



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

2017

Marium Ali Muhammad Tabba Foundation

Audited Financial Statements
For the period ended
June 30, 2017

AUDITORS REPORT TO THE MEMBERS

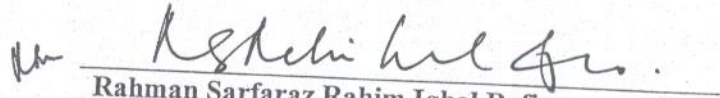
We have audited the annexed balance sheet of the "**Mariam Ali Muhammad Tabba Foundation**" (under section 42) ("the Company") as at **June 30, 2017** and the related revenue and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof for 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.

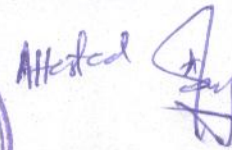
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, 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, 2017, 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 **03 OCT 2017**


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




Attested

MARIAM ALI MUHAMMAD TABBA FOUNDATION
COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
BALANCE SHEET
AS AT JUNE 30, 2017

	Notes	2017 Rupees	2016
ASSETS			
Non-current Assets			
Property and equipment	4	4,492,589	5,327,533
Long term deposits	5	4,000,000	-
Investment property	6	201,517,064	225,111,950
Current Assets			
Investments - available for sale	7	73,214,000	79,355,400
Loans and advances	8	-	4,962,050
Advance Tax		122,430	-
Prepaid Expenses	9	270,000	-
Cash and bank balances	10	145,366	1,420,735
		73,751,796	85,738,185
TOTAL ASSETS		283,761,449	316,177,668
FUNDS EMPLOYED AND LIABILITIES			
Funds employed			
Accumulated funds	11	122,338,580	138,001,763
Surplus on remeasurement of investments	7.1	35,872,951	47,280,056
		158,211,531	185,281,819
Non-Current liabilities			
Long term security deposit	12	1,800,000	1,800,000
Current liabilities			
Accrued liabilities and payables	13	117,802,598	120,695,849
Unearned rental income	14	5,947,320	8,400,000
TOTAL FUNDS EMPLOYED AND LIABILITIES		283,761,449	316,177,668

The annexed notes from 1 to 19 form an integral part of these financial statements.

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 CHIEF EXECUTIVE

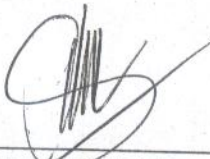

 DIRECTOR

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
COMPANY SETUP U/S 42 OF COMPANIES ORDINANCE 1984
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
REVENUE			
Donations / contributions		105,200	3,225,000
Rental income		36,047,320	5,100,000
Fee and course income		754,330	480,240
Gain on sale of shares		1,657,125	8,570,960
Dividend income		6,912,500	6,880,000
		45,476,475	24,256,200
EXPENDITURE			
Administrative expenses	15	5,981,865	3,899,762
D39 Tabbu Tower expenses	16	25,208,937	23,201,758
Welfare and Charitable expenses	17	29,430,418	23,685,059
		60,621,220	50,786,579
Deficit for the year (Transferred to Accumulated Fund)		(15,144,745)	(26,530,379)
Taxation		(518,438)	(1,786,866)
Net deficit for the year (Transferred to Accumulated Fund)		(15,663,183)	(28,317,245)

The annexed notes from 1 to 19 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
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before taxation	(15,144,745)	(26,530,379)
Adjustments for :		
Depreciation on fixed assets	24,429,830	24,601,815
Dividend income	(6,912,500)	(6,880,000)
Gain on sales of property	(49,950)	-
Operating profit before working capital changes	<u>2,322,635</u>	<u>(8,808,564)</u>
<i>Changes in working capital:</i>		
<i>(Increase)/ Decrease in current assets</i>		
Loans and advances	4,962,050	2,037,950
Prepaid Expenses	(270,000)	-
<i>Increase/(decrease) in current liabilities</i>		
Accrued liabilities and payables	(2,893,251)	4,868,835
Unearned rental income	(2,452,680)	8,400,000
Cash generated from operations	<u>1,668,754</u>	<u>6,498,221</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxes paid	(640,868)	(546,000)
Net cash generated from operating activities	<u>1,027,886</u>	<u>5,952,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in shares	(5,215,755)	(8,526,340)
Addition of Fixed assets	-	(4,889,908)
Long term deposits	(4,000,000)	1,800,000
Dividend received	6,912,500	6,880,000
Net cash used in investing activities	<u>(2,303,255)</u>	<u>(4,736,248)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	<u>(1,275,369)</u>	<u>1,215,973</u>
Cash and cash equivalents at the beginning of the year	<u>1,420,735</u>	<u>204,762</u>
Cash and bank balances at the end of the year	<u><u>145,366</u></u>	<u><u>1,420,735</u></u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

Signature

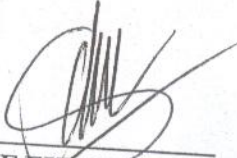

CHIEF EXECUTIVE


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, 2017

	Accumulated Fund	Surplus on remeasurement of investments Rupees	Total
Balance as at 01 July 2015	166,319,008	50,477,996	216,797,004
Net unrealise loss on remeasurement of available for sales investments	-	(3,197,940)	(3,197,940)
Deficit for the year	(28,317,245)	-	(28,317,245)
Balance as at 30 June 2016	<u>138,001,763</u>	<u>47,280,056</u>	<u>185,281,819</u>
Net unrealise loss on remeasurement of available for sales investments	-	(11,407,105)	(11,407,105)
Deficit for the year	(15,663,183)	-	(15,663,183)
Balance as at 30 June 2017	<u>122,338,580</u>	<u>35,872,951</u>	<u>158,211,531</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


 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, 2017

1 STATUS AND NATURE OF BUSINESS

"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

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the Companies whose financial year closes on or before Jun 30, 2017 shall prepare their financial statements in accordance with the provision of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Small and Medium-Size Entities (IFRS for SME's) issued by the IASB as adopted by the council of institute of chartered accountants of Pakistan and are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is company's functional and presentation currency.

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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

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. Depreciation on additions is charged from the day when asset is put to use till the date of disposal

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, 2017 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 Company 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 and cash with banks.

3.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognised on the following basis:

Donation is recognized on the receipt basis.

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

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 June 30, 2015					
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
	-	(185,111,950)	-	-	(185,111,950)
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
As at June 30, 2016					
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
Year ended June 30, 2017					
Opening net book value	-	4,166,664	235,869	925,000	5,327,533
Additions during the year	-	-	-	-	-
Depreciation for the year	-	(500,000)	(34,944)	(300,000)	(834,944)
Closing net book value	-	3,666,664	200,925	625,000	4,492,589
As at June 30, 2017					
Cost	826,060	5,000,000	349,437	1,500,000	7,675,497
Accumulated depreciation	(826,060)	(1,333,336)	(148,512)	(875,000)	(3,182,908)
Net book value	-	3,666,664	200,925	625,000	4,492,589
Annual rate of depreciation (%)	33%	10%	10%	20%	

	Note	2017	2016
		Rupees	
5 LONG TERM DEPOSITS			
River Bank Enterprises	5.1	4,000,000	-

5.1 This includes deposit given by the foundation for the purpose of booking plots at River Valley Malir.

	Note	2017	2016
		Rupees	
6 INVESTMENT PROPERTY			
Net carrying value as at 1 July			
Opening net book value (NBV)		225,111,950	-
Transfer from property, plant and equipment		-	275,948,859
Depreciation charge		(23,594,886)	(50,836,909)
Balance as at 30 June (NBV)		201,517,064	225,111,950
Gross carrying value as at 30 June			
Cost		275,948,859	275,948,859
Accumulated depreciation		(74,431,795)	(50,836,909)
Net book value (NBV)		201,517,064	225,111,950
Depreciation rate (% per annum)		10%	10%

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		2017	2016
	Note	Rupees	
7 INVESTMENTS - available for sale			
Investment in quoted securities	7.1	<u>73,214,000</u>	<u>79,355,400</u>
7.1 Unrealized gain on remeasurement of short term investments as of the reporting date			
Market value		73,214,000	79,355,400
Cost of investment		<u>37,341,049</u>	<u>32,075,344</u>
Unrealize gain on remeasurement of investments	7.2	<u>35,872,951</u>	<u>47,280,056</u>
7 Movement in unrealized gain on remeasurement of available for sale investments			
At the beginning of the year		47,280,056	50,477,996
Net unrealized (loss) / gain in the value of investments for the year		<u>(11,407,105)</u>	<u>(3,197,940)</u>
		<u>35,872,951</u>	<u>47,280,056</u>
8 LOANS AND ADVANCES			
Loan to staff		-	12,000
Advance for purchase of land		-	4,950,050
		-	<u>4,962,050</u>
9 PREPAID EXPENSES			
AT Tower Flat Maintenance Chages		<u>270,000</u>	-
10 CASH AND BANK BALANCE			
Cash at bank - current account		<u>145,366</u>	<u>1,420,735</u>
11 ACCUMULATED FUNDS			
Opening balance		138,001,763	166,319,008
Transferred from income and expenditure account		<u>(15,663,183)</u>	<u>(28,317,245)</u>
		<u>122,338,580</u>	<u>138,001,763</u>
12 LONG TERM SECURTIY DEPOSIT			
This includes security deposit received by the foundation agianst D5 Majestic Plaza.			
13 ACCRUED LIABILITIES AND PAYABLES		2017	2016
	Note	Rupees	
Accrued liabilities		620,728	200,000
Payable for Suppliers		1,686,021	5,000,000
Payable for property		<u>115,495,849</u>	<u>115,495,849</u>
		<u>117,802,598</u>	<u>120,695,849</u>

	Note	2017	2016
		Rupees	
14			
UNEARNED RENTAL INCOME			
D5 Majestic Plaza		5,647,320	5,400,000
D39 Tabba Tower		-	3,000,000
D20 Head Office		300,000	-
		<u>5,947,320</u>	<u>8,400,000</u>
15			
ADMINISTRATIVE EXPENSES			
Salaries and benefits		910,000	812,200
Rent, rates and taxes		1,292,482	-
Repair and maintenance		273,500	900,010
Legal and Professional charges		303,000	52,500
External Audit fee		50,000	30,000
Internal Audit fee		129,600	-
CDC charges		15,924	12,000
Takaful expenses		30,000	30,000
Vehicle taxes and maintenance		4,100	118,150
Web development charges		-	54,560
Utility charges		1,404,947	71,506
Advertisement and promotion		733,368	-
Depreciation expense		834,944	1,800,000
Bank Charges		-	18,836
		<u>5,981,865</u>	<u>3,899,762</u>
16			
D39 TABBA TOWER EXPENSES			
Salaries and benefits		345,000	97,800
Takaful expenses		615,616	-
Depreciation expense		23,594,886	22,801,815
Utility charges		653,435	302,143
		<u>25,208,937</u>	<u>23,201,758</u>
17			
WELFARE AND CHARITABLE EXPENSES			
Donation extended to institutions		6,714,770	6,326,456
Advance Community Education School expenses	17.1	3,405,426	2,683,144
JPMC / NECP charitable expenses	17.2	19,310,222	14,675,459
		<u>29,430,418</u>	<u>23,685,059</u>
17.1			
Advance Community Education School expenses			
Staff Salaries		2,004,820	1,766,475
Rent expense		300,000	300,000
Stationary expenses		17,260	12,000
Utility charges		11,609	11,271
Other expenses		1,071,737	593,398
		<u>3,405,426</u>	<u>2,683,144</u>

17.2 JPMC / NECP Charitable expenses

Note	2017	2016
	Rupees	
Staff Salaries	3,491,000	1,488,120
Medical assistance	8,490,267	10,713,742
Janitorial expenses	5,404,079	2,173,097
Repair and maintenance	1,837,635	300,500
Takaful expenses	87,241	-
	<u>19,310,222</u>	<u>14,675,459</u>

18 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 03 OCT 2017 by the Board of Directors of the Company.

19 GENERAL

19.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

19.2 Figures have been rounded to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR