



Omer Adil & Co.
Chartered Accountants

BISMILLAH WELFARE TRUST

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**



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 of statement of financial position as at June 30, 2020, 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 **Bismillah Welfare Trust** as at June 30, 2020, and (of) its financial performance and its cash flows and statement of change in equity 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 further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bismillah Welfare 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(s) 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 intend 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 estimates and related disclosures made by management.

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- 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. If we conclude that a materials uncertainty exists, we are required draw attention in our auditor's report to the related disclosures in the financial statements or, if such discloser 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 charges 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.

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OMER ADIL & CO.
Chartered Accountants

Engagement Partner: Mr. Omer Adil (FCA)

Bismillah Welfare Trust
Statement of Financial Position
As at June 30, 2020

		Amounts in PKR	
	Note	June 30, 2020	June 30, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,191,742	12,843,130
Current assets			
Short-term investment	4	13,000,000	-
Trade deposit	5	25,000	25,000
Advances	6	200,240	150,240
Cash and bank balances	7	5,891,580	14,037,047
		19,116,820	14,212,287
Total assets		31,308,562	27,055,416
FUNDS AND LIABILITIES			
General funds	8	30,931,431	26,998,339
Current liabilities			
Creditors, accrued and other liabilities	9	377,132	57,077
Contingencies and commitments	10	-	-
Total funds and liabilities		31,308,562	27,055,416

The Auditor's report is set out on pages 1 to 3.

The annexed notes 1 to 25 form an integral part of these financial statements.

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Sakir Ahmed Noor
CHAIRMAN

Muhammad Mehmood
TRUSTEE

Bismillah Welfare Trust
Statement of Income and Expenditure
For the year ended June 30, 2020

		Amounts in PKR	
	Note	For the year ended June 30, 2020	For the year ended June 30, 2019
Income	11	11,527,734	6,960,842
Medical programme expenses	12	7,237,391	5,271,610
Gross profit		4,290,343	1,689,232
General and administration expenses	13	1,096,725	591,648
Operating profit		3,193,618	1,097,584
Other income	14	739,474	435,318
Surplus for the year		3,933,092	1,532,901

The Auditor's report is set out on pages 1 to 3.

The annexed notes 1 to 25 form an integral part of these financial statements.

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Salam Ahmed Khan
CHAIRMAN

Muhammad Masood
TRUSTEE

Bismillah Welfare Trust
Statement of Changes in Accumulated Funds
For the year ended June 30, 2020

	Amounts in PKR
Balance as at June 30, 2018	25,465,438
Surplus for the year	1,532,901
Balance as at June 30, 2019	26,998,339
Surplus for the year	3,933,092
Balance as at June 30, 2020	30,931,431

The Auditor's report is set out on pages 1 to 2.

The annexed notes 1 to 25 form an integral part of these financial statements.

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Saleem Ahmed Khan
CHAIRMAN

Umar Masood
TRUSTEE

Bismillah Welfare Trust
Statement of Cash flows
For the year ended June 30 , 2020

		Amounts in PKR	
	Note	'For the year ended June 30, 2020	'For the year ended June 30, 2019
Cash Flows from Operating Activities			
Surplus for the year		3,933,092	1,532,901
Adjustments for;			
Depreciation		686,637	694,933
		<u>4,619,729</u>	<u>2,227,834</u>
Movement in working capital:			
(Increase) in current assets			
Advances		(50,000)	(56,930)
Increase in current liabilities			
Creditors, accrued and other liabilities		320,055	3,581
		<u>270,055</u>	<u>(53,349)</u>
Net cash generated from / (used in) operating activities		4,889,783	(53,349)
Cash flows from investing activities			
Payments for capital expenditure		(35,250)	(807,250)
Long-term investment		(13,000,000)	11,000,000
Net cash (used in) / generated from investing activities		(13,035,250)	10,192,750
Cash flows from financing activities			
Net cash generated from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(8,145,467)	12,367,235
Cash and cash equivalents as at beginning of the year		14,037,047	1,669,811
Cash and cash equivalents as at end of the year	22	5,891,580	14,037,046

The Auditor's report is set out on pages 1 to 3.

The annexed notes 1 to 25 form an integral part of these financial statements.

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Saleem Ahmed Hameed
CHAIRMAN

Mustafa Hameed
TRUSTEE

Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

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 and (Revised 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 period from July 01, 2019 to June 30, 2020.

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

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 3 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

2.7 Advances

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

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Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

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, 2020

3 Property, plant and equipment

Amounts in PKR

Particulars	COST				Rate %	DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2019	Additions	(Disposals)	As at June 30, 2020		As at July 01, 2019	For the year	(Disposals)	As at June 30, 2020	As at June 30, 2020
Land	2,502,600	-	-	2,502,600	-	-	-	-	-	2,502,600
Building	9,808,562	-	-	9,808,562	5	490,428	490,428	-	980,856	8,827,706
Furniture, fixtures & fittings	82,100	-	-	82,100	20	73,890	8,210	-	82,100	-
Electrical equipment	77,500	35,250	-	112,750	20	35,748	17,725	-	53,473	59,277
Mechanical equipment	584,000	-	-	584,000	20	350,400	116,800	-	467,200	116,800
Computer equipment	15,700	-	-	15,700	30	14,946	754	-	15,700	-
Office equipment	790,800	-	-	790,800	20	52,720	52,720	-	105,440	685,360
June 30, 2020	13,861,262	35,250	-	13,896,512		1,018,132	686,637	-	1,704,769	12,191,742
June 30, 2019	13,054,012	807,250	-	13,861,262		323,199	694,933	-	1,018,132	12,843,130

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Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

		Amounts in PKR	
	Note	2020	2019
4 Short-term investment			
<u>Held-to-maturity</u>			
Local currency term deposits with banks	4.1	13,000,000	-
4.1	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%.		
5 Trade deposits			
Security deposits - Office		25,000	25,000
6 Advances			
Employees		150,000	100,000
Tax deducted at source		50,240	50,240
		200,240	150,240
7 Cash and bank balances			
<i>In current accounts-</i>			
Cash at bank - Local currency account		5,891,580	14,037,046
8 General funds - unrestricted			
Opening balance		26,998,339	25,465,438
Surplus for the period		3,933,092	1,532,901
Closing balance		30,931,431	26,998,339
9 Creditors, accrued and other liabilities			
Accrued liabilities		-	-
Other liabilities		377,132	57,077
		377,132	57,077
10 Contingencies and commitments			
Contingencies and commitments	10.1		
10.1	The Trust does not have any outstanding capital commitments as at the year-end (2019: Nil)		
11 Income			
Unrestricted contributions			
General donations		-	1,523,342
Donations received from Secure Tech Consultancy (Pvt) Ltd		2,153,203	-
Donations received from trustees		9,374,531	5,437,500
		11,527,734	6,960,842

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Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

		Amounts in PKR	
	Note	2020	2019
12 Medical programme			
<i>Medical and health care facility for poor patients</i>			
Salaries, wages & benefits		3,355,049	2,607,040
Medicine supplies expense		1,344,210	723,999
Kitchen expenses		676,674	635,633
		5,375,933	3,966,672
<i>Water boring division for clean drinking water</i>			
Water boring expenses		1,371,030	814,510
<i>Depreciation</i>			
Building		490,428	490,428
		7,237,391	5,271,610
13 General and administrative expenditure			
Miscellaneous		459,000	11,620
Printing, stationery & periodicals		29,400	11,370
Repair and maintenance		21,380	61,750
Bank charges		120,819	67,591
Entertainment		-	23,680
Utilities		175,567	141,738
Office Supplies		94,350	69,395
Depreciation		196,209	204,504
		1,096,725	591,648
14 Other income			
Profit on investments		739,474	435,318
15 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.			
d) the administrative and management expenditure does not exceed 15% of the total receipts:			
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, 2020.			

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Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

		Amounts in PKR	
	Note	2020	2019
16	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 Secure Tech Consultancy (Pvt) Ltd		2,153,203	
Donation received from trustees		9,374,531	5,437,500
17	Fair value of financial assets and liabilities		
The carrying amounts of the financial assets and financial liabilities approximate their fair values.			
Financial assets		6,116,820	14,212,286
Financial liabilities		377,132	57,077
		5,739,688	14,155,210
18	Financial risk management objectives and policies		
The Trust's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk associated with various financial assets and liabilities respectively, as referred to in notes 19 to 21 below. The Trust's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trust's financial performance.			

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Bismillah Welfare Trust
Notes to the Financial Statements
For the year ended June 30, 2020

Amounts in PKR

19 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk.

19.1 Interest / mark up rate risk management

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income bearing financial assets and interest / mark-up bearing financial liabilities, the following table indicates their effective interest / mark-up rates at the balance sheet date and the periods in which they will re-price or mature:

	Effective mark up rates (%)	Interest / Mark-up bearing			Non-Interest / Mark-up bearing			Total
		Maturity upto one year	Maturity one to five years	Sub-total	Maturity upto one year	Maturity one to five years	Sub-total	
Financial assets								
Trade deposit		-	-	-	25,000	-	25,000	25,000
Advances		-	-	-	200,240	-	200,240	200,240
Cash and bank balances					5,891,580		5,891,580	5,891,580
					<u>6,116,820</u>		<u>6,116,820</u>	<u>6,116,820</u>
Financial liabilities								
Trade and other payables		-	-	-	377,132	-	377,132	377,132
					<u>377,132</u>		<u>377,132</u>	<u>377,132</u>
Net financial assets / (liabilities)	2020	-	-	-	5,739,688	-	5,739,688	5,739,688
Net financial assets / (liabilities)	2019	-	-	-	14,155,210	-	14,155,210	14,155,210

19.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. The Company considered the foreign currency risk to be immaterial currently.

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Bismillah Welfare Trust
Notes to the financial statements
For the year ended June 30, 2020

	Note	2020	Amounts in PKR 2019
20 Credit risk			
Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed completely to perform as contracted.			
The Trust's credit risk is primarily attributable to its placements with banks. The Trust's placements are with banks having credit rating of A and above. Due to the high credit worthiness of counter parties the credit risk is considered minimal.			
21 Liquidity risk			
Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Trust follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for meeting new commitments and requirements. As a result the Trust saw a significantly improved cash flows from all the operations and hence liquidity risk is considered minimal.			
22 Cash and cash equivalents at the end of the year			
Cash and bank balances		5,891,580	14,037,047
23 Number of employees		No. of employees	No. of employees
The number of employees as of statement of financial position date		10	10
Average number of employees during the year		8	8
24 Date of authorization			
These financial statements were authorized for issue by the trustee on _____ 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.			
25 General			
Figures have been rounded off to the nearest rupee.			
Comparative figures have been re-stated, wherever necessary, for the purposes of comparison.			

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CHAIRMAN


TRUSTEE