



**Omer Adil & Co.**  
**Chartered Accountants**

**BISMILLAH WELFARE TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2021**

**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, 2021, 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, 2021, 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 future described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report We 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.

Islamabad,

18 NOV 2021

**OMER ADIL & CO.**  
Chartered Accountants

*Adil*

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

Bismillah Welfare Trust  
Statement of Financial Position  
As at June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	11,146,552	12,191,742
<b>Current assets</b>			
Short-term investment	4	13,000,000	13,000,000
Trade deposit	5	25,000	25,000
Advances	6	150,000	150,000
Advance income tax-net	7	115,289	50,240
Cash and bank balances	8	6,984,082	5,891,580
		20,274,371	19,116,820
<b>Total assets</b>		<b>31,420,923</b>	<b>31,308,562</b>
<b>FUNDS AND LIABILITIES</b>			
General funds	9	31,186,789	30,931,431
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	10	234,133	377,131
Contingencies and commitments	11	-	-
<b>Total funds and liabilities</b>		<b>31,420,923</b>	<b>31,308,562</b>

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

The annexed notes 1 to 27 form an integral part of these financial statements.

*Saleem Ahmed Usmani*  
CHAIRMAN


*Muhammad Usmani*  
TRUSTEE


Bismillah Welfare Trust  
Statement of Income and Expenditure  
For the year June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>Income</b>	12	<b>7,682,048</b>	11,527,734
Medical programme expenses	13	<b>(7,230,444)</b>	(7,237,391)
<b>Gross profit</b>		<b>451,604</b>	4,290,343
General and administration expenses	14	<b>(846,781)</b>	(1,096,725)
Other income	15	<b>858,493</b>	739,474
Other charges	16	<b>(135,933)</b>	-
<b>Profit before tax</b>		<b>327,383</b>	3,933,092
Income tax expense	17	<b>(72,024)</b>	-
<b>Surplus for the year</b>		<b>255,358</b>	3,933,092

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

The annexed notes 1 to 27 form an integral part of these financial statements.


  
CHAIRMAN

  
TRUSTEE

Bismillah Welfare Trust  
Statement of Changes in Accumulated Funds  
For the year June 30, 2021

	(Rupees)
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
Surplus for the year	255,358
Balance as at June 30, 2021	31,186,789

The Auditor's report is set out on pages 1 to 3.  
The annexed notes 1 to 27 form an integral part of these financial statements

  
CHAIRMAN

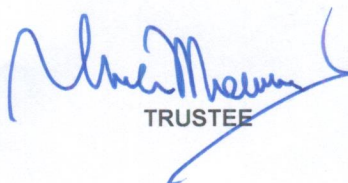
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Bismillah Welfare Trust  
Statement of Cash flows  
For the year June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>Cash Flows from Operating Activities</b>			
Surplus for the year		327,383	3,933,092
Adjustments for:			
Loss on sale of fixed asset		135,933	-
Depreciation	3.1	706,858	686,637
		1,170,174	4,619,729
<b>Movement in working capital:</b>			
<i>(Increase) in current assets</i>			
Advances		-	(50,000)
<i>(Decrease) / increase in current liabilities</i>			
Creditors, accrued and other liabilities		(142,999)	320,055
Cash (used in) / generated from operations		(142,999)	270,055
Tax paid		(137,073)	-
<b>Net cash generated from operating activities</b>		<b>890,102</b>	<b>4,889,783</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		300,000	-
Payments for capital expenditure		(97,600)	(35,250)
Long-term investment		-	(13,000,000)
<b>Net cash generated from / (used in) investing activities</b>		<b>202,400</b>	<b>(13,035,250)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,092,502</b>	<b>(8,145,467)</b>
<b>Cash and cash equivalents as at beginning of the year</b>		<b>5,891,580</b>	<b>14,037,047</b>
<b>Cash and cash equivalents as at end of the year</b>	24	<b>6,984,082</b>	<b>5,891,580</b>

The Auditor's report is set out on pages 1 to 3.  
The annexed notes 1 to 27 form an integral part of these financial statements.

  
CHAIRMAN

  
TRUSTEE



Bismillah Welfare Trust  
Notes to the financial statements  
For the year June 30, 2021

**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). The Trust Act, 1882 is repealed on September 28, 2020. The Fund has applied for fresh registration under Trust Act, 2020
- 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 year from July 01, 2020 to June 30, 2021.

**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**

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into accounts available tax credits or rebates, if any, in accordance with the Income Tax Ordinance, 2001. The charge for current tax includes adjustments to charge for prior years, if any. The Tax charge calculated under the provision of Section 100C(1A) of the Income Tax Ordinance, 2001 is compared with Alternative Corporate Tax (ACT) @17% of accounting profit under Section 113C and minimum tax @ 1.5% under Section 113 of the Income Tax Ordinance, 2001 whichever is higher is charged as current tax in the Income and Expenditure Account.

**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 fixed assets.

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Bismillah Welfare Trust  
Notes to the financial statements  
For the year June 30, 2021

**2.7 Advances**

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

**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 June 30, 2021

3	Property, plant and equipment	2021 (Rupees)		2020 (Rupees)	
		11,146,552	12,191,742	11,146,552	12,191,742
3.1					
Particulars	COST		DEPRECIATION		WRITTEN DOWN VALUE
	As at July 01, 2020	Additions (Disposals)	As at July 01, 2020	For the year (Disposals)	
Land	2,502,600	-	-	-	2,502,600
Building	9,808,562	-	980,856	490,428	8,337,278
Furniture, fixtures & fittings	82,100	-	82,100	-	-
Electrical equipment	112,750	14,700	53,473	25,490	48,487
Mechanical equipment	584,000	82,900	467,200	133,380	66,320
Computer equipment	15,700	-	15,700	-	-
Office equipment	790,800	-	105,440	57,560	191,867
<b>June 30, 2021</b>	<b>13,896,512</b>	<b>97,600</b>	<b>1,704,769</b>	<b>706,858</b>	<b>11,146,552</b>
June 30, 2020	13,861,262	35,250	1,018,132	686,637	12,191,742

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Bismillah Welfare Trust  
Notes to the financial statements  
For the year June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>4 Short-term investment</b>			
<i>Held-to-maturity</i>			
Local currency term deposits with banks	4.1	13,000,000	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 5% to 6%.	
<b>5 Trade deposits</b>			
Security deposits - Office		25,000	25,000
<b>6 Advances</b>			
Employees		150,000	150,000
<b>7 Advance Income tax-net</b>			
Opening balance		50,240	50,240
Paid during the year		137,073	-
Provision for taxation	17	(72,024)	-
		115,289	50,240
<b>8 Cash and bank balances</b>			
<i>In current accounts-</i>			
Cash at bank - Local currency account		6,984,082	5,891,580
<b>9 General funds - unrestricted</b>			
Opening balance		30,931,431	26,998,339
Surplus for the year		255,358	3,933,092
Closing balance		31,186,789	30,931,431
<b>10 Creditors, accrued and other liabilities</b>			
Other liabilities		234,133	377,132
<b>11 Contingencies and commitments</b>			
Contingencies and commitments	11.1	-	-
11.1		The Trust does not have any outstanding capital commitments as at the year-end (2020: Nil)	

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Bismillah Welfare Trust  
Notes to the financial statements  
For the year June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>12</b>	<b>Income</b>		
	<b>Unrestricted contributions</b>		
	General donations	2,280,628	-
	Donations received from Secure Tech Consultancy (Pvt) Ltd	2,000,000	2,153,203
	Donations received from trustees	3,401,420	9,374,531
		<b>7,682,048</b>	<b>11,527,734</b>
<b>13</b>	<b>Medical programme</b>		
	<i>Medical and health care facility for poor patients</i>		
	Salaries, wages & benefits	3,606,849	3,355,049
	Medicine supplies expense	402,320	1,344,210
	Kitchen expenses	1,149,082	676,674
		<b>5,158,251</b>	<b>5,375,933</b>
	<i>Water boring division for clean drinking water</i>		
	Water boring expenses	1,581,765	1,371,030
	<i>Depreciation</i>		
	Building	490,428	490,428
		<b>7,230,444</b>	<b>7,237,391</b>
<b>14</b>	<b>General and administrative expenditure</b>		
	Miscellaneous	65,000	459,000
	Printing, stationery & periodicals	41,030	29,400
	Repair and maintenance	15,970	21,380
	Bank charges	117,069	120,819
	Utilities	164,262	175,567
	Office supplies	227,020	94,350
	Depreciation	216,430	196,209
		<b>846,781</b>	<b>1,096,725</b>
<b>15</b>	<b>Other income</b>		
	Profit on investments	858,493	739,474
<b>16</b>	<b>Other Charges</b>		
	(Loss) on disposal of fixed assets	135,933	-

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**Bismillah Welfare Trust**  
**Notes to the financial statements**  
**For the year June 30, 2021**

	Note	2021 (Rupees)	2020 (Rupees)
<b>17 Taxation</b>			
Current	17.1	<b>72,024</b>	-

17.1 Current taxation for the year has been calculated at Rs. 72,024 (2020: Rs.Nil) @ 22% of taxable profit as per provisions of the Income tax ordinance 2001. The tax calculated is compared with provision of Section 100C(1A) of the Income Tax Ordinance, 2001, tax calculated u/s 113 and Alternate Corporate Tax. However, tax calculated @ 22% is higher than ACT and 100C(IA).

17.2 The applicable tax rate is 22% (2020: 23%) for the current year presented, as provided in the provisions of the Income Tax Ordinance, 2001.

17.3 Deferred tax asset of Rs. 515,803 (2020: Rs. Nil) on account of operating assets has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the the Company shall be eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Company on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001.

**18 Transaction and balance with the 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 year end are given below.

**Transaction with the related parties**

Donation received from Secure Tech Consultancy (Pvt) Ltd	<b>2,000,000</b>	2,153,203
Donation received from trustees	<b>3,401,420</b>	9,374,531

**19 Fair value of financial assets and liabilities**

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

Financial assets	<b>7,134,082</b>	6,116,820
Financial liabilities	<b>234,133</b>	377,132
	<b>6,899,949</b>	5,739,688

**20 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 June 30, 2021

21 Market risk (Rupees)

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.

21.1 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	Maturity upto one year	Maturity one to five years	
<b>Financial assets</b>						
Advances	-	-	-	150,000	-	150,000
Cash and bank balances	-	-	-	6,984,082	-	6,984,082
				7,134,082	-	7,134,082
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	234,133	-	234,133
				234,133	-	234,133
<b>Net financial assets / (liabilities)</b>	<b>2021</b>	-	-	<b>6,899,949</b>	-	<b>6,899,949</b>
Net financial assets / (liabilities)	<b>2020</b>	-	-	5,739,688	-	5,739,688

21.2 Foreign currency risk

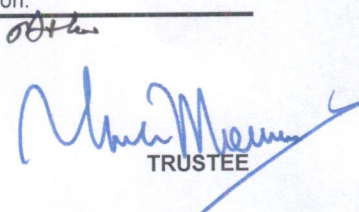
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. 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 June 30, 2021

	Note	2021 (Rupees)	2020 (Rupees)
<b>22</b>	<b>Credit risk</b>		
	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.		
<b>23</b>	<b>Liquidity risk</b>		
	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.		
<b>24</b>	<b>Cash and cash equivalents at the end of the year</b>		
	Cash and bank balances	6,984,082	5,891,580
<b>25</b>	<b>Number of employees</b>		
	The number of employees as of statement of financial position date	9	10
	Average number of employees during the year	10	8
<b>26</b>	<b>Date of authorization</b>		
	These financial statements were authorized for issue by the trustee on <u>18 NOV 2021</u> . 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.		
<b>27</b>	<b>General</b>		
	Figures have been rounded off to the nearest rupee.		
	Comparative figures have been re-stated, wherever necessary, for the purposes of comparison.		

  
CHAIRMAN

  
TRUSTEE