



SHINE HUMANITY PAKISTAN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020**

Private & Confidential



Crowe Hussain Chaudhury & Co.
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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, 2020 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, 2020 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.

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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 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.

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


Crowe Hussain Chaudhury & Co.
Chartered Accountants

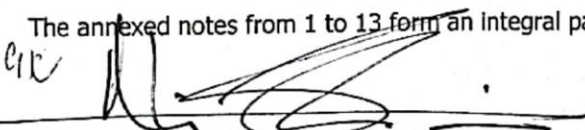
Karachi

Date: 23 SEP 2021

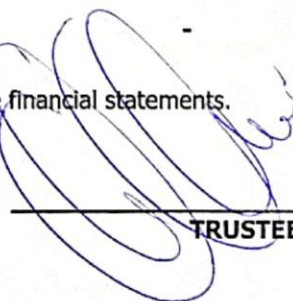
**SHINE HUMANITY PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Note	2020 ----- Rupees -----	2019
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	2,773,490	2,013,014
Security deposit		-	484,000
		2,773,490	2,497,014
CURRENT ASSETS			
Inventory	4	870,457	502,464
Advances and prepayments	5	235,052	208,500
Cash and bank balances	6	1,997,222	2,545,020
		3,102,731	3,255,984
TOTAL ASSETS		5,876,221	5,752,998
FUNDS AND LIABILITIES			
Accumulated surplus		2,008,034	4,402,949
CURRENT LIABILITIES			
Loan from related party	7	1,000,000	-
Accrued and other payables	8	2,868,187	1,350,049
		3,868,187	1,350,049
TOTAL FUNDS AND LIABILITIES		5,876,221	5,752,998
CONTINGENCIES AND COMMITMENTS	8	-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.



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**SHINE HUMANITY PAKISTAN
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 ----- Rupees -----	2019
INCOME			
OPD Income		1,357,865	1,917,235
Expenditure in the object of the trust	10	<u>(22,485,314)</u>	<u>(28,112,033)</u>
Deficit arising from operation		<u>(21,127,449)</u>	<u>(26,194,798)</u>
EXPENDITURES			
Administrative expenditure	11	<u>(978,823)</u>	<u>(614,812)</u>
		<u>(978,823)</u>	<u>(614,812)</u>
Net deficit		<u>(22,106,272)</u>	<u>(26,809,610)</u>
Donations		<u>19,711,357</u>	<u>26,213,309</u>
Gain on sale of assets		<u>-</u>	<u>425,000</u>
		<u>19,711,357</u>	<u>26,638,309</u>
Deficit for the year		<u><u>(2,394,915)</u></u>	<u><u>(171,301)</u></u>

The annexed notes from 1 to 13 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, 2020**

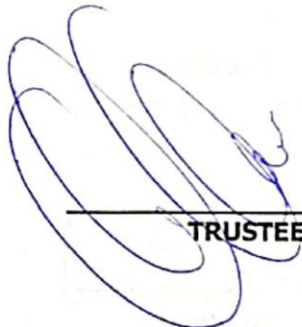
	Accumulated surplus --- Rupees ---
Balance as at January 01, 2019	4,574,250
Deficit for year ended December 31, 2019	(171,301)
Balance as at ended December 31, 2019	<u>4,402,949</u>
Deficit for year ended December 31, 2020	(2,394,915)
Balance as at December 31, 2020	<u><u>2,008,034</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

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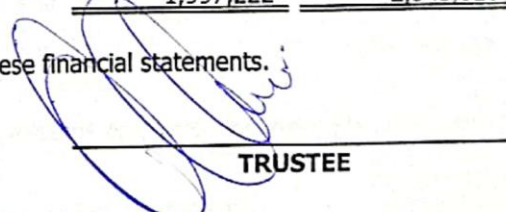
**SHINE HUMANITY PAKISTAN
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 ----- Rupees -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax for the year		(2,383,035)	(171,301)
Adjustments			
Depreciation	3	631,784	386,340
Working capital changes			
(Increase) / decrease in current assets			
Inventory		(367,993)	(291,913)
Advances and prepayments		(26,552)	243,216
Security deposit		484,000	-
		89,455	(48,697)
Increase in current liabilities			
Accrued and other payable		1,506,258	423,218
Net cash generated from operating activities		<u>(155,538)</u>	<u>589,560</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,392,260)	(2,084,893)
Proceeds from sale of investments		-	280,000
Net cash used in investing activities		<u>(1,392,260)</u>	<u>(1,804,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Director		1,000,000	-
Net cash used in investing activities		<u>1,000,000</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>(547,798)</u>	<u>(1,215,331)</u>
Cash and cash equivalents at the beginning of the year		2,545,020	3,760,351
Cash and cash equivalents at the end of the year		<u><u>1,997,222</u></u>	<u><u>2,545,020</u></u>

The annexed notes from 1 to 13 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, 2020**

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.

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, 2020	Additions / (Disposal)	As at December 31, 2020		As at January 01, 2020	Charge for the year	As at December 31, 2020	As at December 31, 2020
	----- Rupees -----			%	----- Rupees -----			
Computers	133,350	166,500	299,850	30%	72,937	26,449	99,386	200,464
Vehicles	1,208,955	1,225,760	2,434,715	25%	151,118	417,679	568,797	1,865,918
Furniture and fixtures	807,761	-	807,761	15%	253,176	83,188	336,364	471,397
Office equipments	662,773	-	662,773	30%	403,070	77,911	480,981	181,792
Generator	235,000	-	235,000	33%	154,524	26,557	181,081	53,919
2020	3,047,839	1,392,260	4,440,099		1,034,825	631,784	1,666,609	2,773,490
2019	1,768,200	2,084,893	3,853,093		1,453,739	386,340	1,840,079	2,013,014

2020 2019
----- Rupees -----

4 INVENTORY

Medicines	<u>870,457</u>	<u>502,464</u>
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5 ADVANCES AND PREPAYMENTS

Advances receivables	<u>10,000</u>	-
Prepaid insurance	<u>225,052</u>	<u>208,500</u>
	<u>235,052</u>	<u>208,500</u>

6 CASH AND BANK BALANCES

Cash in hand	<u>70,962</u>	<u>105,480</u>
Cash at bank	<u>1,926,260</u>	<u>2,439,540</u>
	<u>1,997,222</u>	<u>2,545,020</u>

7 LOAN FROM RELATED PARTY

This represents interest free loan from a managing trustee of the Society and is re-payable on demand.

8 ACCRUED AND OTHER PAYABLES

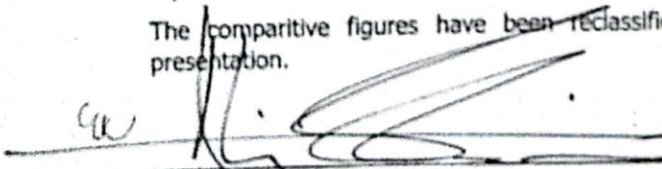
Salaries payable	<u>1,340,761</u>	<u>963,089</u>
EOBI payable	<u>23,400</u>	<u>11,050</u>
Audit fee payable	<u>77,880</u>	<u>66,000</u>
Medicine liabilities	<u>1,409,318</u>	<u>102,300</u>
Other payable	<u>16,827</u>	<u>207,610</u>
	<u>2,868,187</u>	<u>1,350,049</u>

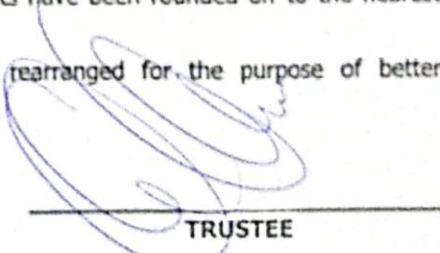
9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2020 (2019: Nil)

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	Notes	2020 ----- Rupees -----	2019 ----- Rupees -----
10 OPERATING EXPENSES			
Inventory consumed	9.1	4,604,742	6,758,279
Salaries, wages and other benefits		13,119,346	11,817,275
Printing and stationery		161,781	251,640
Communication & Internet		7,500	28,720
Utilities		235,799	208,329
Rent, rates & taxes		1,517,568	936,884
Meals & entertainment		195,428	382,797
Depreciation		631,784	386,340
General Supplies		136,459	177,640
Traveling and conveyance		86,276	134,952
Software		-	29,120
Medical Mission		-	4,705,780
Insurance		426,255	682,777
Fuel		655,549	790,468
Laboratory expenses		231,688	188,343
Charity		90,000	467,750
Repair and maintenance		385,138	164,939
		<u>22,485,314</u>	<u>28,112,033</u>
10.1 INVENTORY CONSUMED			
Opening stock		502,464	210,551
Purchases - net		4,972,735	7,050,192
Closing stock		(870,457)	(502,464)
Inventory consumed		<u>4,604,742</u>	<u>6,758,279</u>
11 ADMINISTRATIVE EXPENSES			
Advertisement		376,903	23,900
Bad debt		-	2,367
Cleaning		27,468	13,370
Auditor's remuneration		77,880	66,000
Advertisement		-	23,900
Legal & professional		365,480	-
Fee & subscription		20,500	-
Miscellaneous		-	326,234
Bank charges		110,592	159,041
		<u>978,823</u>	<u>614,812</u>
12 DATE OF AUTHORISATION FOR ISSUE			
These unconsolidated financial statements have been approved for issue on <u>23 SEP 2021</u> by the Board of Trustee.			
13 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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