



**SHINE HUMANITY PAKISTAN  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2019**

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, 2019 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, 2019 and its deficit 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.

*ase*

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

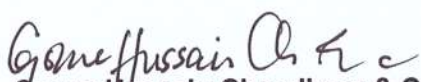
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that 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, 2019**

	<i>Notes</i>	<b>2019</b>	2018
-----Rupees-----			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	2,013,014	314,463
Investment		-	280,000
Security deposit		484,000	484,000
		<b>2,497,014</b>	1,078,463
<b>CURRENT ASSETS</b>			
Inventory	4	502,464	210,551
Advances and prepayments	5	208,500	451,716
Cash and bank balances	6	2,545,020	3,760,351
		<b>3,255,984</b>	4,422,618
<b>TOTAL ASSETS</b>		<b>5,752,998</b>	5,501,081
<b>FUNDS AND LIABILITIES</b>			
Accumulated surplus		4,402,949	4,574,250
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	7	1,350,049	926,831
<b>Contingencies and commitments</b>	8		
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>5,752,998</b>	5,501,081

The annexed notes from 1 to 14 form an integral part of these financial statements.

CH

  
 \_\_\_\_\_  
**TRUSTEE**

  
 \_\_\_\_\_  
**TRUSTEE**

**SHINE HUMANITY PAKISTAN**  
**Statement of Income and Expenditure**  
**For The Year Ended 31 December 2019**

	<i>Notes</i>	2019 -----Rupees-----	2018
<b>INCOME</b>			
OPD Income		<b>1,917,235</b>	1,842,270
Expenditure in the object of the trust	9	<b>(28,013,791)</b>	(17,945,495)
<b>Deficit arising from operations</b>		<b>(26,096,556)</b>	(16,103,225)
Administrative expenditure	10	<b>(713,054)</b>	(301,943)
<b>Net deficit</b>		<b>(26,809,610)</b>	(16,405,168)
Donations		<b>26,213,309</b>	18,117,594
Gain on sale of vehicle		<b>425,000</b>	-
		<b>(171,301)</b>	1,712,426
Surplus for the year		<b>(171,301)</b>	1,712,426

The annexed notes from 1 to 14 form an integral part of these financial statements.

Cxk

TRUSTEE

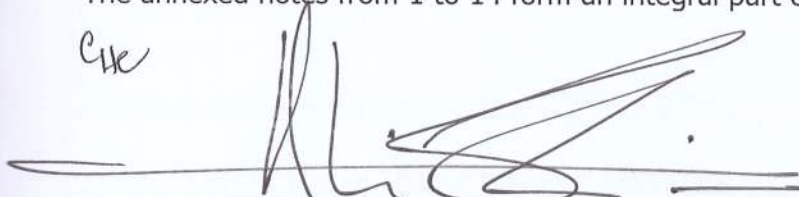
TRUSTEE

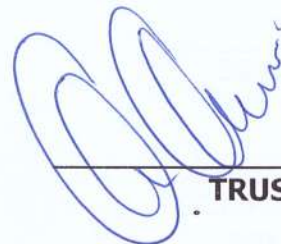
**SHINE HUMANITY PAKISTAN**  
**Statement Of Changes In Net Surplus**  
**For The Year Ended 31 December 2019**

	<u>Accumulated surplus</u> <u>(Rupees)</u>
Balance as at January 01, 2018	2,861,824
Surplus for the year ended December 31, 2018	1,712,426
Balance as at ended December 31, 2018	<u>4,574,250</u>
<b>Deficit for the year ended December 31, 2019</b>	<b>(171,301)</b>
<b>Balance as at December 31, 2019</b>	<b><u><u>4,402,949</u></u></b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

*eye*

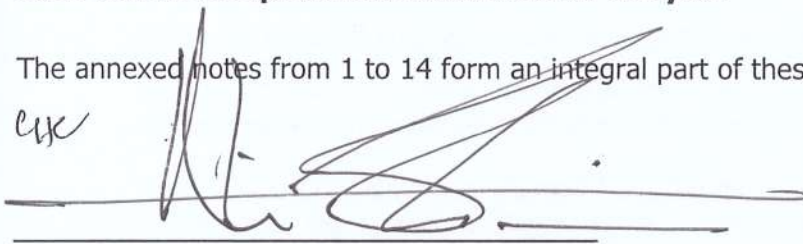
  
\_\_\_\_\_  
TRUSTEE

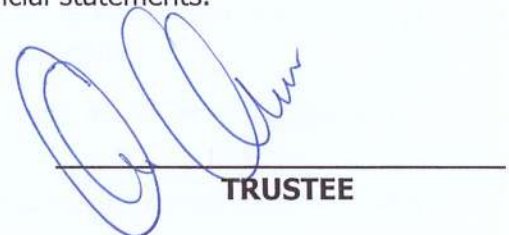
  
\_\_\_\_\_  
TRUSTEE

**SHINE HUMANITY PAKISTAN**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2019**

	<i>Notes</i>	<b>2019</b>	2018
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / (Deficit) for the year		<b>(171,301)</b>	1,712,426
<b>Adjustment for:</b>			
Depreciation	3	<b>386,340</b>	313,553
<b>Working capital changes:</b>			
<b>(Decrease) / Increase in current assets</b>			
Inventory		<b>(291,913)</b>	(126,949)
Advances and prepayments		<b>243,216</b>	(258,837)
		<b>(48,697)</b>	(385,786)
<b>Increase in current liabilities</b>			
Accrued and other payable		<b>423,218</b>	(12,145)
Taxes paid		-	(74,993)
<b>Net cash generated from operating activities</b>		<b>589,560</b>	1,553,055
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		<b>(2,084,893)</b>	(20,300)
Proceeds from sale of investments		<b>280,000</b>	-
<b>Net cash used in investing activities</b>		<b>(1,804,893)</b>	(20,300)
<b>Net increase in cash and cash equivalents</b>		<b>(1,215,331)</b>	1,532,753
Cash and cash equivalents at the beginning of the year		<b>3,760,351</b>	2,227,598
<b>Cash and cash equivalents at the end of the year</b>		<b>2,545,020</b>	3,760,351

The annexed notes from 1 to 14 form an integral part of these financial statements.

eye  
  
 \_\_\_\_\_  
**TRUSTEE**

  
 \_\_\_\_\_  
**TRUSTEE**

**SHINE HUMANITY PAKISTAN**  
**Notes to the Financial Statements**  
**For The Year Ended 31 December 2019**

**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.

*CHE*

## 2.5 Taxation

The Trust, being in fulfillment of all the conditions, as have been specified in Section 100C of the Income Tax Ordinance, 2001 is entitled to one hundred percent tax credit and accordingly, there is no income tax payable by the Trust under Income Tax Ordinance, 2001.

## 2.6 Revenue recognition

Restricted revenue is recognized as income when the related cost is incurred whereas unrestricted revenue and donations are recognized on receipt basis.

Mark-up on bank deposits is recognized on accrual basis.

## 2.7 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the Society intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.8 Provisions and Accrued liabilities

Provisions are recorded when the Society has a present obligation as a result of past events, which it is probable will result in an outflow of economic benefits and a reliable estimate of the amount of the obligation can be made.

## 2.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances, bank overdrawn and bank loan.

## 2.10 Inventory

Inventories are held for distribution at no charge and are measured at lower of cost and current replacement cost.

Current replacement cost is the price that an entity would pay to replace an existing asset at current market prices with a similar asset.

## 3 PROPERTY & EQUIPMENT

Particulars	COST				RATE	ACCUMULATED DEPRECIATION			WDV	
	As at 01 January 2019	Additions	Disposal	As at 31 December 2019		As at 01 January 2019	Charge for the year	Adjustment	As at 31 December 2019	As at 31 December 2019
	----- Rupees -----				%	----- Rupees -----				
Computers	52,550	80,800	-	133,350	30%	52,549	20,388	-	72,937	60,413
Vehicles	805,254	1,208,955	(805,254)	1,208,955	25%	805,253	151,119	(805,254)	151,118	1,057,837
Furniture and fixtures	332,061	475,700	-	807,761	15%	163,702	89,474	-	253,176	554,585
Office equipments	438,335	224,438	-	662,773	30%	305,651	97,419	-	403,070	259,703
Generator	140,000	95,000	-	235,000	33%	126,584	27,940	-	154,524	80,476
<b>2019</b>	<b>1,768,200</b>	<b>2,084,893</b>	<b>(805,254)</b>	<b>3,047,839</b>		<b>1,453,739</b>	<b>386,340</b>	<b>(805,254)</b>	<b>1,034,825</b>	<b>2,013,014</b>
<b>2018</b>	<b>1,747,900</b>	<b>20,300</b>		<b>1,768,200</b>		<b>1,140,184</b>	<b>313,553</b>		<b>1,453,737</b>	<b>314,463</b>

CSX

	<i>Notes</i>	<b>2019</b>	<b>2018</b>
		-----Rupees-----	
<b>4</b>	<b>INVENTORY</b>		
	Medicines	<u>502,464</u>	<u>210,551</u>
<b>5</b>	<b>ADVANCES AND PREPAYMENTS</b>		
	Advances receivables	-	44,149
	Advance to directors	-	60,000
	Prepaid insurance	<b>208,500</b>	214,689
	Advance tax	-	132,878
		<u>208,500</u>	<u>451,716</u>
<b>6</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	<b>105,480</b>	236
	Cash at banks: in current accounts	<u>2,439,540</u>	<u>3,760,115</u>
		<u>2,545,020</u>	<u>3,760,351</u>
<b>7</b>	<b>ACCRUED AND OTHER PAYABLES</b>		
	Salaries payable	<b>963,089</b>	707,092
	EOBI payable	<b>11,050</b>	11,050
	Audit fee payable	<b>66,000</b>	201,600
	Medicine liabilities	<b>102,300</b>	-
	Other payable	<b>207,610</b>	7,089
		<u>1,350,049</u>	<u>926,831</u>
<b>8</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There are no contingencies and commitments as at December 31, 2019 (2018: Nil).		
	<i>Notes</i>	<b>2019</b>	<b>2018</b>
		-----Rupees-----	
<b>9</b>	<b>EXPENDITURE IN THE OBJECT OF TRUST</b>		
	Inventory consumed	<b>9.1</b> <b>6,758,279</b>	5,673,124
	Salaries, wages and other benefits	<b>11,817,275</b>	8,970,234
	Printing and stationery	<b>243,012</b>	166,981
	Communication and internet	<b>28,720</b>	18,760
	Utilities	<b>208,329</b>	102,773
	Rent, rates & taxes	<b>936,884</b>	860,698
	Meals & entertainment	<b>382,797</b>	299,236
	Depreciation	<b>386,340</b>	313,553
	General supplies	<b>177,640</b>	2,620
	Travelling	<b>36,710</b>	64,500
	Software	<b>29,120</b>	-
	Scanning	<b>8,628</b>	41,924
	Medical Mission	<b>9.2</b> <b>4,705,780</b>	-
	Insurance	<b>682,777</b>	300,848
	Fuel	<b>790,468</b>	769,761
	Laboratory expenses	<b>188,343</b>	-
	Charity	<b>467,750</b>	210,700
	Repair and maintenance	<b>164,939</b>	149,783
		<u>28,013,791</u>	<u>17,945,495</u>

CAE

	<i>Notes</i>	2019	2018
		-----Rupees-----	
<b>9.1 Inventory consumed</b>			
Opening stock		210,551	83,602
Purchases - net		7,050,192	5,800,073
Closing stock		<u>(502,464)</u>	<u>(210,551)</u>
Inventory consumed		<u>6,758,279</u>	<u>5,673,124</u>

<b>9.2 Medical Mission</b>			
Inventory consumed		2,055,315	-
Travelling and accomodations		2,605,665	-
Printing and stationary		44,800	-
		<u>4,705,780</u>	<u>-</u>

**9.2.1** During the year, the Society has undertaken an activity in the areas of Gilgit Baltistan by establishing a medical camps free of cost.

	<i>Notes</i>	2019	2018
		-----Rupees-----	
<b>10 ADMINISTRATIVE EXPENSES</b>			
Advertisement		23,900	2,050
Bad debt		2,367	-
Cleaning		13,370	9,750
Conveyance charges		98,242	41,920
Courier charges		740	700
Auditor's remuneration	10.1	66,000	66,000
Advertisement		23,900	112,500
Miscellaneous		325,494	67,773
Bank charges		159,041	1,250
		<u>713,054</u>	<u>301,943</u>

<b>10.1 Auditors' remuneration</b>			
Audit fee		60,000	60,000
Out of pocket expense		1,111	1,111
Sindh sales tax @ 8% (2018: @ 8%)		4,889	4,889
		<u>66,000</u>	<u>66,000</u>

CHK

**11 RELATED PARTY TRANSACTIONS**

Related parties comprise key management personnel, employees and executives.

Significant transactions with related parties during the year are as under:

Name of related party	Relationship	Nature of transaction	2019 2018	
			-----Rupees-----	
Mr. Saifullah	Director & CEO	Salary	1,200,000	1,200,000
		Re-imbusement	-	76,500
Mr. Hammad	Director	Salary	-	-

**12 NUMBER OF EMPLOYEES**

Number of employees at year end

23

19

**13 DATE OF AUTHORISATION**

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

**14 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.

CHK

TRUSTEE

TRUSTEE