



**SHINE HUMANITY PAKISTAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2017**

**Private & Confidential**



**Crowe Hussain Chaudhury & Co.**  
Chartered Accountants

### **Independent Auditor's Report to the Managing Committee**

#### **Opinion**

We have audited the financial statements of Shine Humanity Pakistan (the Society), which comprise the statement of financial position as at December 31, 2017 and statement of income and expenditure account, statement of changes in net surplus 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 Shine Humanity Pakistan as at December 31, 2017 and its surplus for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

#### **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 Managing Committee 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 Those Charged with Governance for the Financial Statements**

The Managing Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Managing Committee determines 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, Managing Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society financial reporting process.

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## 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 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 the 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 Society's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness on the management's use of 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 Society'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 upto the date of our auditor's report. However, future events or conditions may cause the Society 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.

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh



**Crowe Hussain Chaudhury & Co.**  
Chartered Accountants


Karachi

Date: 24 SEP 2020

**SHINE HUMANITY PAKISTAN**  
**Statement of Financial Position**  
**As At December 31, 2017**

	<i>Notes</i>	2017	2016
		-----Rupees-----	
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	607,716	840,756
Investment		280,000	280,000
Security deposit		484,000	504,000
		<b>1,371,716</b>	1,624,756
<b>CURRENT ASSETS</b>			
Inventory	4	83,602	206,243
Advance tax		57,884	-
Advance to director		60,000	-
Cash and bank balances	5	2,227,598	1,295,972
		<b>2,429,084</b>	1,502,215
<b>TOTAL ASSETS</b>		<b>3,800,800</b>	3,126,971
<b>FUNDS AND LIABILITIES</b>			
Accumulated surplus		2,861,824	2,291,688
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	6	938,976	835,283
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>3,800,800</b>	<b>3,126,971</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

  
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**SHINE HUMANITY PAKISTAN**  
**Statement of Income and Expenditure**  
**For The Year Ended 31 December 2017**

	<i>Notes</i>	2017 -----Rupees-----	2016
<b>INCOME</b>			
OPD Income		<b>1,827,185</b>	1,165,535
Expenditure in the object of the trust	8	<u><b>(17,298,182)</b></u>	<u>(11,979,485)</u>
<b>Deficit arising from operations</b>		<b>(15,470,997)</b>	(10,813,950)
Administrative expenditure	9	<u><b>(521,638)</b></u>	(688,764)
<b>Net deficit</b>		<b>(15,992,635)</b>	(11,502,714)
Donations		<b>16,562,771</b>	10,795,410
Gain on sale of vehicle		<u><b>570,136</b></u>	(707,304)
Surplus for the year		<u><u><b>570,136</b></u></u>	<u><u><b>(707,304)</b></u></u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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**SHINE HUMANITY PAKISTAN**  
**Statement of Changes In Net Surplus**  
**For The Year Ended December 31, 2017**

	<u>Accumulated surplus</u> <u>(Rupees)</u>
Balance as at January 01, 2016	2,998,992
Deficit for year ended December 31, 2016	<u>(707,304)</u>
Balance as at ended December 31, 2017	2,291,688
<b>Surplus for year ended December 31, 2017</b>	<b>570,136</b>
<b>Balance as at December 31, 2017</b>	<b><u>2,861,824</u></b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

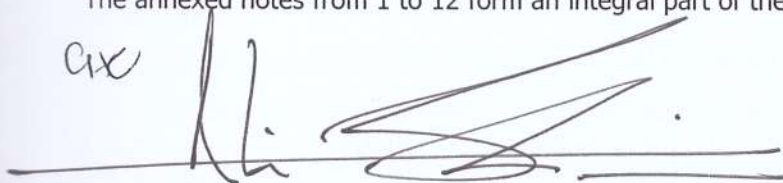
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**SHINE HUMANITY PAKISTAN**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2017**

	2017	2016
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the year	570,136	(707,304)
<b>Adjustment for</b>		
Depreciation	396,240	324,865
<b>Working capital changes</b>		
<b>(Decrease) / Increase in current assets</b>		
Inventory	122,641	(206,243)
Advance to director	(60,000)	-
Security deposit	20,000	-
	82,641	(206,243)
<b>Increase in current liabilities</b>		
Payable, accrued and other liabilities	103,693	130,512
Taxes Paid	(57,884)	-
<b>Net cash generated from operating activities</b>	<u>1,094,826</u>	<u>(458,170)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(163,200)	(8,600)
<b>Net cash used in investing activities</b>	<u>(163,200)</u>	<u>(8,600)</u>
<b>Net increase in cash and cash equivalents</b>	<u>931,626</u>	<u>(466,770)</u>
Cash and cash equivalents at the beginning of the year	1,295,972	1,762,742
<b>Cash and cash equivalents at the end of the year</b>	<u><u>2,227,598</u></u>	<u><u>1,295,972</u></u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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**SHINE HUMANITY PAKISTAN**  
**Notes to the Financial Statements**  
**For The Year Ended 31 December 2017**

**1 STATUS AND NATURE OF ACTIVITIES**

The Shine Humanity Pakistan (the Society) was registered under the Societies Registration Act, XXI of 1860 on June 4, 2013 and is working as a 'not for profit organization' dedicated to provide medical and humanitarian relief to needy and poor people in rural and urban areas. The Society is involved to build and operate self-sustainable healthcare facilities in poor and neglected communities in Pakistan. The registered office of the Society is situated at 3/A-1, 2nd West Street, Phase 1, DHA, Karachi, Sindh.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of presentation**

These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprises of Accounting and Financial Reporting Standards for Small Sized Entities and Guideline for Accounting and Financial Reporting by Non-Government Organization (NGOs) / Non-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

**2.2 Basis of measurement**

These financial statements have been prepared on the basis of historical cost convention.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Society and are rounded off to the nearest rupee.

**2.4 Fixed assets**

**Tangible**

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 3 to these financial statements.

Depreciation on additions is charged from the month in which the assets become available for use, while no depreciation is charged in the month of disposal.

Normal repairs and maintenance are charged to expense as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal of fixed assets are included in income currently.

The management assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

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	<i>Notes</i>	<b>2017</b>	<b>2016</b>
		-----Rupees-----	
<b>4</b>	<b>INVENTORY</b>		
	Medicines	<u>83,602</u>	<u>206,243</u>
<b>5</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	<b>222,097</b>	260,558
	Cash at banks:		
	- in current accounts	<u>2,005,501</u>	<u>1,035,414</u>
		<u><b>2,227,598</b></u>	<u>1,295,972</u>
<b>6</b>	<b>ACCRUED AND OTHER LIABILITIES</b>		
	Salaries payable	<b>663,547</b>	464,333
	EOBI payable	<b>11,050</b>	9,750
	Audit fee payable	<b>135,600</b>	264,000
	Other payable	<u>128,779</u>	<u>97,200</u>
		<u><b>938,976</b></u>	<u>835,283</u>
<b>7</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There are no contingencies and commitments as at December 31, 2017 (2016: NIL).		

	<i>Notes</i>	<b>2017</b>	<b>2016</b>
		-----Rupees-----	
<b>8</b>	<b>EXPENDITURE IN THE OBJECT OF THE TRUST</b>		
	Inventory consumed	<b>6,761,756</b>	3,442,923
	Salaries, wages and other benefits	<b>7,418,825</b>	5,389,906
	Printing and stationery	<b>166,552</b>	160,955
	Communication and internet	<b>8,260</b>	11,225
	Utilities	<b>137,606</b>	96,104
	Rent, rates & taxes	<b>737,700</b>	566,360
	Entertainment	<b>245,760</b>	281,312
	Depreciation	<b>396,240</b>	324,865
	Insurance	<b>296,016</b>	106,064
	General supplies	<b>21,128</b>	32,004
	Travelling charges	<b>123,900</b>	118,600.00
	Scanning expenses	<b>159,964</b>	-
	Fuel	<b>538,923</b>	336,853
	Laboratory expenses	<b>83,190</b>	47,148
	Charity	<b>49,500</b>	901,426
	Repair and maintenance	<u>152,862</u>	<u>163,740</u>
		<u><b>17,298,182</b></u>	<u><b>11,979,485</b></u>

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	<i>Notes</i>	2017	2016
		-----Rupees-----	
<b>8.1 Inventory consumed</b>			
Opening stock		206,243	-
Purchases - net		6,639,115	3,649,166
Closing stock		(83,602)	(206,243)
Inventory consumed		<u>6,761,756</u>	<u>3,442,923</u>
<b>9 ADMINISTRATIVE EXPENDITURE</b>			
Advertisement		55,465	10,101
Cleaning expenses		9,926	15,850
Conveyance charges		60,330	58,604
Courier charges		700	460
Auditor's remuneration	9.1	66,000	66,000
Professional charges		20,000	-
Advertisement		282,917	462,740
Miscellaneous		23,000	71,178
Bank Charges		3,300	3,831
		<u>521,638</u>	<u>688,764</u>
<b>9.1 AUDITOR'S REMUNERATION</b>			
Audit fee		60,000	60,000
Out of pocket expense		6,000	6,000
		<u>66,000</u>	<u>66,000</u>
<b>10 RELATED PARTY TRANSACTIONS</b>			

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefit fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of related party	Relationship	Nature of transaction	2017 2016	
			-----Rupees-----	
Mr. Saifullah	Director & CEO	Salary	1,200,000	1,200,000
		Re-imbusement	61,950	59,300
Mr. Hammad	Director	Salary	-	-
		Re-imbusement	61,950	59,300

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**11 DATE OF AUTHORISATION**

These financial statements were authorised for issue on 24 SEP 2020 by the Board of Trustees.

**12 GENERAL**

- Figures in these financial statements have been rounded off to the nearest rupee.
- The corresponding figures have been reclassified / re-arranged wherever necessary, for the purpose of better presentation.

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## Other Offices

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