

2016

**AUDITED FINANCIAL STATEMENTS
OF
MARIAM ALI MUHAMMAD TABBA FOUNDATION
FOR THE YEAR ENDED
JUNE 30, 2016**

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Karachi, Lahore & Islamabad**



Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

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AUDITORS REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the "Mariam Ali Muhammad Tabba Foundation" (under section 42) ("the Company") as at June 30, 2016 and the related revenue and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof for the year then ended and we state that we have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purpose of our audit.

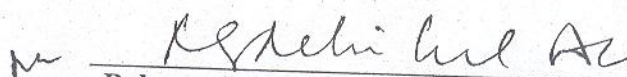
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

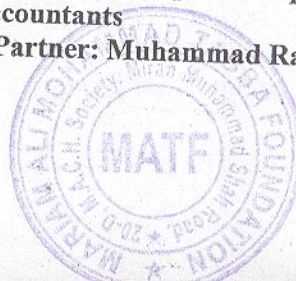
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that—

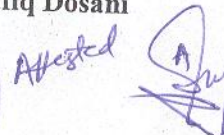
- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion—
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, revenue and expenditure account, cash flow statement and statement of changes in funds together with the notes together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016, and of the Deficit, cash flows and changes in fund for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Karachi

Dated 05 OCT 2016


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Rafiq Dosani





MARIAM ALI MUHAMMAD TABBA FOUNDATION
COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
BALANCE SHEET
AS AT JUNE 30, 2016

	Notes	2016 Rupees	2015 Rupees
ASSETS			
Non-current Assets			
Property and equipment	4	5,327,533	210,151,390
Long term deposits	5	-	40,000,000
Investment property	6	225,111,950	-
Current Assets			
Investments - available for sale	7	79,355,400	74,027,000
Loans and advances	8	4,962,050	7,000,000
Advance tax		-	1,240,866
Cash and bank balances	9	1,420,735	204,762
		85,738,185	82,472,628
TOTAL ASSETS		316,177,668	332,624,018
FUNDS EMPLOYED AND LIABILITIES			
Funds employed			
Accumulated funds	10	138,001,763	166,319,008
Surplus on remeasurement of investments	11	47,280,056	50,477,996
Long term security deposit		1,800,000	-
Current liabilities			
Accrued liabilities and payables	12	120,695,849	115,827,014
Unearned rental income (D5 & D39)	13	8,400,000	-
TOTAL FUNDS EMPLOYED AND LIABILITIES		316,177,668	332,624,018

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHIEF EXECUTIVE

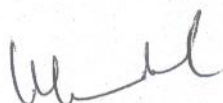

DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
REVENUES		
Donations / contributions	3,225,000	16,815,000
Rental income	5,100,000	-
Fee and course income	480,240	-
Donations / Contributions (in kind)	-	6,500,000
Gain on sale of shares	8,570,960	15,506,882
Dividend income	6,880,000	8,275,000
	24,256,200	47,096,882
EXPENSES		
Donation extended to institutions	6,326,456	5,913,582
Salaries and benefits	4,164,595	1,811,352
Medical assistance	10,713,742	8,494,912
Janitorial cost for hospital	2,173,097	1,807,200
Repair and maintenance	950,510	418,339
Rent, rates and taxes	300,000	263,975
Professional charges	52,500	15,000
Printing and stationery	12,000	-
Audit fee	30,000	25,000
ACES - Various expenses	593,398	-
Membership Fee / License Fee u/s 42	-	215,000
Design and renovation works for hospitals	-	50,000
CDC charges	12,000	10,858
Labour charges	250,000	-
Takaful expenses	30,000	-
Vehicle taxes and maintenance	118,150	-
Web development charges	54,560	-
Utilities Bills (D-20/Tabba Tower)	384,920	-
Advertisement and promotion	-	3,000
Depreciation of fixed assets	24,601,815	23,154,767
Miscellaneous expenses	-	16,185
Bank charges	18,836	255
Total Operation Cost	50,786,579	42,199,425
(Deficit)/Surplus for the year (Transferred to Accumulated Fund)	(26,530,379)	4,897,457
Taxation	1,786,866	-
(Deficit)/Surplus for the year after tax (Transferred to Accumulated Fund)	(28,317,245)	4,897,457

The annexed notes from 1 to 15 form an integral part of these financial statements.

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DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
 COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus before taxation	(26,530,379)	4,897,457
Adjustments for :		
Depreciation on fixed assets	24,601,815	23,154,767
Dividend income	(6,880,000)	(8,275,000)
Gain on sales of shares	(8,570,960)	(15,506,882)
Operating profit before working capital changes	<u>(17,379,524)</u>	<u>4,270,342</u>
Changes in working capital:		
(Increase)/ Decrease in current assets		
Loans and advances	2,037,950	(6,840,753)
Increase/(decrease) in current liabilities		
Accrued liabilities and payables	4,868,835	13,186,165
Unearned rental income	8,400,000	-
Cash generated from operations	<u>(2,072,739)</u>	<u>10,615,754</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxes paid	(546,000)	-
Net cash generated from operating activities	<u>(2,618,739)</u>	<u>10,615,754</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in shares	(11,111,680)	(12,033,727)
Addition of Fixed assets	(4,889,908)	(35,525,752)
Long term security deposit	1,800,000	-
Long term deposits		6,856,250
Sales of shares	11,156,300	21,426,440
Dividend received	6,880,000	8,275,000
Net cash used in investing activities	<u>3,834,712</u>	<u>(11,001,789)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	<u>1,215,973</u>	<u>(386,035)</u>
Cash and cash equivalents at the beginning of the year	204,762	590,797
Cash and bank balances at the end of the year	<u><u>1,420,735</u></u>	<u><u>204,762</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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 CHIEF EXECUTIVE


 DIRECTOR

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
 COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
 STATEMENT OF CHANGES IN FUND
 FOR THE YEAR ENDED JUNE 30, 2016**

	Accumulated Fund	Restricted Fund	Total Rupees
Balance as at 01 July 2014	161,421,551		161,421,551
Surplus for the year	4,897,457	-	4,897,457
Balance as at 30 June 2015	<u>166,319,008</u>	<u>-</u>	<u>166,319,008</u>
Balance as on July 1, 2015	166,319,008	-	166,319,008
(Deficit) for the year	(28,317,245)	-	(28,317,245)
Balance as at 30 June 2016	<u><u>138,001,763</u></u>	<u><u>-</u></u>	<u><u>138,001,763</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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CHIEF EXECUTIVE



DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 STATUS AND NATURE OF BUSINESS

- 1.1 "Mariam Ali Muhammad Tabba Foundation" (under section 42) is a Company limited by guarantee not having share capital has been incorporated on 31st January 2007 under the Companies Ordinance 1984. The company's main object is to carry on philanthropic, benevolent, social and other charitable activities for the general benefit and welfare of the people. The registered office of the Company is situated at 20-D, Muhammad Ali Housing Society, Miran Muhammad Shah Road, Karachi.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy below in note 3.1 for certain investments which are measured at their fair values (refer to note 6).

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements of the Company are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of asset, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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Judgments made by the management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in respective policy notes.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment loss. Cost of an asset comprises acquisition and other costs which are directly attributable to bringing the asset to the location and condition necessary for it to be capable to be operated in the manner as intended by Management.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

Depreciation is charged to profit and loss account applying straight line method whereby the cost of an asset is written off over its useful life at the rates specified in note 4 of the financial statements. Depreciation on additions is charged from the date on which asset is in the location and condition necessary for it to be capable of operating in the manner as intended by management and on disposals up to the date immediately preceding that of deletion.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2016 did not require any adjustment as its impact is considered insignificant.

3.2 Investments

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard 39; 'Financial Instruments: Recognition and Measurement'. Investments are classified as follows:

3.2.1 Investments available for sale

Investments classified as available for sale are initially measured at cost, being the fair value. At subsequent reporting date, these investments are remeasured at fair values. Realized and unrealized gains or losses arising from changes in fair value are directly taken to equity until disposal at which time these are transferred to profit and loss account.

Management determine fair value of quoted investments by using quotations from active market of Pakistan Stock Exchange and conditions and information about the financial instruments.

3.3 Investment property

Investment property is held for long term rental yields/capital appreciation. The investment property of the Foundation comprises of flats and buildings and are valued using the cost method i-e at cost less accumulated depreciation and impairment losses, if any.

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Cost include expenditure that is directly attributable to the acquisition of the investment property. Depreciation is charged to income and expenditure account on the straight line method so as to allocate the depreciation amount over its estimated useful life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off.

The residual values and useful lives of investment property are reviewed at each balance sheet date and adjusted if impact on depreciation is significant.

The Foundation assesses at each balance sheet date whether there is any indication that the investment property may be impaired. If such indications exist, the carrying amount of such assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the income and expenditure account. The recoverable amount is the higher of asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future period to allocate the assets' revised carrying amount over its estimated useful life.

The gain or loss on disposal of investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

3.4 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account.

3.5 Provisions

Provisions 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 the amount of obligation.

3.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to offset the recognized amounts and the Company intends to settle either on a net basis or realize the assets and settle the liability simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks.

3.8 Revenue recognition

(i) **Donation**

Donation is recognized on the receipt basis.

(ii) **Dividend / Return on securities**

Dividend income is recognized when the right to receive payment is established. Whereas, return on securities other than shares is recognized on accrual basis.

(iii) **Interest / Mark-up income**

Mark-up income is recognized on a time proportion basis by reference to the principal outstanding that takes into account the effective yield.

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4 PROPERTY AND EQUIPMENT

	Computers & Equipment	Building	Electric Equipment	Vehicle	Total
-----Rupees-----					
As at July 01, 2013					
Cost	794,860	-	349,437	-	1,144,297
Accumulated depreciation	(58,417)	-	(8,736)	-	(67,153)
Net book value	736,443	-	340,701	-	1,077,144
Year ended June 30, 2014					
Opening net book value	736,443	-	340,701	-	1,077,144
Additions during the year	31,200	202,033,199	-	-	202,064,399
Depreciation for the year	(275,364)	(5,050,830)	(34,944)	-	(5,361,138)
Closing net book value	492,279	196,982,369	305,757	-	197,780,405
As at June 30, 2014					
Cost	826,060	202,033,199	349,437	-	203,208,696
Accumulated depreciation	(333,781)	(5,050,830)	(43,680)	-	(5,428,291)
Net book value	492,279	196,982,369	305,757	-	197,780,405
Year ended June 30, 2015					
Opening net book value	492,279	196,982,369	305,757	-	197,780,405
Additions during the year	-	34,025,752	-	1,500,000	35,525,752
Depreciation for the year	(275,364)	(22,569,459)	(34,944)	(275,000)	(23,154,767)
Closing net book value	216,915	208,438,662	270,813	1,225,000	210,151,390
Cost	826,060	236,058,951	349,437	1,500,000	238,734,448
Accumulated depreciation	(609,145)	(27,620,289)	(78,624)	(275,000)	(28,583,058)
Net book value	216,915	208,438,662	270,813	1,225,000	210,151,390
Year ended June 30, 2016					
Opening net book value	216,915	208,438,662	270,813	1,225,000	210,151,390
Additions during the year	-	4,889,908	-	-	4,889,908
Transfer to investment property	-	-	-	-	-
Cost	-	(235,948,859)	-	-	(235,948,859)
Accumulated depreciation	-	50,836,909	-	-	50,836,909
Depreciation for the year	(216,915)	(24,049,956)	(34,944)	(300,000)	(24,601,815)
Closing net book value	-	4,166,664	235,869	925,000	5,327,533
Cost	826,060	5,000,000	349,437	1,500,000	7,675,497
Accumulated depreciation	(826,060)	(833,336)	(113,568)	(575,000)	(2,347,964)
Net book value	-	4,166,664	235,869	925,000	5,327,533
Rate of depreciation	33%	10%	10%	20%	

5 LONG TERM DEPOSITS

Deposits for offices

	2016 Rupees	2015 Rupees
Deposits for offices	-	40,000,000

6 INVESTMENT PROPERTY

Net carrying value as at 1 July

Opening net book value (NBV)

Addition/Transfer during period

Depreciation charge

Balance as at 30 June (NBV)

Gross carrying value as at 30 June

Cost

Accumulated depreciation

Net book value (NBV)

Depreciation rate (% per annum)

	2016 Rupees	2015 Rupees
Opening net book value (NBV)	-	-
Addition/Transfer during period	275,948,859	-
Depreciation charge	(50,836,909)	-
Balance as at 30 June (NBV)	225,111,950	-
Gross carrying value as at 30 June		
Cost	275,948,859	-
Accumulated depreciation	(50,836,909)	-
Net book value (NBV)	225,111,950	-
Depreciation rate (% per annum)	10%	10%

7 INVESTMENTS - available for sale

Fair value of investments

7.1

	2016 Rupees	2015 Rupees
Fair value of investments	79,355,400	74,027,000

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7.1 In accordance with the objectives of the company, the company has invested its surplus funds in marketable securities to get higher return and have additional funds for distribution in future. Such investment is valued at open market rate prevailing as at June 30.

	2016 Rupees	2015 Rupees
8 LOANS AND ADVANCES		
- Loan to staff	12,000	7,000,000
- Advance for purchase of land	4,950,050	-
	<u>4,962,050</u>	<u>7,000,000</u>
9 CASH AND BANK BALANCE		
- Cash at bank - current account	<u>1,420,735</u>	<u>204,762</u>
10 ACCUMULATED FUNDS		
- Opening balance	166,319,008	161,421,551
- Transferred from income and expenditure account	(28,312,245)	4,897,457
	<u>138,006,763</u>	<u>166,319,008</u>
11 SURPLUS ON REMEASUREMENT OF INVESTMENTS - AVAILABLE FOR SALE		
Appropriation on stocks as on June 30	<u>47,280,056</u>	<u>50,477,996</u>
12 ACCRUED LIABILITIES AND PAYABLES		
Accrued liabilities	200,000	336,165
AT Properties	5,000,000	-
Payable for property	115,490,849	115,490,849
	<u>120,690,849</u>	<u>115,827,014</u>
13 UNEARNED RENTAL INCOME		
- D5	5,400,000	-
- D39	3,000,000	-
	<u>8,400,000</u>	<u>-</u>

14 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 05 OCT 2016 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR