

**FINANCIAL STATEMENTS
OF
BISMILLAH DASTARKHAN
FOR THE YEAR ENDED JUNE 30, 2020**

RAZA SIDDIQUI & CO.

CHARTERED ACCOUNTANTS

Room # 402, Amber Estate (Ext), K.C.H.S.U., Block-7/8, Karachi,
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RAZA SIDDQUI & CO.

CHARTERED ACCOUNTANTS



AUDITORS' REPORT TO THE MEMBER

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **BISMILLAH DASTARKHAN** (the Company incorporated u/s 42 of the repealed Company Ordinance 1984 (Now Companies Act, 2017), which comprise the statement of financial position as at **June 30, 2020**, and statement of revenue and expenditure, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of revenue and expenditure, statement of changes in fund and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Trust's affairs as at **June 30, 2020** and of the deficit, changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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 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 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 Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is 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, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Trust's financial reporting process.

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 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. 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 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 conditions that may cast significant doubt on the Trust'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 up to the date of our auditor's report. However, future events or conditions may cause the Trust 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 the board of directors 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.



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Trust as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement revenue and expenditure account, statement of changes in fund and statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Trust's business; and
- d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Raza.


Raza Siddiqui & Co
Chartered Accountants

Place: Karachi

Date: 12 3 SEP 2020

BISMILLAH DASTARKHAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30 , 2020

	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
GENERAL FUND			
Accumulated surplus		<u>7,524,308</u>	<u>9,548,940</u>
REPRESENTED BY :			
ASSETS			
NON - CURRENT ASSETS			
Property and equipments	4	5,887,428	7,594,495
CURRENT ASSETS			
Stock	5	173,576	868,598
Advances and prepayments		-	10,000
Cash and bank balances	6	1,603,808	1,615,839
		<u>1,777,384</u>	<u>2,494,437</u>
TOTAL ASSETS		<u>7,664,812</u>	<u>10,088,932</u>
LESS: CURRENT LIABILITIES			
Creditors and accrued payables	7	<u>140,504</u>	<u>539,992</u>
		<u>140,504</u>	<u>539,992</u>
Contingencies and commitments	8	-	
NET ASSETS		<u>7,524,308</u>	<u>9,548,940</u>

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


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	9	8,620,835	13,035,572
Expenditure	10	(10,659,871)	(13,166,319)
Other income		14,404	-
		(10,645,467)	(13,166,319)
(Deficit) for the year before taxation		(2,024,632)	(130,747)
Taxation	11	-	-
(Deficit) for the year after taxation		<u>(2,024,632)</u>	<u>(130,747)</u>

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


CHIEF EXECUTIVE





DIRECTOR

BISMILLAH DASTARKHAN
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2020

GENERAL FUND	Amount Rupees
Balances as at July 01, 2018	9,679,687
(Deficit) transfer from revenue and expenditure account	(130,747)
Balances as at June 30, 2019	9,548,940
Balances as at July 01, 2019	9,548,940
(Deficit) transfer from revenue and expenditure account	(2,024,632)
Balances as at June 30, 2020	7,524,308

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


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Cash Flows Operating Activities			
(Deficit) for the year after taxation		(2,024,632)	(130,747)
Adjustments for :			
Depreciation	4	1,773,567	1,760,528
Surplus before changes in working capital		(251,065)	1,629,781
Changes in Working Capital			
(Increase) / decrease in current assets			
Stock		695,022	(682,106)
Advances and prepayments		10,000	60,000
Increase / (decrease) in current liabilities			
Accrued and payables		(399,488)	(176,500)
		305,534	(798,606)
Net cash inflow from operating activities		54,469	831,175
Net cash Inflow from operating activities		54,469	831,175
Cash flows from investing activities			
Fixed capital expenditure		(66,500)	(26,600)
Net cash outflow from investing activities		(66,500)	(26,600)
Cash flows from financing activities			
Net cash inflow / (outflow) from investing activities		-	-
Net Increase in cash and cash equivalents		(12,031)	804,575
Net cash and cash equivalents at the beginning of the year		1,615,839	811,264
Cash and cash equivalents at the end of the year		1,603,808	1,615,839

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


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1

1.1 STATUS AND NATURE OF BUSINESS

Bismillah Dastarkhan was incorporated in Pakistan as a limited by guarantee, without share capital, on December 13, 2016 under the repealed Companies Ordinance, 2016 (now the Companies Act, 2017), after obtaining the license dated October 7th, 2016 u/s 42 of the repealed Company Ordinance 1984 (now the Companies Act, 2017). The registered office of the Company is situated at ACM Towers Plot no.G-21/22, Khaliq-uz-Zaman Road ,Block 8, Clifton Karachi-Sindh.The Company's objective is to provide basic necessity, need and facilities which include food, foodstuff, drinking water, shelter, accommodation, new and used clothes and other necessary allied items to the poor/needy people and community throughout Pakistan.

1.2 COVID -19 A GLOBAL PANDEMIC

On March 11, 2020, the World Health Organisation declared COVID-19 a global pandemic. The COVID 19 outbreak developed rapidly thereafter with a significant number of COVID-19 cases reported globally. The pandemic has resulted in consequences on health and society and on economy affecting the earnings and cash flows of businesses, after the announcement of lock-downs by the government authorities, resulting in closure of business operations except for specifically exempted industries. The management believes that due to the pandemic the Company's operations, financial position and results have been impacted only on a temporary basis and believes that as normally comes about, these impacts have started to recede.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain items separately disclosed in these financial statements.

2.3 Foreign currency transactions

Foreign currency transactions are recognized or accounted for into Pakistani Rupees using the exchange rate prevailing on the date of the transaction.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to income on reducing balance basis at the rates mentioned in note No. 4. Depreciation is charged from the month in which assets becomes available for use, while no depreciation is charged for the month in which the assets is disposed off.

Gain and loss on disposal of assets are included in the income currently.

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off.

3.2 Impairment of Financial Assets

The carrying amount of the Company's assets are reviewed at each reporting date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

3.3 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into pak rupees at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

3.4 Revenue Recognition

Donations are recognized on receipt basis.

3.5 Trade and other receivables

These are stated at cost less impairment losses, if any.

3.6 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks.

3.7 Trade and other payable

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.8 Provisions

Provision are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.9 Taxation

- 3.9.1** In accordance with the provisions of Section 100 C of the income Tax Ordinance 2001, the income of non-profit organizations, trusts or welfare institutions, shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provision of the income tax Ordinance 2001. It 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;
 - (c) Withholding tax statements for the immediately preceding tax year have been filed; and
 - {d} The administrative and management expenditure does not exceed 15% of the total receipts;
- "Provided that clause (d) shall not apply to a non-profit organization, if;

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

(a) charitable and welfare activities of the non-profit organization on have commenced for the first time within last three years;

(b) total receipts of the non-profit organization during the tax year are less than one hundred million Rupees."

3.9.2 Further, sub-section (1A) of section 100 C of the income Tax Ordinance, 2001 provides that the surplus funds of non-profit organization shall be taxed at a rate of ten percent.

For the purpose of sub-section (1A), surplus funds means funds of monies:

(a) Not spent on charitable and welfare activities during the tax year;

(b) Received during the tax year as donations, voluntary contributions, subscriptions and other incomes;

(c) which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year; and

(d) are not part of restricted funds.

For the purpose of this sub-section, "restricted funds" means any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.

The Trust has not recognized any provision for current or deferred tax in respect of its surplus funds under sub-section (1A) of section 100 C of the income Tax Ordinance 2001, as surplus did not exceed twenty-five percent of the total receipts.

3.9.3 The NGO'S claims its income exempt under clause 58 and 59 of the Second Schedule of the Income Tax Ordinance, 2001.

3.10 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.11 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated at fair value and amortized cost respectively. The Company de-recognizes the financial assets and liabilities when it ceases to be a party to such contractual provision of the instrument.

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4 PROPERTY AND EQUIPMENT

DESCRIPTION	OWNED							TOTAL
	GODOWN	SHOPS	GENERATOR AND UPS	SANITORY EQUIPMENT	KITCHEN EQUIPMENT	ELECTRICITY EQUIPMENT	BKD FURNITURES	
COST								
Balances as at July 01, 2018	5,314,173	5,646,309	560,000	7,750	122,912	183,105	-	11,834,249
Additions during the year	-	-	-	-	12,600	14,000	-	26,600
Balance as at June 30, 2019	5,314,173	5,646,309	560,000	7,750	135,512	197,105	-	11,860,849
ACCUMULATED DEPRICIATION								
Balances as at July 01, 2018	1,135,904	1,206,899	81,200	1,124	54,149	26,550	-	2,505,826
Charge for the year	797,126	846,946	56,000	775	41,254	18,427	-	1,760,528
Balance as at June 30, 2019	1,933,030	2,053,845	137,200	1,899	95,403	44,977	-	4,266,354
COST								
Balances as at July 01, 2019	5,314,173	5,646,309	560,000	7,750	135,512	197,105	-	11,860,849
Additions during the year	-	-	-	-	31,200	16,700	18,600	66,500
Balance as at June 30, 2020	5,314,173	5,646,309	560,000	7,750	166,712	213,805	18,600	11,927,349
ACCUMULATED DEPRICIATION								
Balances as at July 01, 2019	1,933,030	2,053,845	137,200	1,899	95,403	44,977	-	4,266,354
Charge for the year	797,126	846,946	56,000	775	50,725	20,910	1,085	1,773,567
Balance as at June 30, 2020	2,730,156	2,900,791	193,200	2,674	146,128	65,887	1,085	6,039,921
Carrying Amount - 2020	2,584,017	2,745,518	366,800	5,076	20,584	147,918	17,515	5,887,428
Carrying Amount - 2019	3,381,143	3,592,464	422,800	5,851	40,109	152,128	-	7,594,495
RATE OF DEPRECIATION (%)	15%	15%	10%	10%	33%	10%	10%	

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
5 STOCK			
Rice, oil, milk and other eatable items		173,576	868,598
		<u>173,576</u>	<u>868,598</u>
6 CASH AND BANK BALANCES			
Cash in hand		1,147,690	208,935
Cash at bank		456,118	1,406,904
		<u>1,603,808</u>	<u>1,615,839</u>
7 CREDITOR AND ACCRUED PAYABLES			
Accrued expense		140,504	188,000
Payable to supplier		-	351,992
		<u>140,504</u>	<u>539,992</u>
8 CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments as at June 30, 2020 (2019: Nil).			
9 Revenue			
Donation		8,620,835	13,035,572
		<u>8,620,835</u>	<u>13,035,572</u>
10 EXPENDITURE			
Salaries expense		1,559,200	1,431,000
Masala expenses		1,002,940	1,117,308
Chicken expenses		2,067,319	2,910,800
Rice consume		2,106,350	2,996,150
Oil consume		620,780	695,060
Daal consumption		256,813	210,392
Milk and juice consumption		156,622	217,728
Legal and professional charges		164,891	147,570
Transportation in		7,498	902
Auditor's remuneration		54,000	40,000
Utility expenses		515,625	587,207
Ramadan expenses		-	830,264
Petrol and gas expense		87,110	86,260
Repair and maintenance		204,771	36,070
Depreciation	4	1,773,567	1,760,528
Cow slaughter on Eid-ul-Azha		-	71,000
Butcher expense		-	4,000
Printing expense		580	4,500
Bank charges		-	10,847
IT Expense		21,900	8,733
Miscellaneous expense		19,105	-
Software expense		40,800	-
		<u>10,659,871</u>	<u>13,166,319</u>
10.1 Auditor's remuneration			
Audit fee		50,000	40,000
Out of pocket expense		4,000	-
		<u>54,000</u>	<u>40,000</u>

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

10.2 Director' Remuneration

- (i) Remuneration and allowances paid to the chief executive of the company during the year was Nil/- (2019: Nil).
- (ii) Remuneration and allowances paid to the directors of the company during the year was Nil/- (2019: Nil).
- (iii) Remuneration and allowances paid to the executive of the company during the year was Nil/- (2019: Nil).

11 TAXATION

The Company, being the welfare organization, is exempt from income tax on income. Which is mentioned in Note no 3.9

12 RELATED PARTIES TRANSACTION

The related party comprise associated companies, director and key management personnel. Details of transaction with related are as follows

PARTICULARS	Relationship	2020 Rupees	2019 Rupees
Donation	Director	8,620,835	13,035,572
13 NUMBER OF EMPLOYEES			
Number of employees as at June 30,		5	5
Average number of employees as at June 30,		5	4

14 FINANCIAL ASSETS AND LIABILITIES

Interest/markup bearing		Non interest/markup		Total	
Maturity	Maturity	Maturity	Maturity	2020	2019
up to	one to	up to	one to	Rupees	Rupees
one year	five years	one year	five years		

FINANCIAL ASSETS

Advances and prepayments	-	-	-	-	10,000
Cash and bank balances	-	-	1,603,808	1,603,808	1,615,839
	-	-	1,603,808	1,603,808	1,625,839

FINANCIAL LIABILITIES

Creditors and accrued	-	-	140,504	140,504	539,992
	-	-	140,504	140,504	539,992

FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by company's finance departments under policies approved by the board of Directors.

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

a. Market risk

i. Currency risk

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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company manages its currency risk by close monitoring of currency markets. However, the company does not hedge its currency risk exposure.

ii. Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity securities price risk as its investment is in non-listed securities.

iii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b. Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure.

c. Liquidity risk

The liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company's management closely monitor the companies liquidity and cash flows position.

15 CAPITAL RISK MANAGEMENT

The board's policy is to maintain a strong capital base so as to maintain creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide the shareholders and benefits for the other stakeholders and to maintain and optimal capital structure to reduce the cost of capital. The Board of Directors monitor the return on the capital, which the Company defines as net profit after taxation divided by total shareholders equity. The Board of Directors also monitors the level of dividend or ordinary shareholders.

16 DATE OF AUTHORIZATION

These financial statement have been authorized for issue on 12 3 SEP 2020 by the Board of Directors of the Company.

17 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE




DIRECTOR