

**FINANCIAL STATEMENTS
OF
M/S. BISMILLAH DASTARKHAN
FOR THE YEAR ENDED JUNE 30TH, 2018**

RAZA SIDDIQUI & CO.

CHARTERED ACCOUNTANTS

Room # 402, Amber Estate (Ext), K.C.H.S.U., Block-7/8, Karachi,
Karachi- Tel: 021-34532778 & 021-34391843



AUDITORS' REPORT TO THE MEMBER

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of M/s. **BISMILLAH DASTARKHAN** (the Company incorporated u/s 42 of the repealed Company Ordinance 1984), which comprise the statement of financial position as at **30 June 2018**, and the revenue and expenditure account, statement of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, the revenue and expenditure account, 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 **30 June 2018** and of the deficit, changes in fund and its cash flows for the year then ended.

Basis for Opinion

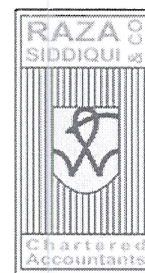
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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, the 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: 02 OCT 2018

BISMILLAH DASTARKHAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30 , 2018

| | <u>Note</u> | <u>2018 Rupees</u> | <u>2017 Rupees</u> |
|----------------------------------|-------------|------------------------|------------------------|
| GENERAL FUND | | | |
| Accumulated surplus | | <u>9,679,687</u> | <u>11,123,172</u> |
| REPRESENTED BY : | | | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property and Equipment | 4 | 9,328,423 | 10,954,390 |
| CURRENT ASSETS | | | |
| Stock | 5 | 186,492 | 91,575 |
| Advances and prepayments | | 70,000 | 130,000 |
| Cash and bank balances | 6 | 811,264 | 148,707 |
| | | <u>1,067,756</u> | <u>370,282</u> |
| TOTAL ASSETS | | <u>10,396,179</u> | <u>11,324,672</u> |
| LESS: CURRENT LIABILITIES | | | |
| Payables | 7 | 535,492 | 161,500 |
| Accrued expenses | | <u>181,000</u> | <u>40,000</u> |
| | | 716,492 | 201,500 |
| Contingencies and commitments | 8 | - | - |
| NET ASSETS | | <u>9,679,687</u> | <u>11,123,172</u> |

The annexed notes from integrated part of this financial statement.


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018

| | Note | 2018 Rupees | 2017 Rupees |
|--|------|----------------|----------------|
| Revenue | 9 | 9,909,122 | 6,253,050 |
| Expenditure | 10 | (11,352,607) | (6,964,127) |
| (Deficit) for the year before taxation | | (1,443,485) | (711,077) |
| Taxation | 11 | - | |
| (Deficit) for the year after taxation | | (1,443,485) | (711,077) |

The annexed notes from integrated part of this financial statement.

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CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

| | Note | 2018 Rupees | 2017 Rupees |
|--|-------------|------------------------|------------------------|
| Cash Flows Operating Activities | | | |
| (Deficit) for the year after taxation | | (1,443,485) | (711,077) |
| Adjustments for : | | | |
| Depreciation | 4 | 1,625,967 | 879,859 |
| Surplus before changes in working capital | | 182,482 | 168,782 |
| Changes in Working Capital | | | |
| (Increase) / decrease in current assets | | | |
| Stock | | (94,917) | (91,575) |
| Advances and prepaymnets | | 60,000 | (130,000) |
| Increase / (decrease) in current liabilities | | | |
| Accrued and payables | | 514,992 | 201,500 |
| | | 480,075 | (20,075) |
| Net cash inflow from operating activities | | 662,557 | 148,707 |
| Net cash Inflow from operating activities | | 662,557 | 148,707 |
| Cash flows from investing activities | | | |
| Fixed capital expenditure | | - | (11,834,249) |
| Net cash outflow from investing activities | | - | (11,834,249) |
| Cash flows from financing activities | | | |
| Fund raised during the period | | - | 11,834,249 |
| Net cash inflow from investing activities | | - | 11,834,249 |
| Net Increase in cash and cash equivalents | | 662,557 | 148,707 |
| Net cash and cash equivalents at the beginning of the year | | 148,707 | |
| Cash and cash equivalents at the end of the year | | 811,264 | 148,707 |

The annexed notes from integrated part of this financial statement.


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2018

GENERAL FUND

Amount
Rupees

Balances as at December ~~13~~, 2016

-

Fund raised during the period

11,834,249

(Deficit) transfer from revenue and expenditure account

(711,077)

Balances as at June 30, 2017

11,123,172

Balances as at July 01, 2017

11,123,172

(Deficit) transfer from revenue and expenditure account

(1,443,485)

Balances as at June 30, 2018

9,679,687

The annexed notes from integrated part of this financial statement.


CHIEF EXECUTIVE




DIRECTOR

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

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 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 property, plant and equipment is stated at fair value as determined by an independent valuer.

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 , Plant and Equipment

Property , plant 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.

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gain/(loss) on disposal of assets are included in the income / expense currently.

3.2 Impairment of Assets

The carrying amount of the Company's assets are reviewed at each balance sheet 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.

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 balance sheet 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 profit and loss account.

3.4 Revenue Recognition

Donations are recognized on receipt basis.

3.5 Contingencies and commitments

There are no material contingencies including Pending "or" Threatened law suit and unasserted claims, further no claims in connection with litigation have been "or" are expected to be received / paid. There are no commitments outstanding as balance sheet date.

3.6 Trade and other receivables

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

3.7 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks.

3.8 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.

3.9 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.

3.10 Taxation

The Company, being the Non profitable Organization, is exempt from income tax on income.

3.11 Off-setting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet 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.

3.12 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.

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BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4 PROPERTY AND EQUIPMENT

| DESCRIPTION | OWNED | | | | | | TOTAL |
|------------------------------------|------------------|------------------|-------------------|--------------------|-------------------|-----------------------|-------------------|
| | GODOWN | SHOPS | GENERATOR AND UPS | SANITORY EQUIPMENT | KITCHEN EQUIPMENT | ELECTRICITY EQUIPMENT | |
| COST | | | | | | | |
| Balances as at December 13, 2016 | - | - | - | - | - | - | - |
| Additions during the period | 5,314,173 | 5,646,309 | 560,000 | 7,750 | 122,912 | 183,105 | 11,834,249 |
| Balance as at June 30, 2017 | 5,314,173 | 5,646,309 | 560,000 | 7,750 | 122,912 | 183,105 | 11,834,249 |
| Balances as at July 01, 2017 | 5,314,173 | 5,646,309 | 560,000 | 7,750 | 122,912 | 183,105 | 11,834,249 |
| Additions during the year | | | | | | | |
| Balance as at June 30, 2018 | 5,314,173 | 5,646,309 | 560,000 | 7,750 | 122,912 | 183,105 | 11,834,249 |
| ACCUMULATED DEPRICIATION | | | | | | | |
| Balances as at December 13, 2016 | - | - | - | - | - | - | - |
| Charge for the period | 398,563 | 423,473 | 28,000 | 388 | 20,280 | 9,155 | 879,859 |
| Balance as at June 30, 2017 | 398,563 | 423,473 | 28,000 | 388 | 20,280 | 9,155 | 879,859 |
| Balances as at July 01, 2017 | 398,563 | 423,473 | 28,000 | 388 | 20,280 | 9,155 | 879,859 |
| Charge for the year | 737,342 | 783,425 | 53,200 | 736 | 33,868 | 17,395 | 1,625,967 |
| Balance as at June 30, 2018 | 1,135,904 | 1,206,899 | 81,200 | 1,124 | 54,149 | 26,550 | 2,505,826 |
| Carrying Amount - 2018 | 4,178,269 | 4,439,410 | 478,800 | 6,626 | 68,763 | 156,555 | 9,328,423 |
| Carrying Amount - 2017 | 4,915,610 | 5,222,836 | 532,000 | 7,363 | 102,632 | 173,950 | 10,954,390 |
| RATE OF DEPRECIATION (%) | 15% | 15% | 10% | 10% | 33% | 10% | |

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

| | Note | 2018 Rupees | 2017 Rupees |
|---|-------------|------------------------|------------------------|
| 5 STOCK | | | |
| Rice, oil, milk and other eatable items | | 186,492 | 91,575 |
| | | <u>186,492</u> | <u>91,575</u> |
| 6 CASH AND BANK BALANCES | | | |
| Cash in hand | | 249,344 | 148,707 |
| Cash at bank | | 561,920 | - |
| | | <u>811,264</u> | <u>148,707</u> |
| 7 PAYABLES | | | |
| Payable to supplier | | 535,492 | 161,500 |
| | | <u>535,492</u> | <u>161,500</u> |
| 8 CONTINGENCIES AND COMMITMENTS | | | |
| There were no contingencies and commitments as at June 30, 2018 (2017: Nill). | | | |
| 9 REVENUE | | | |
| Donation | | 9,909,122 | 6,253,050 |
| | | <u>9,909,122</u> | <u>6,253,050</u> |
| 10 EXPENDITURE | | | |
| Salaries Expense | | 1,240,000 | 342,000 |
| Masala Expenses | | 888,592 | 466,034 |
| Chicken Expenses | | 1,970,440 | 1,786,380 |
| Rice consume | | 2,469,475 | 908,175 |
| Oil consume | | 490,650 | 204,650 |
| Daal Consumption | | 179,137 | - |
| Milk and Juice Consumption | | 46,192 | - |
| Housing keeping Expense | | 1,980 | 2,420 |
| Stationary And Postage Expenses | | - | 3,000 |
| Legal And Professional Charges | | 69,672 | 86,900 |
| Travelling Expenses | | 3,960 | - |
| Auditors remuniration | | 40,000 | 40,000 |
| Utility Connection Charges | | 410,000 | - |
| Utility Expenses | | 149,383 | 31,014 |
| Eid Mela Expenses | | 303,000 | 404,000 |
| Ramadan Expenses | | 1,233,365 | 1,684,426 |
| Petrol and Gas Expense | | 135,594 | 103,789 |
| Repair and Maintainance | | 18,000 | 21,480 |
| Depreciation | 4 | 1,625,967 | 879,859 |
| Cow slaughter on Eid-ul-Azha | | 63,000 | - |
| Butcher Expense | | 6,000 | - |
| Electric Expense | | 8,200 | - |
| | | <u>11,352,607</u> | <u>6,964,127</u> |

BISMILLAH DASTARKHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

11 TAXATION

The Company, being the welfare organization, is exempt from income tax on income.

12 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risk from its use of financial instruments:

12.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to any market risk.

12.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due.

12.3 Credit Risk

Credit risk represent the accounting loss that would be recognized at the reporting date if counter party fail to performed as contracted. The management of the Company has adopted appropriate policies to minimize its exposure to the risk.

12.4 Fair Value of Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. However, the Company does not hold any quoted financial instrument.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39 'Financial Instruments: Recognition and Measurement'.

13 DATE OF AUTHORIZATION

These financial statement have been authorized for issue on 02 OCT 2018 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE




DIRECTOR