



SHINE HUMANITY PAKISTAN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022**

Private & Confidential



Crowe Hussain Chaudhury & Co.

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, 2022 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, 2022 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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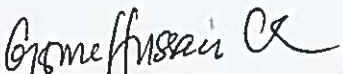
Auditor's Responsibilities for the Audit of the Financial Statements

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 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.


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Engagement Partner: Imran Shaikh

Karachi
Date: 30 SEP 2023
UDIN: AR2022102076Wv0u8Y30

**SHINE HUMANITY PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**


	Note	2022 ----- Rupees -----	2021 -----
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	36,699,439	7,434,563
Intangible asset	4	5,058,580	2,430,996
Security deposit		964,000	340,000
		<u>42,722,019</u>	<u>10,205,559</u>
CURRENT ASSETS			
Inventory	5	3,146,211	740,592
Advances and prepayments	6	1,288,421	412,586
Cash and bank balances	7	25,608,349	14,346,407
		<u>30,042,981</u>	<u>15,499,585</u>
TOTAL ASSETS		<u>72,765,000</u>	<u>25,705,144</u>
FUNDS AND LIABILITIES			
Accumulated surplus		44,035,704	14,089,971
Fixed assets fund	8	13,674,095	8,859,052
		<u>57,709,799</u>	<u>22,949,023</u>
CURRENT LIABILITIES			
Accrued and other payables	10	7,409,761	2,756,121
Deferred Liability		7,645,440	-
TOTAL FUNDS AND LIABILITIES		<u>72,765,000</u>	<u>25,705,144</u>
CONTINGENCIES AND COMMITMENTS	11	-	-

The annexed notes from 1 to 15 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, 2022**

	Note	2022 ----- Rupees -----	2021
INCOME			
OPD Income		5,184,497	2,410,835
Expenditure in the object of the trust	12	(87,936,163)	(40,114,177)
Deficit arising from operation		<u>(82,751,666)</u>	<u>(37,703,342)</u>
EXPENDITURES			
Administrative expenditure	13	<u>(3,599,234)</u>	<u>(1,949,719)</u>
Net deficit		<u>(3,599,234)</u>	<u>(1,949,719)</u>
		<u>(86,350,900)</u>	<u>(39,653,061)</u>
Donations		116,221,175	51,734,998
Other Income		75,458	-
		116,296,633	51,734,998
Surplus for the year		<u>29,945,733</u>	<u>12,081,937</u>

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, 2022**

Accumulated surplus

--- Rupees ---

Balance as at December 31, 2020	2,008,034
Surplus for year ended December 31, 2021	12,081,937
Balance as at December 31, 2021	<u>14,089,971</u>
Surplus for year ended December 31, 2022	<u>29,945,733</u>
Balance as at December 31, 2022	<u><u>44,035,704</u></u>

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, 2022**

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (Deficit) before tax for the year		29,945,733	12,081,937
Adjustments			
Depreciation	3	5,238,215	1,341,896
Working capital changes			
(Increase) in current assets			
Inventory		(2,405,619)	129,865
Advances and prepayments		(875,835)	(177,534)
Security deposit		(624,000)	(340,000)
Increase /(decrease) in current liabilities		(3,905,454)	(387,669)
Accrued and other payable		4,653,639	(112,066)
Net cash generated from operating activities		35,932,134	12,924,098
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure	3	(34,106,907)	(6,002,969)
Intangibles	4	(3,023,769)	(2,430,996)
Net cash used in investing activities		(37,130,676)	(8,433,965)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from Related Party	9	-	(1,000,000)
Fixed assets fund	8	12,460,483	8,859,052
Net cash generated in investing activities		12,460,483	7,859,052
Net increase in cash and cash equivalents		11,261,942	12,349,185
Cash and cash equivalents at the beginning of the year		14,346,407	1,997,222
Cash and cash equivalents at the end of the year		25,608,349	14,346,407

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, 2022

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.

2.4 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 reducing balance 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.

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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.

2.5 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.

2.6 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.

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3 PROPERTY & EQUIPMENT

Particulars	COST			RATE	ACCUMULATED DEPRECIATION			WDV
	As at January 01, 2022	Additions / (Disposal)	As at December 31, 2022		As at January 01, 2022	Charge for the year	As at December 31, 2022	As at December 31, 2022
	----- Rupees -----			%	----- Rupees -----			
Computers	2,028,300	1,150,914	3,179,214	30%	485,736	653,186	1,138,922	2,040,292
Vehicles	2,434,715	18,303,252	20,737,967	25%	1,035,277	2,084,330	3,119,607	17,618,360
Furniture and fixtures	1,602,888	2,972,946	4,575,834	15%	431,995	269,340	701,335	3,874,499
Office equipments	3,964,165	3,568,015	7,532,180	30%	846,833	1,376,760	2,223,593	5,308,587
Generator	413,000	227,000	640,000	33%	208,664	79,916	288,580	351,420
Containers	-	5,553,300	5,553,300	10%	-	185,110	185,110	5,368,190
Plant & Machinery	-	2,331,480	2,331,480	15%	-	193,389	193,389	2,138,091
2022	10,443,068	34,106,907	44,549,975		3,008,505	4,842,031	7,850,537	36,699,439
2021	4,440,099	6,002,969	10,443,068		1,666,609	1,341,896	3,008,505	7,434,563

Note **2022** **2021**
----- Rupees -----

4 Intangible

Opening balance	2,430,996	-
Purchase during the year	3,023,769	2,701,107
	<u>5,454,765</u>	<u>2,701,107</u>
Amortization charged during the year	396,185	270,111
	<u>5,058,580</u>	<u>2,430,996</u>
Amortization rate	<u>10%</u>	<u>10%</u>

5 INVENTORY

Medicines	<u>3,146,211</u>	<u>740,592</u>
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6 ADVANCES AND PREPAYMENTS

Loan to staff	49,884	-
Other receivables	425,000	-
Advances receivables	-	10,000
Prepaid insurance	813,537	402,586
	<u>1,288,421</u>	<u>412,586</u>

7 CASH AND BANK BALANCES

Cash in hand	53,435	168
Cash at bank	25,554,914	14,346,239
	<u>25,608,349</u>	<u>14,346,407</u>

8 FIXED ASSET FUND

Opening	8,859,052	-
Received during the year	5,257,769	9,908,949
Utilized during the year	(442,726)	(1,049,897)
	<u>13,674,095</u>	<u>8,859,052</u>

9 LOAN FROM RELATED PARTY

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

10 ACCRUED AND OTHER PAYABLES	Note	2022	2021
		----- Rupees -----	-----
Salaries payable		4,098,947	2,252,846
EOBI payable		99,055	34,450
Audit fee payable		97,165	84,491
Medicine liabilities		2,461,395	157,142
Other payable		653,199	227,192
		7,409,761	2,756,121

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2022 (2021: Nil).

12 OPERATING EXPENSES	Notes	2022	2021
		----- Rupees -----	-----
Inventory consumed	12.1	16,949,944	9,367,677
Salaries, wages and other benefits		41,977,696	23,867,699
Printing and stationery		761,345	276,414
Communication & Internet		399,673	201,086
Utilities		1,574,317	1,165,660
Rent, rates & taxes		2,405,920	680,000
Meals & entertainment		690,240	252,405
Depreciation		4,795,489	562,110
General Supplies		1,630,776	485,795
Traveling and conveyance		1,234,373	94,954
Insurance		1,182,937	719,489
Fuel		3,686,779	1,080,920
Laboratory expenses		2,364,574	466,396
Repair and maintenance		3,826,500	893,572
Other expenses		17,600	-
Flood Relief Camp Exp		4,438,000	-
		87,936,163	40,114,177
12.1 INVENTORY CONSUMED			
Opening stock		740,592	870,457
Purchases - net		19,355,563	9,237,812
Closing stock		(3,146,211)	(740,592)
Inventory consumed		16,949,944	9,367,677

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	2022	2021
Note	----- Rupees -----	
13 ADMINISTRATIVE EXPENSES		
Advertisement	2,256,141	278,479
Cleaning	177,091	50,848
Auditor's remuneration	97,165	84,491
Legal & professional	987,039	1,439,440
Conveyance charges	81,798	86,431
Bank charges	-	10,030
	3,599,234	1,949,719

14 DATE OF AUTHORISATION FOR ISSUE

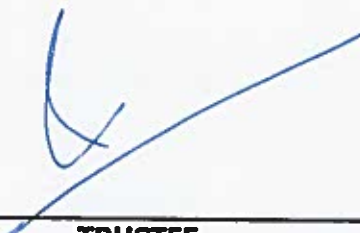
These financial statements have been approved for issue on September 28, 2023 by the Board of Trustee.

15 GENERAL

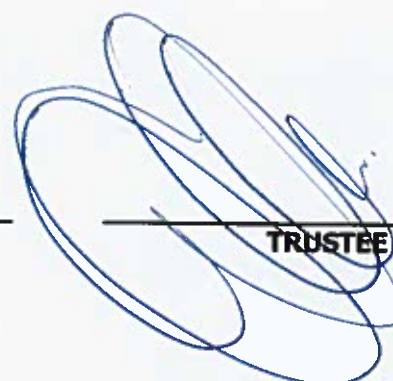
The figures in the unconsolidated financial statements have been rounded off to the nearest rupee.

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

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