



SHINE HUMANITY PAKISTAN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018**

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, 2018 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, 2018 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

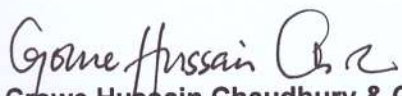
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that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

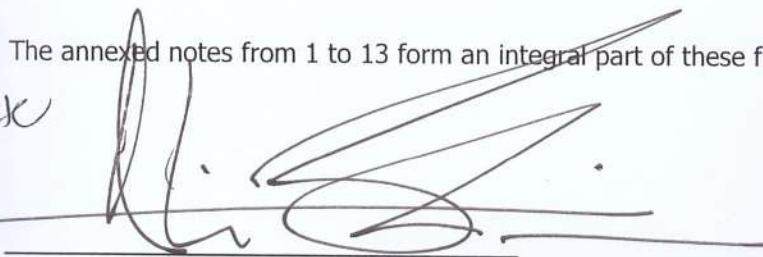
Date: 24 SEP 2020

SHINE HUMANITY PAKISTAN
Statement of Financial Position
As At December 31, 2018

	<i>Notes</i>	2018	2017
		-----Rupees-----	
NON-CURRENT ASSETS			
Property and equipment	3	314,463	607,716
Investment		280,000	280,000
Security deposit		484,000	484,000
		1,078,463	1,371,716
CURRENT ASSETS			
Inventory	4	210,551	83,602
Advance tax		132,878	57,884
Advances and prepayments	5	258,837	-
Advance to director		60,000	60,000
Cash and bank balances	6	3,760,351	2,227,598
		4,422,617	2,429,084
TOTAL ASSETS		<u>5,501,081</u>	<u>3,800,800</u>
FUNDS AND LIABILITIES			
Accumulated surplus		4,574,250	2,861,824
CURRENT LIABILITIES			
Accrued and other payables	7	926,831	938,976
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL FUNDS AND LIABILITIES		<u>5,501,081</u>	<u>3,800,800</u>

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

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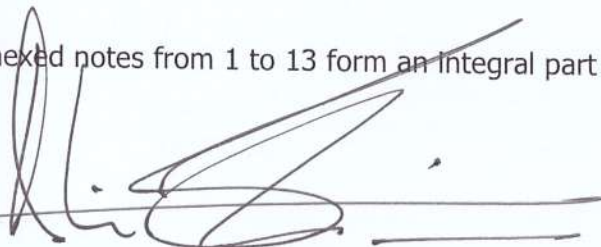
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SHINE HUMANITY PAKISTAN
Statement of Income and Expenditure
For The Year Ended 31 December 2018

	<i>Notes</i>	2018 -----Rupees-----	2017
INCOME			
OPD Income		1,842,270	1,827,185
Expenditure in the object of the trust	9	(17,945,495)	(17,298,182)
Deficit arising from operations		(16,103,225)	(15,470,997)
Administrative expenditure	10	(301,943)	(521,638)
Net deficit		(16,405,168)	(15,992,635)
Donations		18,117,594	16,562,771
Gain on sale of vehicle		1,712,426	-
		1,712,426	570,136
Surplus for the year		1,712,426	570,136

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, 2018

	<u>Accumulated surplus (Rupees)</u>
Balance as at January 01, 2017	2,291,688
Surplus for the year ended December 31, 2017	<u>570,136</u>
Balance as at ended December 31, 2017	2,861,824
Surplus for the year ended December 31, 2018	1,712,426
Balance as at December 31, 2018	<u><u>4,574,250</u></u>

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

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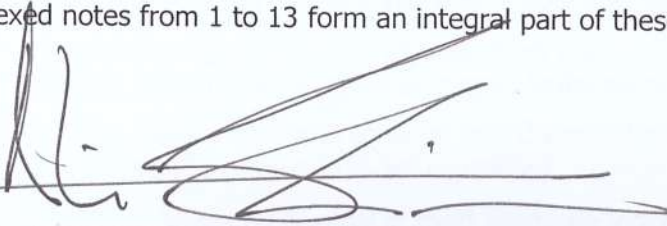
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SHINE HUMANITY PAKISTAN
Statement of Cash Flows
For The Year Ended December 31, 2018

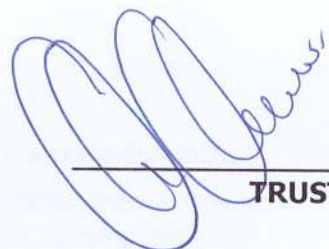
<i>Notes</i>	2018	2017
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	1,712,426	570,136
Adjustment for		
Depreciation	313,554	396,240
Working capital changes		
(Decrease) / Increase in current assets		
Inventory	(126,949)	122,641
Advance to director	-	(60,000)
Advances and prepayments	(258,837)	-
Security deposit	-	20,000
	(385,787)	82,641
Increase in current liabilities		
Payable, accrued and other liabilities	(12,145)	103,693
Taxes Paid	(74,993)	(57,884)
Net cash generated / (used in) from operating activities	1,553,054	1,094,826
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(20,300)	(163,200)
Net cash used in investing activities	(20,300)	(163,200)
Net increase in cash and cash equivalents	1,532,753	931,626
Cash and cash equivalents at the beginning of the year	2,227,598	1,295,972
Cash and cash equivalents at the end of the year	3,760,351	2,227,598

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 31 December 2018

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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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

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	DEPRECIATION			WDV
	As at 1-Jan-18	Additions / (Disposal)	As at 31-Dec-18		As at 1-Jan-18	Charge for the year	As at 31-Dec-18	As at 31-Dec-18
	-----Rupees-----			%	-----Rupees-----			--Rupees--
Computers	52,550		52,550	30%	52,550	-	52,550	1
Vehicles	805,254		805,254	25%	714,664	90,590	805,254	1
Furniture and fixture	332,061		332,061	15%	113,893	49,809	163,702	168,359
Office equipments	418,035	20,300	438,335	30%	179,163	126,488	305,651	132,684
Generator	140,000		140,000	33%	79,917	46,667	126,584	13,416
2018	1,747,900	20,300	1,768,200		1,140,186	313,554	1,453,740	314,463
2017	1,584,700	-	1,747,900		743,946	396,240	1,140,186	607,716

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	<i>Notes</i>	2018 -----Rupees-----	2017
4 INVENTORY			
Medicines		<u>210,551</u>	<u>83,602</u>
5 ADVANCES AND PREPAYMENTS			
Advances receivables		44,148	-
Prepaid insurance		<u>214,689</u>	-
		<u>258,837</u>	-
6 CASH AND BANK BALANCES			
Cash in hand		236	222,097
Cash at banks:			
- in current accounts		<u>3,760,115</u>	<u>2,005,501</u>
		<u>3,760,351</u>	<u>2,227,598</u>
7 ACCRUED AND OTHER LIABILITIES			
Salaries payable		707,092	663,547
EOBI payable		11,050	11,050
Audit fee payable		201,600	135,600
Other payable		<u>7,089</u>	<u>128,779</u>
		<u>926,831</u>	<u>938,976</u>

8 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2018 (2017: NIL).

	<i>Notes</i>	2018 -----Rupees-----	2017
9 EXPENDITURE IN THE OBJECT OF THE TRUST			
Inventory consumed	9.1	5,673,124	6,761,756
Salaries,wages and other benefits		8,970,234	7,418,825
Printing and stationery		166,981	166,552
Communication and internet		18,760	8,260
Utilities		102,773	137,606
Rent, rates & taxes		860,698	737,700
Meals & entertainment		299,236	245,760
Depreciation		313,554	396,240
Insurance		300,848	296,016
General supplies		2,620	21,128
Travelling charges		64,500	123,900
Scanning expenses		41,924	159,964
Fuel		769,761	538,923
Laboratory expenses		-	83,190
Charity		210,700	49,500
Repair and maintenance		<u>149,783</u>	<u>152,862</u>
		<u>17,945,495</u>	<u>17,298,182</u>

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	<i>Notes</i>	2018	2017
		-----Rupees-----	
9.1 INVENTORY CONSUMED			
Opening stock		83,602	206,243
Purchases - net		5,800,073	6,639,115
Closing stock		<u>(210,551)</u>	<u>(83,602)</u>
Inventory consumed		<u>5,673,124</u>	<u>6,761,756</u>
10 ADMINISTRATIVE EXPENDITURE			
Advertisement		2,050	55,465
Cleaning expenses		9,750	9,926
Conveyance charges		41,920	60,330
Courier charges		700	700
Auditor's remuneration	10.1	66,000	66,000
Professional charges		-	20,000
Advertisement		112,500	282,917
Miscellaneous		67,773	23,000
Bank charges		1,250	3,300
		<u>301,943</u>	<u>521,638</u>
10.1 AUDITOR'S REMUNERATION			
Audit fee		60,000	60,000
Out of pocket expense		<u>6,000</u>	<u>6,000</u>
		<u>66,000</u>	<u>66,000</u>
11 RELATED PARTY TRANSACTIONS			
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	2018	2017
			-----Rupees-----	
Mr. Saifullah	Director & CEO	Salary	- 1,200,000	1,200,000
		Re-imbusement	76,500	61,950
Mr. Hammad	Director	Salary	-	-
		Re-imbusement	-	61,950

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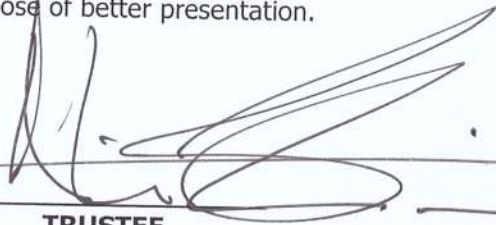
12 DATE OF AUTHORISATION

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

13 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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