



**SHINE HUMANITY PAKISTAN**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**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, 2021 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, 2021 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.



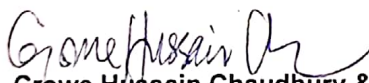
## Auditor's Responsibilities for the Audit of the Financial Statements

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 up to 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.

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

Engagement Partner: Imran Shaikh


Karachi **13 OCT 2022**  
Date:  
UDIN: AR202110207jHg39I2mC

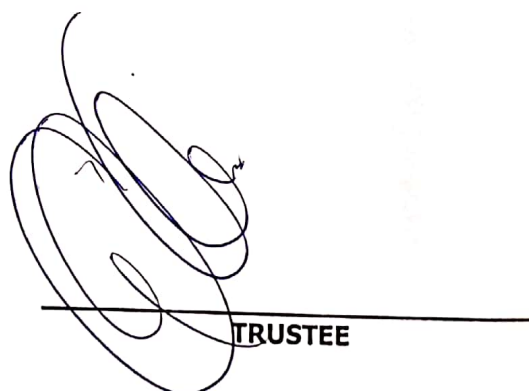
**SHINE HUMANITY PAKISTAN  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2021**

	Note	2021 ----- Rupees -----	2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	7,434,563	2,773,490
Intangible asset	4	2,430,996	-
Security deposit		340,000	-
		<u>10,205,559</u>	<u>2,773,490</u>
<b>CURRENT ASSETS</b>			
Inventory	5	740,592	870,457
Advances and prepayments	6	412,586	235,052
Cash and bank balances	7	14,346,407	1,997,222
		<u>15,499,585</u>	<u>3,102,731</u>
<b>TOTAL ASSETS</b>		<u><u>25,705,144</u></u>	<u><u>5,876,221</u></u>
<b>FUNDS AND LIABILITIES</b>			
Accumulated surplus		14,089,971	2,008,034
Fixed assets fund	8	8,859,052	-
		<u>22,949,023</u>	<u>2,008,034</u>
<b>CURRENT LIABILITIES</b>			
Loan from related party	9	-	1,000,000
Accrued and other payables	10	2,756,121	2,868,187
		<u>2,756,121</u>	<u>3,868,187</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>25,705,144</u></u>	<u><u>5,876,221</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-

The annexed notes from 1 to 15 form an integral part of these financial statements.

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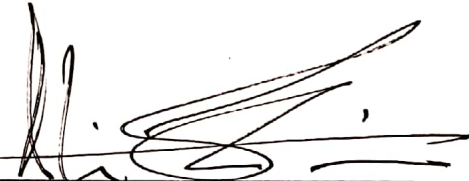
  
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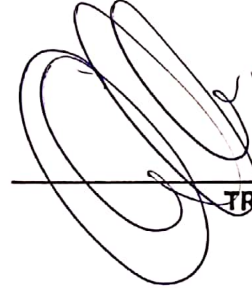
  
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**SHINE HUMANITY PAKISTAN  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 ----- Rupees -----	2020
OPD Income		2,410,835	1,357,865
Expenditure in the object of the trust	12	(40,114,177)	(22,485,314)
Deficit arising from operation		(37,703,342)	(21,127,449)
<b>EXPENDITURES</b>			
Administrative expenditure	13	(1,949,719)	(978,823)
		(1,949,719)	(978,823)
Net deficit from operations		(39,653,061)	(22,106,272)
Donations		51,734,998	19,711,357
		51,734,998	19,711,357
Total Surplus/ (Deficit) for the year		12,081,937	(2,394,915)

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
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**SHINE HUMANITY PAKISTAN  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 ----- Rupees -----	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/ (Deficit) before tax for the year		<b>12,081,937</b>	(2,383,035)
<b>Adjustments</b>			
Depreciation	3	<b>1,341,896</b>	631,784
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Inventory		<b>129,865</b>	(367,993)
Advances and prepayments		<b>(177,534)</b>	(26,552)
Security deposit		<b>(340,000)</b>	484,000
		<b>(387,669)</b>	89,455
<b>Increase in current liabilities</b>			
Accrued and other payable		<b>(112,066)</b>	1,506,258
<b>Net cash generated/used from operating activities</b>		<b>12,924,098</b>	(155,538)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure	3	<b>(6,002,969)</b>	(1,392,260)
Intangibles	4	<b>(2,430,996)</b>	-
<b>Net cash used in investing activities</b>		<b>(8,433,965)</b>	(1,392,260)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from related party		<b>(1,000,000)</b>	1,000,000
Fixed assets fund		<b>8,859,052</b>	-
<b>Net cash used in investing activities</b>		<b>7,859,052</b>	1,000,000
<b>Net increase in cash and cash equivalents</b>		<b>12,349,185</b>	(547,798)
Cash and cash equivalents at the beginning of the year		<b>1,997,222</b>	2,545,020
<b>Cash and cash equivalents at the end of the year</b>		<b>14,346,407</b>	1,997,222

The annexed notes from 1 to 15 form an integral part of these financial statements.

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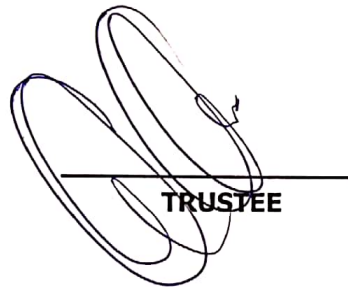
**SHINE HUMANITY PAKISTAN  
STATEMENT OF CHANGES IN NET SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Accumulated surplus</b>
	<b>--- Rupees ---</b>
Balance as at January 01, 2020	4,402,949
Deficit for year ended December 31, 2020	(2,394,915)
Balance as at December 31, 2020	<u>2,008,034</u>
Surplus for year ended December 31, 2021	12,081,937
<b>Balance as at December 31, 2021</b>	<b><u><u>14,089,971</u></u></b>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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**SHINE HUMANITY PAKISTAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 quick, efficient and compassionate medical and humanitarian relief to needy and poor people in rural and urban areas purely on non-profit basis. The purpose for which the Society is organized is to build and operate self-sustainable healthcare facilities in poor and neglected communities in Pakistan and to provide humanitarian and disaster relief when feasible. 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.

**2.3 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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## **2.4 Taxation**

### **Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates, if any.

## **2.5 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.

## **2.6 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.

## **2.7 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.

## **2.8 Cash and cash equivalents**

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

## **2.9 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.

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**3 PROPERTY & EQUIPMENT**

Particulars	COST			RATE	ACCUMULATED DEPRECIATION			WDV
	As at January 01, 2021	Additions / (Disposal)	As at December 31, 2021		As at January 01, 2021	Charge for the year	As at December 31, 2021	As at December 31, 2021
	----- Rupees -----			%	----- Rupees -----			
Computers	299,850	1,728,450	2,028,300	30%	99,386	386,350	485,736	1,542,564
Vehicles	2,434,715	-	2,434,715	25%	568,797	466,479	1,035,277	1,399,438
Furniture and fixtures	807,761	795,127	1,602,888	15%	336,364	95,631	431,995	1,170,893
Office equipments	662,773	3,301,392	3,964,165	30%	480,981	365,853	846,833	3,117,332
Generator	235,000	178,000	413,000	33%	181,081	27,583	208,664	204,336
<b>2021</b>	<b>4,440,099</b>	<b>6,002,969</b>	<b>10,443,068</b>		<b>1,666,609</b>	<b>1,341,896</b>	<b>3,008,506</b>	<b>7,434,563</b>
<b>2020</b>	<b>3,047,839</b>	<b>1,392,260</b>	<b>4,440,099</b>		<b>1,034,825</b>	<b>631,784</b>	<b>1,666,609</b>	<b>2,773,490</b>

**4 Intangible**

Opening balance

Purchase during the year

Amortization charged during the year

Amortization rate

Note

**2021****2020**

----- Rupees -----

**2,701,107**

-

**270,111**

-

**2,430,996**

-

**10%****10%****5 INVENTORY**

Medicines

**740,592****870,457****6 ADVANCES AND PREPAYMENTS**

Advances receivables

Prepaid insurance

**10,000****10,000****402,586****225,052****412,586****235,052****7 CASH AND BANK BALANCES**

Cash in hand

Cash at bank

**168****70,962****14,346,239****1,926,260****14,346,407****1,997,222****8 FIXED ASSET FUND**

Opening

Received during the year

Depreciation / amortization charged

-

-

**9,908,949**

-

**(1,049,897)**

-

**8,859,052**

-

**9 LOAN FROM RELATED PARTY**

This represents interest free loan from a managing trustee of the Society and is paid in current month.

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10 ACCRUED AND OTHER PAYABLES	Note	2021	2020
		----- Rupees -----	
Salaries payable		2,252,846	1,340,761
EOBI payable		34,450	23,400
Audit fee payable		84,491	77,880
Medicine liabilities		157,142	1,409,318
Other payable		227,192	16,827
		<u>2,756,121</u>	<u>2,868,187</u>

### 11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2021 (2020: Nil)

12 OPERATING EXPENSES	Notes	2021	2020
		----- Rupees -----	
Inventory consumed	9.1	9,367,677	4,604,742
Salaries, wages and other benefits		23,867,699	13,119,346
Printing and stationery		276,414	161,781
Communication & Internet		201,086	7,500
Utilities		1,165,660	235,799
Rent, rates & taxes		680,000	1,517,568
Meals & entertainment		252,405	195,428
Depreciation		562,110	631,784
General Supplies		485,795	136,459
Traveling and conveyance		94,954	86,276
Insurance		719,489	426,255
Fuel		1,080,920	655,549
Laboratory expenses		466,396	231,688
Charity		-	90,000
Repair and maintenance		893,572	385,138
		<u>40,114,177</u>	<u>22,485,314</u>
<b>12.1 INVENTORY CONSUMED</b>			
Opening stock		870,457	502,464
Purchases - net		9,237,812	4,972,735
Closing stock		(740,592)	(870,457)
Inventory consumed		<u>9,367,677</u>	<u>4,604,742</u>

### 13 ADMINISTRATIVE EXPENSES

Advertisement	278,479	376,903
Cleaning	50,848	27,468
Auditor's remuneration	84,491	77,880
Legal & professional	1,439,440	365,480
Fee & subscription	-	20,500
Conveyance charges	86,431	-
Bank charges	10,030	110,592
	<u>1,949,719</u>	<u>978,823</u>

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**14 DATE OF AUTHORISATION FOR ISSUE**


These unconsolidated financial statements have been approved for issue on ~~11 OCT 2022~~ by the Board of Trustee.

**15 GENERAL**

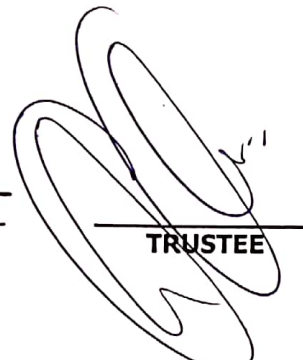
The figures in the unconsolidated financial statements have been rounded off to the nearest rupee.

The comparative figures have been reclassified / rearranged for the purpose of better presentation.

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