



**Omer Adil & Co.**  
Chartered Accountants

**BISMILLAH  
WELFARE  
TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
BISMILLAH WELFARE TRUST ("THE TRUST")**

**Opinion**

We have audited the financial statements of **Bismillah Welfare Trust**, ("the Trust") which comprise the balance sheet as at June 30, 2017, statement of income and expenditure account, statement of changes in accumulated funds 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, of the financial position of the Trust as at June 30, 2017, and its financial performance, changes in accumulated fund and cash flows for the year then ended in accordance with the 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 future described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust 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 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 Trustees are 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing of financial statements, Trustees are responsible for assessing the Trust's ability to continue as 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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust financial reporting process.

### **Auditor's Responsibilities for the audit of the financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement 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 a 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. Misstatement 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 statement, 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 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 internal control.
- Obtain an understanding of internal control relevant to 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 Trust's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the Trust's ability to continue as a going concern.

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- If we conclude that a material uncertainty exists, we are required 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 the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's 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 transaction 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.

Islamabad,

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**OMER ADIL & CO.**  
Chartered Accountants

**Engagement Partner: Mr. Omer Adil (FCA)**

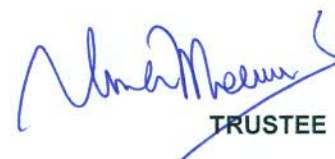
Bismillah Welfare Trust  
Balance Sheet  
As at June 30, 2017

		Amounts in PKR	
	Note	June 30, 2017	June 30, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,028,603	84,194
		<b>3,028,603</b>	<b>84,194</b>
<b>Current assets</b>			
Short-term investment	4	16,000,000	18,000,000
Trade deposit	5	25,000	25,000
Advances	6	84,521	30,869
Cash and bank balances	7	2,857,561	1,652,150
		<b>18,967,082</b>	<b>19,708,019</b>
<b>Total assets</b>		<b>21,995,685</b>	<b>19,792,213</b>
<b>FUNDS AND LIABILITIES</b>			
General funds - unrestricted	7	21,988,989	19,792,213
		<b>21,988,989</b>	<b>19,792,213</b>
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	8	6,696	-
<b>Contingencies and commitments</b>	9	-	-
<b>Total funds and liabilities</b>		<b>21,995,685</b>	<b>19,792,213</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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CHAIRMAN

  
TRUSTEE

Bismillah Welfare Trust  
Statement of Income and Expenditure  
For the year ended June 30, 2017

		Amounts in PKR	
	Note	For the year ended June 30, 2017	For the Period ended June 30, 2016
<b>Income</b>	11	<b>4,460,847</b>	20,795,037
<b>Expenses</b>			
General and administration expenses	12	<b>2,859,842</b>	2,057,456
<b>Operating result</b>		<b>1,601,005</b>	18,737,581
Other income	13	<b>595,771</b>	1,054,632
<b>Excess of income over expenditure for the year</b>		<b>2,196,776</b>	<b>19,792,213</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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**CHAIRMAN**

  
**TRUSTEE**

Bismillah Welfare Trust  
Statement of Changes in Accumulated Funds  
For the year ended June 30, 2017

Amounts in PKR

Balance as on October 23, 2014	-
Excess of income over expenditure for the period	19,792,213
<b>Balance as at June 30, 2016</b>	<b>19,792,213</b>
Excess of income over expenditure for the year	2,196,776
<b>Balance as at June 30, 2017</b>	<b>21,988,989</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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*Saleem Ahmed Hossain*  
CHAIRMAN

*Muhammad Moinul Hossain*  
TRUSTEE

**Bismillah Welfare Trust**  
**Cash flow Statement**  
**For the year ended June 30 , 2017**

Amounts in PKR

	Note	2017 Rupees	2016 Rupees
<b>Cash Flows from Operating Activities</b>			
Excess of income over expenditure for the year		2,196,776	19,792,213
Adjustments for;			
Depreciation		142,190	38,157
Cash (used in) generated from operation		2,338,966	19,830,370
<b>Cash generated from operating activities</b>		<b>2,338,966</b>	<b>19,830,370</b>
<b>Movement in working capital:</b>			
<b>(Increase) in current assets</b>			
Advances		(53,651)	(30,869)
		(53,651)	(55,869)
<b>Increase in current liabilities</b>			
Creditors, accrued and other liabilities		6,696	-
		6,696	-
		(46,955)	(55,869)
<b>Cash flows from investing activities</b>			
Payments for capital expenditure		(3,086,600)	(122,350)
Long-term investment		2,000,000	(18,000,000)
Net cash (used in) investing activities		(1,086,600)	(18,122,350)
<b>Cash flows from financing activities</b>			
Net cash generated from financing activities		-	-
<b>Net increase in cash and cash equivalents</b>		<b>1,205,411</b>	<b>1,652,150</b>
<b>Cash and cash equivalents as at beginning of the year</b>		<b>1,652,150</b>	<b>-</b>
<b>Cash and cash equivalents as at end of the year</b>	7	<b>2,857,561</b>	<b>1,652,150</b>

The annexed notes on pages 1 to 17 form an integral part of these financial statements.

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**CHAIRMAN**

  
**TRUSTEE**



**Bismillah Welfare Trust**  
**Notes to the financial statements**  
**For the year ended June 30, 2017**

**1 Status and Nature of Business**

- 1.1 Bismillah Welfare Trust "the Trust" has been registered as a Trust under the Trust Act, 1882 on October 23, 2014. The objectives of the Trust to render assistance to poor patients by providing medicines, free treatments etc. provision of health care, preventive medical services (including dental services).
- 1.2 The registered office of the Trust is situated at House No. 02, Pine Street, Bani Gala, Islamabad.

**2 Summary of Significant Accounting Policies**

Following are the details of significant accounting policies applied:

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standard as applicable in Pakistan approved accounting standard comprised of revised accounting and financial reporting standard for small-sized entities (AFRS for SSEs ) and accounting standard for not for Profit Organization (NPO) issued by Institute of Chartered Accountants of Pakistan (ICAP).

**2.2 Accounting convention**

These accounts have been prepared under the historical cost convention on accrual basis of accounting.

**2.3 Management responsibility for financial statements**

The Board of Trustees is responsible for the preparation and presentation of financial statements. The reporting currency of the financial statements is Pakistani Rupee. These financial statements of the Trust have been prepared for the year ended June 30, 2017.

**2.4 Provisions**

A provision is recognized in the balance sheet when the Trust has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**2.5 Taxation**

The Trust is eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Trust on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001.

**2.6 Property, plant and equipment**

Operating assets are stated at cost or revalued amounts less accumulated depreciation and impairment losses, if any.

Depreciation charge is based on straight line method at the rates mentioned in the note 7 of these financial statements, whereby the net book value of an asset is written off to profit and loss account over its estimated useful life without taking into account any residual value. Depreciation on additions is charged for full month in the month of addition while no depreciation is charged in the month of deletion.

Normal repairs, maintenance, renewals and improvements are charged to income as and when incurred; major repairs, maintenance, renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are taken to the income and expenditure account in the year of disposal. The related surplus on revaluation of fixed assets is transferred directly to accumulated losses on disposal of the fixed assets.

**2.7 Advances**

Trade deposit and advances are stated at cost less impairment losses, if any.

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**2.8 Related party relationships and transactions**

All known related party relationships, if any, are disclosed in these financial statements. Transactions with related parties are entered into and recorded at fair value.

**2.9 Revenue**

*Unrestricted contributions*

Income from donation is recognized when donations are received.

*Interest*

Interest income on bank accounts and investment is recognized on a time apportionment basis that takes into account the effective yield on the respective bank balances and investments.

**2.10 Cash and cash equivalents**

Cash comprises of cash in hand and demand deposits maintained with banks in current accounts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Bismillah Welfare Trust  
Notes to the financial statements  
For the year ended June 30, 2017

3 Property, plant and equipment

Amounts in PKR

Particulars	COST				Rate %	DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2016	Additions	(Disposals)	As at June 30, 2017		As at July 01, 2016	For the Period	(Disposals)	As at June 30, 2017	As at June 30, 2017
	Land	-	2,502,600	-		2,502,600	-	-	-	-
Furniture, fixtures & fittings	82,100	-	-	82,100	20	24,630	16,420	-	41,050	41,050
Electrical equipment	31,050	-	-	31,050	20	8,973	6,210	-	15,183	15,867
Mechanical equipment	-	584,000	-	584,000	20	-	116,800	-	116,800	467,200
Computer equipment	9,200	-	-	9,200	30	4,554	2,760	-	7,314	1,886
<b>June 30, 2017</b>	<b>122,350</b>	<b>3,086,600</b>	<b>-</b>	<b>3,208,950</b>		<b>38,157</b>	<b>142,190</b>	<b>-</b>	<b>180,347</b>	<b>3,028,603</b>
June 30, 2016	-	122,350	-	122,350		-	38,157	-	38,157	84,194

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**Bismillah Welfare Trust**  
**Notes to the financial statements**  
**For the year ended June 30, 2017**

		Amounts in PKR	
	Note	As at June 30, 2017	As at June 30, 2016
<b>4</b>	<b>Short-term investment</b>		
	<b><u>Held-to-maturity</u></b>		
	Local currency term deposits with banks	16,000,000	18,000,000
		<b>16,000,000</b>	<b>18,000,000</b>
<b>4.1</b>	The local currency short-term deposits have a maximum maturity period of 30 days on monthly roll over, carrying profit ranging from 3% to 4%.		
<b>5</b>	<b>Trade deposits</b>		
	Security deposits - Office	25,000	25,000
<b>6</b>	<b>Advances</b>		
	<b>Considered good</b>		
	Advances to employees	35,000	25,000
	Tax deducted at source/income tax recoverable	49,520	5,869
		<b>84,520</b>	<b>30,869</b>
	<b>Considered doubtful</b>	-	-
		<b>84,520</b>	<b>30,869</b>
	Less: Provision for doubtful advances and other receivables	-	-
		<b>84,520</b>	<b>30,869</b>
<b>7</b>	<b>Cash and bank balances</b>		
	<i>In current accounts-</i>		
	Cash at bank - Local currency account	2,857,561	1,652,150
		<b>2,857,561</b>	<b>1,652,150</b>
<b>8</b>	<b>General funds - unrestricted</b>		
	Opening balance	19,792,213	-
	Surplus for the period	2,196,776	19,792,213
	Closing balance	<b>21,988,989</b>	<b>19,792,213</b>
<b>9</b>	<b>Creditors, accrued and other liabilities</b>		
	Withholding tax payable	6,696	-
<b>10</b>	<b>Contingencies and commitments</b>		
	The Trust does not have any outstanding capital commitments as at the period-	-	-
<b>11</b>	<b>Income</b>		
	<b>Unrestricted contributions</b>		
	General donations	769,000	100,293
	Donations received from Secure Tech Consultancy (Pvt) Ltd	2,000,000	16,000
	Donations received from trustees	1,691,847	20,678,744
		<b>4,460,847</b>	<b>20,795,037</b>

**Bismillah Welfare Trust**  
**Notes to the financial statements**  
**For the year ended June 30, 2017**

		Amounts in PKR	
	Note	As at June 30, 2017	As at June 30, 2016
<b>12</b>	<b>General and Administrative Expenses</b>		
	<i>Medical and health care facility for poor patients .</i>		
	Salaries, wages & benefits	1,257,625	1,137,500
	Medicine supplies expense	617,932	457,053
	Laboratory expenses	45,000	
		1,920,557	1,594,553
	<i>Water boring division for clean drinking water</i>		
	Salaries, wages & benefits	192,000	-
	Water boring expenses	178,570	-
		370,570	-
	Miscellaneous expenses	33,670	6,076
	Printing, stationery & periodicals	2,980	21,626
	Rent, rates & taxes	176,000	192,000
	Repair and maintenance	88,900	15,601
	Bank charges	18,393	100,587
	Entertainment	19,269	16,221
	Utilities	86,118	72,636
	Office Supplies	1,195	-
	Depreciation	142,190	38,157
		<b>2,859,842</b>	<b>2,057,456</b>
<b>13</b>	<b>Other Income</b>		
	Islamic profit on investments	595,771	1,054,632
		<b>595,771</b>	<b>1,054,632</b>

**14 Taxation**

As per sub-section 2 of section 100C, non-profit organizations, trust or welfare organization shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provision of Income Tax Ordinance, 2001, subject to the following conditions, namely:

- a) return has been filed;
- b) tax required to be deducted or collected has been deducted or collected and paid; and
- c) withholding tax statements for the immediately preceding tax year have been filed.

The operations for the Trust fall within the purview of clause (a) & (e) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001 and the Institute intends to comply with the above-mentioned requirements, hence the Trust will be eligible to claim tax credit equal to one hundred percent of the tax payable on donations and interest income on investments by the Trust. Tax credit of one hundred percent is allowed under Section 100C of Income Tax Ordinance, 2001 in respect of tax payable including final taxes payable and consequently no charge has been recognized in these financial statement for the period ended June 30, 2017.

**15 Transaction and Balance with Related Parties**

The related parties comprise of trustees, key management personnel and entities over which the trustees are able to exercise influence. Transaction with related parties and balance outstanding at the period end are given below.

**Transaction with the related parties**

Donation received from trustees	1,691,847	20,678,744
	<b>1,691,847</b>	<b>20,678,744</b>

**16 Date of authorization**

These financial statements were authorized for issue by the trustee on 18 SEP 2017 The financial statements are issued by the express approval of the under-signed for the purpose of approval by the Board of Trustees who shall ratify or amend the same, as may be prescribed.

**17 General**

Figures have been rounded off to the nearest rupee.

Comparative figures have not been stated, as these are the first financial statements of the Trust.

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*Saleem Ahmed Iqbal*

CHAIRMAN

*Abdul Momin*

TRUSTEE