> | | | <u>393,622</u> | <u>353,535</u> |
| Current liabilities | | | | Current assets | | | |
| Accrued and other liabilities | 5 | 41,445 | 30,948 | Short term investments | 10 | 6,543,162 | 6,543,162 |
| Provision for taxation | 6 | 583,953 | - | Advances, deposits and other receivables | 11 | 342,951 | 394,875 |
| | | | | Stocks | 12 | 694,588 | 1,682,630 |
| | | | | Cash and bank balance | 13 | 22,546,779 | 19,179,100 |
| | | | | | | <u>30,127,480</u> | <u>27,799,767</u> |
| Contingencies and commitments | 7 | | | | | | |
| | | | | | | <u>30,521,102</u> | <u>28,153,302</u> |

The annexed notes 1 to 24 form an integral part of these financial statements.


Farwa Sultan
Finance Secretary


Chairperson

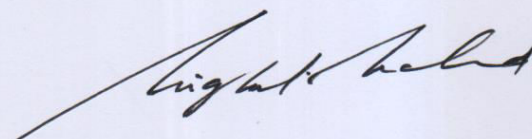
Arthritis Care Foundation
Income and Expenditure Account
For the year ended June 30, 2021

| | Note | Restricted fund | Un-restricted fund | 2021 Total | 2020 Total |
|---|------|------------------|--------------------|-------------------|-------------------|
| ------(Rupees)----- | | | | | |
| INCOME | | | | | |
| Donations | 14 | 4,769,989 | 25,158,051 | 29,928,040 | 34,511,827 |
| Other income | 15 | - | 9,002,175 | 9,002,175 | 6,254,197 |
| | | 4,769,989 | 34,160,226 | 38,930,215 | 40,766,024 |
| EXPENDITURE | | | | | |
| Expenses on health projects | 16 | 4,769,989 | 22,491,025 | 27,261,014 | 22,507,842 |
| Expenses on scholarships | 17 | - | 4,813,400 | 4,813,400 | 2,507,545 |
| Administrative expenses | 18 | - | 5,361,956 | 5,361,956 | 4,620,736 |
| Procurement of PPEs | | - | - | - | 3,799,220 |
| Education and research | | - | 160,000 | 160,000 | 1,463,340 |
| Finance cost | | - | 34,388 | 34,388 | 7,821 |
| | | 4,769,989 | 32,860,769 | 37,630,758 | 34,906,504 |
| Surplus of income over expenditure before taxation | | - | 1,299,457 | 1,299,457 | 5,859,520 |
| Taxation | 19 | - | (756,118) | (756,118) | - |
| Surplus of income over expenditure after taxation | | - | 543,339 | 543,339 | 5,859,520 |

The annexed notes 1 to 24 form an integral part of these financial statements



Finance Secretary

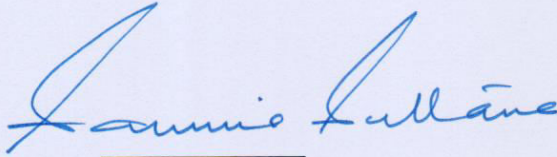


Chairperson

Arthritis Care Foundation
Statement of Changes in Accumulated Funds
For the year ended June 30, 2021

| Particulars | Reserve fund | Restricted fund | General fund | Total |
|---|------------------|------------------|-------------------|-------------------|
| | -----Rupees----- | | | |
| Balance as on July 01, 2019 | 640,882 | 99,754 | 21,522,198 | 22,262,834 |
| Grant/donation received during the year | - | 6,000,000 | 34,766,024 | 40,766,024 |
| Transferred from income and expenditure account | - | (6,000,000) | (28,906,504) | (34,906,504) |
| Surplus for the year | - | - | 5,859,520 | 5,859,520 |
| Balance as on June 30, 2020 | <u>640,882</u> | <u>99,754</u> | <u>27,381,718</u> | <u>28,122,354</u> |
| Balance as on July 01, 2020 | 640,882 | 99,754 | 27,381,718 | 28,122,354 |
| Grant/donation received during the year | - | 6,000,000 | 34,160,226 | 40,160,226 |
| Transferred from income and expenditure account | - | (4,769,989) | (33,616,887) | (38,386,876) |
| Surplus for the year | - | 1,230,011 | 543,339 | 1,773,350 |
| Balance as on June 30, 2021 | <u>640,882</u> | <u>1,329,765</u> | <u>27,925,057</u> | <u>29,895,704</u> |

The annexed notes 1 to 24 form an integral part of these financial statements.

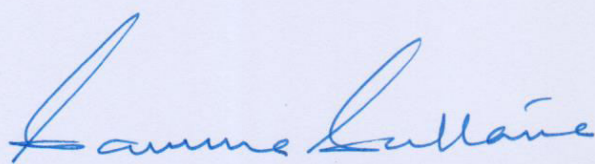

Finance Secretary


Chairperson

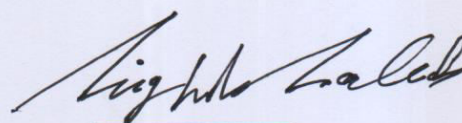
Arthritis Care Foundation
Statement of Cash Flows
For the year ended June 30, 2021

| | Note | 2021 Rupees | 2020 Rupees |
|--|------|-------------------|--------------------|
| Cash flow from operating activities | | | |
| Surplus for the year | | 1,299,457 | 5,859,520 |
| Adjustments for non cash items: | | | |
| Depreciation | 8 | 49,713 | 33,779 |
| Amortization | 9 | 10,500 | 10,500 |
| Finance cost | | 34,388 | 7,821 |
| | | <u>94,601</u> | <u>52,100</u> |
| Operating cash flows before working capital changes | | 1,394,058 | 5,911,620 |
| Working capital changes: | | | |
| Increase in accrued and other liabilities | | 10,497 | 15,570 |
| Decrease / (increase) in advance, deposits and other receivables | | 51,924 | (200,392) |
| Decrease / (increase) in stocks | | 988,042 | (836,568) |
| | | <u>1,050,463</u> | <u>(1,021,390)</u> |
| Cash generated from operations | | 2,444,521 | 4,890,230 |
| Finance cost paid | | (34,388) | (7,821) |
| Tax paid | | (172,165) | |
| Net cash generated from operating activities | | 2,237,968 | 4,882,409 |
| Cash flows from investing activities | | | |
| Purchase of equipment | | (100,300) | (85,640) |
| Net cash flow from investing activities | | (100,300) | (85,640) |
| Cash flows from financing activities | | | |
| Grant received - net | | 1,230,011 | - |
| Net cash generated from financing activities | | 1,230,011 | - |
| Net increase in cash and cash equivalents | | 3,367,679 | 4,796,769 |
| Cash and cash equivalents at the beginning of the year | | 25,722,262 | 20,925,493 |
| Cash and cash equivalents at the end of the year | 20 | 29,089,941 | 25,722,262 |

The annexed notes 1 to 24 form an integral part of these financial statements



Finance Secretary



Chairperson

Arthritis Care Foundation
Notes to the Financial Statements
For the year ended June 30, 2021

1 Legal status, nature of business

Entity and its operations

Arthritis Care Foundation (the Trust) is a charitable society registered on July 27, 2010 under the laws of Societies Registration Act XXI of 1860. The registered office is situated at 676-Shadman-1, Lahore. The Trust was setup with an objective to establish, encourage, assist and finance medical, social welfare and educational activities, of patients suffering from arthritis, rheumatic and other diseases.

2 Basis of preparation

2.1 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: Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of accounting

These financial statements have been prepared under the accrual basis of accounting except for cash flow information.

2.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, receipts and expenditures. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to society's financial statements or where judgments were exercised in application of accounting policies are:

| | <i>Note</i> |
|--|-------------|
| a) residual values and useful lives of equipment | 3.1 |
| b) provisions and contingencies | 3.4 |

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates. The financial statements are presented in Pakistani Rupees, which is also the functional currency.

3 Significant accounting policies

These accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is charged on an asset from the month when the asset is available for use till the month of its disposal i.e. full depreciation is charged in the month of addition, while no depreciation in the month of disposal.

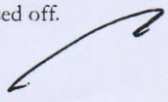
Depreciation is charged on reducing balance method at the rates specified in Note 8.

Normal repair and maintenance is charged to Income and expenditure account as and when incurred, while major renewal and replacements are capitalized.

3.2 Intangible asset

These are stated at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight line basis at the rate given in the Note 9 to the financial statements so as to write off the depreciable amount of an asset over its useful life.

Amortization on additions to intangible assets is charged from the month in which an asset is acquired while no amortization is charged for the month in which asset is disposed off.



Arthritis Care Foundation

Notes to the Financial Statements

For the year ended June 30, 2021

3.3 Stocks

These are stated at lower of cost and net realizable value. Cost is determined principally on First in First Out (FIFO) basis. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred for sale.

3.4 Provision and contingencies

Provisions are recognized when the Arthritis Care Foundation has a legal and constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the realizable estimate of the amount can be made.

3.5 Taxation

Approval of Arthritis Care Foundation as a Non-Profit Organization under section 2(36) of the Income Tax Ordinance, 2001 is in process for the year. Therefore provision for the year has been recorded under said ordinance.

3.6 Funds

Restricted Funds

This fund represents donations received by the Trust for the treatment of patients who require biologics vaccines and for scholarships of doctors.

General Funds (Unrestricted)

Grants and donations not restricted for a specific purpose or fund are credited to this fund upon receipt.

3.7 Interest income

Interest income on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

4 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

4.1 New standards

The Trust has adopted the following revised standards and amendments of IFRSs which become effective for the current year:

- Amendments to IFRS 3-Business Combinations-Definition of Business
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates & Errors
- IFRS 14 Regulatory Deferral Accounts
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID -19 Related Rent Concessions (Amendment to IFRS 16)

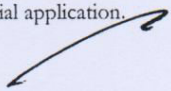
The above standards that became effective at the start of the year did not have any material impact on the Trust's financial statements.

4.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretations:

| Standards or Interpretation | Effective date (Annual periods beginning on or after) |
|---|---|
| Amendments to IFRS 17 and IFRS 4, 'Insurance contracts' Deferral of IFRS 9 | January 1,2021 |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform | January 1,2021 |

The Trust expects that the adoption of the above standards and amendments will not have any material impact on the Trust's financial statements in the period of initial application.



Arthritis Care Foundation
Notes to the Financial Statements
For the year ended June 30, 2021

5 Accrued and other liabilities

This represents amount payable for utilities, withholding taxes deducted from payments to suppliers and salaries payable of janitorial staff.

| 6 Provision for taxation | 2021 Rupees | 2020 Rupees |
|--------------------------|----------------|----------------|
| Opening balance | - | - |
| Provision for the year | 583,953 | - |
| Prior period adjustment | 172,165 | - |
| Payments/ adjustments | (172,165) | - |
| | <u>583,953</u> | <u>-</u> |

7 Contingencies and commitments

There were no contingencies and commitments pending for the year ended June 30, 2021 (2020: Nil).

8 Equipment

| Particulars | Office computer | Office equipment | Furniture and fixtures | Total |
|------------------------------------|-----------------|------------------|------------------------|----------------|
| | (Rupees) | | | |
| Cost | | | | |
| Balance as at July 01, 2019 | 44,600 | 216,000 | 105,600 | 366,200 |
| Additions | - | 85,640 | - | 85,640 |
| Balance as at June 30, 2020 | <u>44,600</u> | <u>301,640</u> | <u>105,600</u> | <u>451,840</u> |
| Balance as at July 01, 2020 | 44,600 | 301,640 | 105,600 | 451,840 |
| Additions | 57,800 | 42,500 | - | 100,300 |
| Balance as at June 30, 2021 | <u>102,400</u> | <u>344,140</u> | <u>105,600</u> | <u>552,140</u> |
| Accumulated depreciation | | | | |
| Balance as at July 01, 2019 | 33,751 | 43,831 | 7,944 | 85,526 |
| Charge for the year | 3,255 | 20,758 | 9,766 | 33,779 |
| Balance as at June 30, 2020 | <u>37,006</u> | <u>64,589</u> | <u>17,710</u> | <u>119,305</u> |
| Balance as at July 01, 2020 | 37,006 | 64,589 | 17,710 | 119,305 |
| Charge for the year | 16,305 | 24,619 | 8,789 | 49,713 |
| Balance as at June 30, 2021 | <u>53,311</u> | <u>89,208</u> | <u>26,499</u> | <u>169,018</u> |
| Written down value-2020 | <u>7,594</u> | <u>237,051</u> | <u>87,890</u> | <u>332,535</u> |
| Written down value-2021 | <u>49,089</u> | <u>254,932</u> | <u>79,101</u> | <u>383,122</u> |
| Rate of depreciation (%) | 30% | 10% | 10% | |

9 Intangible

| | Note | 2021 Rupees | 2020 Rupees |
|---|------|----------------|----------------|
| Cost | | | |
| Balance as at July 01, 2020 | 9.1 | 105,000 | 105,000 |
| Additions | | - | - |
| Disposal | | - | - |
| Balance as at June 30, 2021 | | <u>105,000</u> | <u>105,000</u> |
| Accumulated amortization | | | |
| Balance as at July 01, 2020 | | 84,000 | 73,500 |
| Charge for the year | | 10,500 | 10,500 |
| Disposal | | - | - |
| Balance as at June 30, 2021 | | <u>94,500</u> | <u>84,000</u> |
| Written down value as at June 30, 2021 | | <u>10,500</u> | <u>21,000</u> |
| Rate of amortization (%) | | 10% | 10% |

Arthritis Care Foundation
Notes to the Financial Statements
For the year ended June 30, 2021

9.1 This includes website designed for the Trust and it is amortised on straight line basis.

10 Short term investments

This represents investment made in Allied bank fixed term deposits for a tenure of 12 months with rollover at interest rate of 3.55% (2020:10.74%).

| 11 Advances, deposits and other receivables | 2021 Rupees | 2020 Rupees |
|---|----------------|----------------|
| Interest receivable | 106,413 | 180,818 |
| Advance tax | 236,538 | 214,057 |
| | <u>342,951</u> | <u>394,875</u> |

12 Stocks

This represents stock of medicines for treatment of Arthritis.

| 13 Cash and bank balance | Note | 2021 Rupees | 2020 Rupees |
|--------------------------------|------|-------------------|-------------------|
| Cash in hand | | 15,373 | 27,338 |
| Cash at bank - Current account | | 756,380 | 6,525,701 |
| Cash at bank - Saving account | 13.1 | 21,775,026 | 12,626,061 |
| | | <u>22,546,779</u> | <u>19,179,100</u> |

13.1 This carries markup rate 0.5% per month.

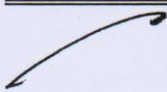
| 14 Donations | Note | Restricted funds | Un-restricted funds | 2021 Total | 2020 Total |
|-------------------|------|---------------------|---------------------|-------------------|-------------------|
| | | ------(Rupees)----- | | | |
| I-Care Foundation | | - | - | - | 1,032,618 |
| Imdad Foundation | | 4,769,989 | - | 4,769,989 | - |
| Infaq Foundation | | - | - | - | 6,000,000 |
| Others | 14.1 | - | 25,158,051 | 25,158,051 | 27,479,209 |
| | | <u>4,770,003</u> | <u>25,158,051</u> | <u>29,928,040</u> | <u>34,511,827</u> |

14.1 This represents donations from zakat, self finance, general donations and sponsorship from pharma. >

15 Other income

This represents interest income on short term investment in term deposits at the rate of 3.55% (2020: 10.74%), interest income on saving account and receipts from patients.

| 16 Expenses on health projects | Restricted funds | Un-restricted funds | 2021 Total | 2020 Total |
|--------------------------------|---------------------|---------------------|-------------------|-------------------|
| | ------(Rupees)----- | | | |
| Medicine consumed | 4,769,989 | 8,399,864 | 13,169,853 | 13,103,131 |
| Clinical staff salaries | - | 2,644,962 | 2,644,962 | 2,168,258 |
| Biologics | - | 9,955,175 | 9,955,175 | 5,076,459 |
| Joint replacement | - | - | - | 84,000 |
| Medical test for patients | - | 590,971 | 590,971 | 562,917 |
| In-patients treatment | - | 900,053 | 900,053 | 1,513,077 |
| | <u>4,769,989</u> | <u>22,491,025</u> | <u>27,261,014</u> | <u>22,507,842</u> |



Arthritis Care Foundation
Notes to the Financial Statements
For the year ended June 30, 2021

| 17 Expenses on scholarships | Note | Restricted funds | Un-restricted funds | 2021 Total | 2020 Total |
|-------------------------------------|------|------------------|---------------------|------------------|------------------|
| ------(Rupees)----- | | | | | |
| Faculty support program scholarship | 17.1 | - | 225,000 | 225,000 | - |
| Post graduate trainees scholarship | 17.2 | - | 4,588,400 | 4,588,400 | 2,507,545 |
| | | <u>-</u> | <u>4,813,400</u> | <u>4,813,400</u> | <u>2,507,545</u> |

17.1 This represent scholarships paid to senior doctors of Central Park Teaching Hospital for medical examination of the Trust's patients recommended by the Trust.

17.2 This represent scholarships paid to Post Graduate (PG) trainees of National Hospital for post graduate funding programme.

| 18 Administrative expenses | Note | Restricted funds | Un-restricted funds | 2021 Total | 2020 Total |
|--------------------------------|------|------------------|---------------------|------------------|------------------|
| ------(Rupees)----- | | | | | |
| Salaries and wages | | - | 2,611,065 | 2,611,065 | 2,179,846 |
| Fund raising expenses | | - | 677,308 | 677,308 | 662,325 |
| Public awareness expenses | | - | 28,080 | 28,080 | 183,390 |
| Rent, rates and taxes | | - | 1,314,720 | 1,314,720 | 1,051,200 |
| Printing and stationary | | - | 202,085 | 202,085 | 81,344 |
| Repair and maintenance | | - | 15,455 | 15,455 | 37,460 |
| Utilities | | - | 94,600 | 94,600 | 66,450 |
| Vehicle running expenses | | - | 64,503 | 64,503 | 66,209 |
| Website maintenance expenses | | - | 61,800 | 61,800 | 61,800 |
| Depreciation | 8 | - | 49,713 | 49,713 | 33,779 |
| Amortization | 9 | - | 10,500 | 10,500 | 10,500 |
| Postages and courier | | - | 43,862 | 43,862 | 48,699 |
| Legal and professional charges | | - | 94,500 | 94,500 | - |
| Miscellaneous expenses | | - | 93,765 | 93,765 | 137,734 |
| | | <u>-</u> | <u>5,361,956</u> | <u>5,361,956</u> | <u>4,620,736</u> |

| 19 Taxation | 2021 Rupees | 2020 Rupees |
|---------------------------|----------------|-------------|
| Current tax for the year | 583,953 | - |
| Prior year tax adjustment | 172,165 | - |
| | <u>756,118</u> | <u>-</u> |

19.1 Provision for the year has been calculated in accordance with the provisions of Income Tax Ordinance, 2001.

| 20 Cash and cash equivalents | Note | 2021 Rupees | 2020 Rupees |
|------------------------------|------|-------------------|-------------------|
| Cash and bank balance | 13 | 22,546,779 | 19,179,100 |
| Short term investments | | 6,543,162 | 6,543,162 |
| | | <u>29,089,941</u> | <u>25,722,262</u> |

Arthritis Care Foundation
Notes to the Financial Statements
For the year ended June 30, 2021

21 Related party transactions

The related parties comprise of Executive Committee and members of Board of Trustees of the Trust. Transactions with related parties are as follows:

| Name | Relationship | Nature of transaction | 2021 Rupees | 2020 Rupees |
|----------------------------|----------------------------|-----------------------|----------------|----------------|
| Prof. Nighat Mir Ahmad | Chairperson | Donation | 165,000 | 145,000 |
| Prof. Sumaira Farmman Raja | Co -Chairperson | Donation | 231,000 | 483,750 |
| Dr. M. Ahmed Saeed | General Secretary | Donation | 260,000 | 10,000 |
| Ms. Samina Sultana | Finance Secretary | Donation | 938,000 | 311,000 |
| Dr. Tauseef Irfan | Joint Secretary | Donation | 100,000 | 153,000 |
| Dr. Shabnam Sarfraz | Joint Finance Secretary | Donation | 279,200 | 162,600 |
| Mr. Assad Ahmad | Member of Board of Trustee | Donation | 225,000 | - |
| Mr. Farid Ahsanuddin | Member of Board of Trustee | Donation | 25,000 | - |
| Prof. Dr. Tasnim A. Raza | Member of Board of Trustee | Donation | - | - |
| Ms. Anjum S. Ahmed | Member of Board of Trustee | Donation | 620,000 | 1,000,000 |
| Ms. Uzma Ahmad | Member of Board of Trustee | Donation | - | 500,000 |

22 Number of employees

| | 2021 | 2020 |
|--|----------|----------|
| Number of employees at the end of the year | <u>9</u> | <u>9</u> |
| Average number of employees | <u>9</u> | <u>9</u> |

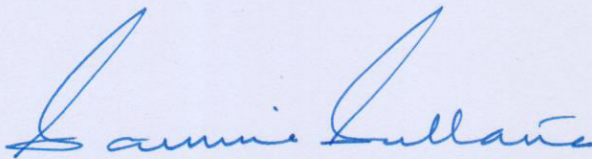
23 Date of authorization

These financial statements have been authorized for issue by the Board of Trustees on 03-12-2021

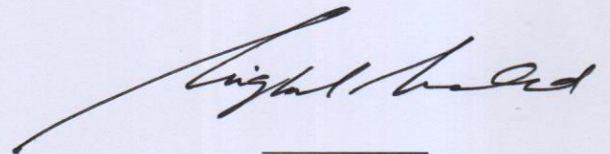
24 General

24.1 Figures of previous year have been re-arranged and re-classified wherever necessary for the purposes of comparison.

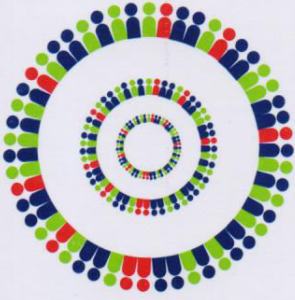
24.2 Figures have been rounded off to the nearest Rupee.



Finance Secretary



Chairperson



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