

**FINANCIAL STATEMENTS  
OF  
BISMILLAH DASTARKHAN  
FOR THE YEAR ENDED 30TH JUNE, 2019**

**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have audited the annexed financial statements of M/s. **BISMILLAH DASTARKHAN** (the Company incorporated u/s 42 of the repealed Company Ordinance 1984 (Now Companies Act, 2017), which comprise the statement of financial position as at **30 June 2019**, and the revenue and expenditure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 2019** 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.

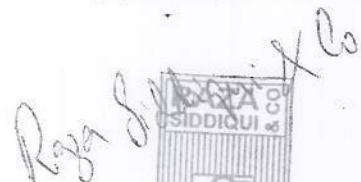
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 Syed Noman Shamim.

  
Raza Siddiqui & Co.  
Chartered Accountants


Place: Karachi

Date: 03 OCT 2019

**BISMILLAH DASTARKHAN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
<b>GENERAL FUND</b>			
Accumulated surplus		<u>9,548,940</u>	<u>9,679,687</u>
<b>REPRESENTED BY :</b>			
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipments	4	7,594,495	9,328,423
<b>CURRENT ASSETS</b>			
Stock	5	868,598	186,492
Advances and prepayments		10,000	70,000
Cash and bank balances	6	1,615,839	811,264
		<u>2,494,437</u>	<u>1,067,756</u>
<b>TOTAL ASSETS</b>		<u>10,088,932</u>	<u>10,396,179</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables	7	351,992	535,492
Accrued expenses		<u>188,000</u>	<u>181,000</u>
		539,992	716,492
Contingencies and commitments	8	-	-
<b>NET ASSETS</b>		<u>9,548,940</u>	<u>9,679,687</u>

The annexed notes form integrated part of this financial statement.

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**



**BISMILLAH DASTARKHAN**  
**REVENUE AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
Revenue	9	13,035,572	9,909,122
Expenditure	10	(13,166,319)	(11,352,607)
(Deficit) for the year before taxation		(130,747)	(1,443,485)
Taxation	11	-	-
(Deficit) for the year after taxation		(130,747)	(1,443,485)

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, 2019**

<b>GENERAL FUND</b>	<b>Amount Rupees</b>
Balances as at July 01, 2017	11,123,172
(Deficit) transfer from revenue and expenditure account	(1,443,485)
<b>Balances as at June 30, 2018</b>	<b>9,679,687</b>
Balances as at July 01, 2018	9,679,687
(Deficit) transfer from revenue and expenditure account	(130,747)
<b>Balances as at June 30, 2019</b>	<b>9,548,940</b>

✓ The annexed notes from integrated part of this financial statement.

  
CHIEF EXECUTIVE



  
DIRECTOR

**BISMILLAH DASTARKHAN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Note</u>	<u>2019 Rupees</u>	<u>2018 Rupees</u>
<b>Cash Flows Operating Activities</b>			
(Deficit) for the year after taxation		(130,747)	(1,443,485)
Adjustments for :			
Depreciation	4	1,760,528	1,625,967
Surplus before changes in working capital		<u>1,629,781</u>	<u>182,482</u>
<b>Changes in Working Capital</b>			
(Increase) / decrease in current assets			
Stock		(682,106)	(94,917)
Advances and prepaymnets		60,000	60,000
Increase / (decrease) in current liabilities			
Accrued and payables		(176,500)	514,992
		<u>(798,606)</u>	<u>480,075</u>
Net cash inflow from operating activities		831,175	662,557
Net cash Inflow from operating activities		<u>831,175</u>	<u>662,557</u>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(26,600)	-
Net cash outflow from investing activities		<u>(26,600)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Net cash inflow / (outflow) from investing activities		<u>-</u>	<u>-</u>
Net Increase in cash and cash equivalents		804,575	662,557
Net cash and cash equivalents at the beginning of the year		811,264	148,707
<b>Cash and cash equivalents at the end of the year</b>		<u><u>1,615,839</u></u>	<u><u>811,264</u></u>

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, 2019**

**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 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 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, 2019**

**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 Trade and other receivables**

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

**3.6 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.

**3.7 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.

**3.10 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.



**BISMILLAH DASTARKHAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4 PROPERTY AND EQUIPMENT**

DESCRIPTION	OWNED						TOTAL
	GODOWN	SHOPS	GENERATOR AND UPS	SANITORY EQUIPMENT	KITCHEN EQUIPMENT	ELECTRICITY EQUIPMENT	
<b>COST</b>							
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
<b>ACCUMULATED DEPRECIATION</b>							
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, 2018	1,933,030	2,053,845	137,200	1,899	95,403	44,977	4,266,354
Carrying Amount - 2019	3,381,143	3,592,464	422,800	5,851	40,109	152,128	7,594,495
Carrying Amount - 2018	4,178,269	4,439,410	478,800	6,626	68,763	156,555	9,328,423
<b>RATE OF DEPRECIATION (%)</b>	15%	15%	10%	10%	33%	10%	



**BISMILLAH DASTARKHAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
<b>5 STOCK</b>			
Rice, oil, milk and other eatable items		868,598	186,492
		<u>868,598</u>	<u>186,492</u>
<b>6 CASH AND BANK BALANCES</b>			
Cash in hand		208,935	249,344
Cash at bank		1,406,904	561,920
		<u>1,615,839</u>	<u>811,264</u>
<b>7 PAYABLES</b>			
Payable to supplier		351,992	535,492
		<u>351,992</u>	<u>535,492</u>
<b>8 CONTINGENCIES AND COMMITMENTS</b>			
There were no contingencies and commitments as at June 30, 2019 (2018: Nil).			
<b>9 Revenue</b>			
Donation		13,035,572	9,909,122
		<u>13,035,572</u>	<u>9,909,122</u>
<b>10 EXPENDITURE</b>			
Salaries expense		1,431,000	1,240,000
Masala expenses		1,117,308	888,592
Chicken expenses		2,910,800	1,970,440
Rice consume		2,996,150	2,469,475
Oil consume		695,060	490,650
Daal consumption		210,392	179,137
Milk and juice consumption		217,728	46,192
Housing keeping expense		-	1,980
Legal and professional charges		147,570	69,672
Travelling expenses		902	3,960
Auditor's remuneration		40,000	40,000
Utility expenses		587,207	559,383
Eid mela expenses		-	303,000
Ramadan expenses		830,264	1,233,365
Petrol and gas expense		86,260	135,594
Repair and maintainance		36,070	18,000
Depreciation	4	1,760,528	1,625,967
Cow slaughter on Eid-ul-Azha		71,000	63,000
Butcher expense		4,000	6,000
Electric expense		-	8,200
Printing expense		4,500	-
Bank charges		10,847	-
IT Expense		8,733	-
		<u>13,166,319</u>	<u>11,352,607</u>

**BISMILLAH DASTARKHAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**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.

**13 DATE OF AUTHORIZATION**

These financial statement have been authorized for issue on 10 3 OCT 2019 by the Board of Directors of the Company.

**14 GENERAL**

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE



  
DIRECTOR