

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2021**



INDEPENDENT AUDITOR'S REPORT

To the members of Mariam Ali Muhammad Tabba Foundation.

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Mariam Ali Muhammad Tabba Foundation (the company), which comprise the statement of financial position as at June 30, 2021, and the Statement of income and expenditure, statement of other comprehensive income, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of income and expenditure, statement other comprehensive income, the statement of changes in net assets and the statement of cash flows together with 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 company's affairs as at June 30, 2021 and of the surplus, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the company 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 accounting and reporting standards as applicable in Pakistan and the requirement of the 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. *Good*

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

Boards of directors are responsible for overseeing the Company'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 misstatements, 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 misstatements 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 Company'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 company'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 Company to cease to continue as going a 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. *more*

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 accounts have been kept by the company as required by the companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, statement of other comprehensive income, the statement of changes in net assets and the 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) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Other Matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of chartered accountants who expressed an unmodified opinion thereon vide their report dated October, 07, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Nauman *smr*
Rafique.


Suriya Nauman Rehan & Co.
Chartered Accountants

Islamabad: Date 05 OCT 2021

MARIAM ALI MUHAMMAD TABBA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	3,887,514	4,702,486
Investment properties	5	89,736,003	116,264,658
Long-term deposits	6	41,500,000	31,500,000
		<u>135,123,517</u>	<u>152,467,144</u>
CURRENT ASSETS			
Investments - available for sale	7	69,528,000	45,194,600
Advances, deposits and other receivables	8	600,257	220,000
Advance Tax		2,004,444	-
Cash and bank Balances	9	19,939,015	6,310,107
Total current Assets		<u>92,071,716</u>	<u>51,724,707</u>
TOTAL ASSETS		<u><u>227,195,233</u></u>	<u><u>204,191,851</u></u>
EQUITY AND LIABILITIES			
Accumulated profit/ (loss)		87,060,532	77,450,403
Revaluation of investment		(4,787,513)	(14,000,948)
		<u>82,273,019</u>	<u>63,449,455</u>
NON- CURRENT LIABILITIES			
Security Deposits	10	19,960,875	9,460,875
Donation Deferred Income	11	96,512,216	
		<u>116,473,091</u>	<u>9,460,875</u>
CURRENT LIABILITIES			
Accrued liabilities and other payables	12	4,419,946	119,049,255
Unearned rental income	13	24,029,178	12,232,266
		<u>28,449,124</u>	<u>131,281,521</u>
TOTAL EQUITY AND LIABILITIES		<u><u>227,195,233</u></u>	<u><u>204,191,851</u></u>
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Income			
Donations	14	1,200,000	-
Rental income		75,005,396	54,362,634
Maintenance Income		9,000,000	4,500,000
Fees and course income		-	109,095
Dividend income		6,295,000	2,815,000
Other Income/Gain on sale of Asset		8,555,000	-
Deferred income realized	11	5,978,633	-
		<u>106,034,029</u>	<u>61,786,729</u>
Expenditure			
General and administrative expenses	15	6,681,774	4,500,696
D-39 Tabba Tower	16	36,823,756	36,230,688
Welfare and charitable expenses	17	23,970,102	20,342,701
D-5 Majestic Plaza property tax		16,091,855	-
		<u>83,567,487</u>	<u>61,074,085</u>
Surplus for the year		22,466,542	712,644
Taxation		(12,856,413)	(9,145,941)
Surplus / (Deficit) after taxation		<u>9,610,129</u>	<u>(8,433,297)</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

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**MARIAM ALI MUHAMMAD TABBA FOUNDATION
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Net Surplus / (Deficit) for the year		9,610,129	(8,433,297)
Other Comprehensive Income		-	-
Items that may not be subsequently reclassified to income and expenditure account			
Items that will not be subsequently reclassified to income and expenditure account			
Unrealized Gain / (Loss) on re-measurement of investments classified as fair value through other comprehensive income		9,213,435	(8,890,410)
Total Comprehensive Income / (Loss)		<u>18,823,564</u>	<u>(17,323,707)</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

	Accumulated Fund	Surplus / (Deficit) on remeasurement of Investments	Total
Rupees.....		
Balance at June 30, 2019	85,883,700	(5,110,538)	80,773,162
Other Comprehensive Income	-	(8,890,410)	(8,890,410)
Deficit for the year	(8,433,297)	-	(8,433,297)
Balance at June 30, 2020	<u>77,450,403</u>	<u>(14,000,948)</u>	<u>63,449,455</u>
Other Comprehensive Income	-	9,213,435	9,213,435
Surplus for the year	9,610,129	-	9,610,129
Balance as at June 30, 2021	<u>87,060,532</u>	<u>(4,787,513)</u>	<u>82,273,019</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**MARIAM ALI MUHAMMAD TABBA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	30-Jun-21 Rupees	30-Jun-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	22,466,542	712,644
Adjustments for :		
Depreciation on fixed assets	28,275,268	28,422,243
Dividend income	(6,295,000)	
Gain on disposal of assets	(8,555,000)	-
Operating profit before working capital changes	<u>35,891,809</u>	<u>29,134,887</u>
<i>Changes in working capital:</i>		
(Increase)/ Decrease in current assets		
Other receivables	(380,257)	-
Prepaid Expenses	(2,004,444)	-
Increase/(decrease) in current liabilities		
Accrued liabilities and payables	(114,629,309)	711,546
Unearned rental income	11,796,912	(2,221,474)
Cash generated from operations	<u>(69,325,289)</u>	<u>27,624,959</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxes paid	<u>(12,856,413)</u>	<u>(9,145,941)</u>
Net cash generated from operating activities	<u>(82,181,702)</u>	<u>18,479,018</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in shares	(15,119,965)	(13,121,497)
Long term deposits	(10,000,000)	(2,000,000)
Security Deposit received	10,500,000	1,500,000
Fixed Asset Addition	-	(1,260,000)
Disposal of Fixed assets	9,570,000	-
Insurance Claim Received	535,000	-
Dividend Received	6,295,000	-
Addition to Investment property	(2,481,640)	(1,581,370)
Net cash used in investing activities	<u>(701,605)</u>	<u>(16,462,867)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred Income - Donation	96,512,216	-
Net cash from financing activities	<u>96,512,216</u>	<u>-</u>
Net increase in cash and cash equivalents	13,628,909	2,016,151
Cash and cash equivalents at the beginning of the year	6,310,106	4,293,955
Cash and bank balances at the end of the year	<u>19,939,015</u>	<u>6,310,106</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

1 STATUS AND NATURE OF OPERATIONS

"Mariam Ali Muhammad Tabba Foundation" (the Foundation) is a Company limited by guarantee not having share capital has been incorporated on 31st January 2007 under section 42 of the Companies Ordinance 1984 (now Companies Act, 2017). The Foundation'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 Foundation 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 the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprises of:

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

-Accounting Standard for Not for Profit Organization (Accounting Standards for NPOs) issued by the institute of Chartered Accountants of Pakistan 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 or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is Foundation'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.

Judgments made by the management in application of the approved accounting and reporting 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 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

3.1.1 Standards, Interpretations and amendments to accounting and reporting standards that are effective in current year

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below

against the respective standard:

IFRS 16 - 'Leases'

IFRIC - 23 'Uncertainty over Income Tax Treatments'

The adoption of the above standard and interpretation to accounting standards did not have any material effect on the financial statements.

MARIAM ALI MUHAMMAD TABBA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

3.1.2 Standards, Interpretations and amendments to accounting and reporting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation.

	Standard or interpretation	Effective date (accounting periods beginning on or after)
IFRS 3	Amended by reference to the Conceptual Framework	01-Jan-22
IFRS 4	Amendments to IFRS 17 and Extension of the Temporary Exemption from applying IFRS 9.	01-Jan-23
IFRS 9	Amended by annual improvements to IFRS standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	01-Jan-22
IFRS 16	Amendments by annual improvements to IFRS Standards 2018-2020 (Lease incentive illustrative example)	01-Jan-22
IAS 1	Amended by classification of Liabilities as Current or Non-current	01-Jan-23
IAS 16	Amended by Property, Plant and Equipment - proceeds before intended use	01-Jan-22
IAS 37	Amended by onerous contract - cost of fulfilling a contract	01-Jan-22

The Company has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective.

3.1.3 Standards issued but not yet applicable

The following new standards have been issued by IASB which are not yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	01-Jan-23

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

3.2.1 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.

3.2.2 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 Foundation and the cost of the item can be measured reliably.

MARIAM ALI MUHAMMAD TABBA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 is included in the income and expenditure account in the year in which the asset is derecognized.

Depreciation is charged to income and expenditure account applying straight line method whereby the cost of an asset is written off over its useful life at rates disclosed in note 4. 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 Foundation's estimate of residual value of property and equipment as at June 30, 2020 did not require any adjustment as its impact is considered insignificant.

3.2.3 Investments

The management determines the appropriate classification of its investments in accordance with the requirements of 'IFRS 9 'Financial Instruments' which was issued on July 24, 2014. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018. The investments previously classified as available for are now designated as Fair Value Through Other Comprehensive Income (FVTOCI). Investments are classified as follows:

3.2.4 Investments available for sale - fair value through Other comprehensive income

Investments 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 taken to Other Comprehensive Income and then becomes part of separate reserve created under equity.

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.

3.2.5 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.

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.

3.2.6 Impairment

The carrying amount of the Foundation'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.

3.2.7 Provisions

Provisions are recognized when the Foundation 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.

3.2.8 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 Foundation has a legally enforceable right to offset the recognized amounts and the Foundation intends to settle either on a net basis or realize the assets and settle the liability simultaneously.

3.2.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

3.3 Donations

Donation is recognized on the receipt basis.

3.4 Dividend Income

Dividend income is recognized when the right to receive payment is established. Whereas, rental income and maintenance income is recognized on accrual basis as per agreements.

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

3.5 Taxation

a) Current

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any, and minimum tax computed at the prescribed rate on turnover or alternative corporate tax. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the periods when differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date.

3.6 Related party transactions

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length. These prices are determined in accordance with the methods prescribed in the Companies Act, 2017.

3.7 Financial Instruments IFRS 9

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

MARIAM ALI MUHAMMAD TABBA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Debt Instrument - Fair Value through profit or loss (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Instrument - Fair Value through profit or loss (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3.8 Expenses

Expenses are recognized in the income and expenditure account when incurred.

MARIAM ALI MUHAMMAD TABBA FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021

4 PROPERTY AND EQUIPMENT

	Computer & Equipment	Building	Electric Equipment	Vehicle	Total
Year ended June 30, 2019					
As at June 30, 2019					
Cost	838,160	5,000,000	1,889,723	1,500,000	9,227,883
Accumulated depreciation	(826,393)	(2,333,336)	(372,429)	(1,475,000)	(5,007,158)
Net book value	11,767	2,666,664	1,517,294	25,000	4,220,725
Year ended June 30, 2020					
Opening net book value	11,767	2,666,664	1,517,294	25,000	4,220,725
Additions during the year	-	-	1,260,000	-	1,260,000
Depreciation for the year	(11,767)	(500,000)	(241,472)	(25,000)	(778,239)
Closing net book value	-	2,166,664	2,535,822	-	4,702,486
As at June 30, 2020					
Cost	850,260	5,000,000	3,149,723	1,500,000	10,499,983
Accumulated depreciation	(838,493)	(2,833,336)	(613,901)	(1,500,000)	(5,785,730)
Net book value	-	2,166,664	2,535,822	-	4,702,486
Year ended June 30, 2020					
Opening net book value	-	2,166,664	2,535,822	-	4,702,486
Additions during the year	-	-	-	-	-
Depreciation for the year	-	(500,000)	(314,972)	-	(814,972)
Closing net book value June 30, 2021	-	1,666,664	2,220,850	-	3,887,514
As at June 30, 2021					
Cost	-	5,000,000	3,149,723	1,500,000	9,649,723
Accumulated depreciation	-	(3,333,336)	(928,873)	(1,500,000)	(5,762,209)
Net book value June 30, 2021	-	1,666,664	2,220,850	-	3,887,514
Depreciation rate (% p.a)	33%	10%	10%	20%	

MARIAM ALI MUHAMMAD TABBA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees		
5 INVESTMENT PROPERTIES					
Net carrying value at July 01					
Opening net book value		116,264,658	142,327,292		
Addition during the year		2,481,640	1,581,370		
Disposal during the year		(1,550,000)			
Depreciation charge		(27,460,295)	(27,644,004)		
Closing net book value as at June 30		<u>89,736,003</u>	<u>116,264,658</u>		
Gross carrying value as at June 30					
Cost		276,011,869	277,530,229		
Accumulated depreciation		(186,275,866)	(161,265,571)		
Net book value (NBV)		<u>89,736,003</u>	<u>116,264,658</u>		
Depreciation rate		10%	10%		
6. Long-term deposits					
Opening		31,500,000	31,500,000		
Paid during the year		10,000,000	-		
Closing	6.1	<u>41,500,000</u>	<u>31,500,000</u>		
6.1. This includes deposit given by the foundation for the purpose of booking plots at River Valley Malir for utilizing in future welfare projects.					
7. Investments - available for sale					
Investment in quoted securities	7.1	<u>69,528,000</u>	<u>45,194,600</u>		
7.1. Unrealized (loss) / gain on remeasurement of investments as of reporting date					
Market Value		69,528,000	45,194,600		
Cost of Investment		(74,315,514)	(59,195,548)		
Unrealized Gain or (Loss) on Investments - AFS		<u>(4,787,514)</u>	<u>(14,000,948)</u>		
7.2. Movement in unrealized (loss) / gain on remeasurement of investments					
At the beginning of the year		(14,000,948)	(5,110,538)		
Net unrealized gain in the value of investment for the year		9,213,435	(8,890,410)		
At the end of the year		<u>(4,787,513)</u>	<u>(14,000,948)</u>		
7.3 At fair Value through other comprehensive income					
No. of Shares	No. of Shares	Cost - in Rupees		Market Value - in Rupees	
2021	2020	2021	2020	2021	2020
1,500,000	1,370,000	74,315,514	59,195,548	69,528,000	45,194,600
<u>1,500,000</u>	<u>1,370,000</u>	<u>74,315,514</u>	<u>59,195,548</u>	<u>69,528,000</u>	<u>45,194,600</u>
		In Quoted Securities			
		PSX			

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FOR THE YEAR ENDED JUNE 30, 2021

		30-Jun-21	30-Jun-20
8. Advance Deposits and other receivables			
Prepayments	8.1	220,000	220,000
Other receivables and advances	8.2	380,257	-
		<u>600,257</u>	<u>220,000</u>
8.1. This include AT Tower Flat maintenance charges paid in advance by the foundation to AT tower Maintenance society.			
8.2. This includes receivables for half month Tasdeek Maintenance income and advances for new project welfare clinic			
9. CASH AND BANK BALANCES			
Cash at bank - <i>Current Account</i>		<u>19,939,015</u>	<u>6,310,107</u>
10. Security Deposits			
Bachaa Party		1,800,000	1,800,000
Infinitum Innovation (Pvt.) Ltd.		4,210,875	4,210,875
Meezan Investment Management		1,950,000	1,950,000
Fotile Kitchen		3,000,000	1,500,000
Tasdeek		9,000,000	-
		<u>19,960,875</u>	<u>9,460,875</u>
11. Deferred Income - Donation			
During the year Mrs. Amna has waived off the liability in respect of Tabba Tower amounting to Rs. 102 Million. It has been accounted for as deferred income and will be amortized and taken into income and expenditure account over the remaining useful life of the property.			
Deferred income at start of the year		102,490,849	-
Amortization for the year	11.1	<u>(5,978,633)</u>	-
deferred income at year end		<u>96,512,216</u>	-
11.1 The company has amortized the deferred income over 10 years.			
12. Accrued liabilities and other payables			
Accrued liabilities		2,006,641	1,557,621
Payable for suppliers		2,204,956	2,000,785
Payable for property-related party	12.1	-	115,490,849
WHT Payable		105,339	-
External Audit fee		103,010	-
		<u>4,419,946</u>	<u>119,049,255</u>
12.1 PAYABLE FOR PROPERTY- RELATED PARTY			
Mrs. Amna - AT Tower Flat - Flat No. 103		-	4,500,000
Mrs. Amna - AT Tower Flat - Flat No. 104		-	4,500,000
Mrs. Amna - AT Tower Flat - Flat No. 105		-	4,000,000
Mrs. Amna - D 39 Tabba Tower		-	102,490,849
		<u>-</u>	<u>115,490,849</u>
13. UN EARNED RENTAL INCOME			
D39 Tabba Tower	13.1	14,531,889	12,232,266
D-5 Majestic Plaza	13.2	9,497,289	-
		<u>24,029,178</u>	<u>12,232,266</u>
13.1 This amount represents the rental received in advance from Al-Meezan, Faysal bank and Infinitum security.			
13.2 This amount represents rent received in advance from Bachaa Party.			

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	30-Jun-21	30-Jun-20
14. Donation		
Donation from Meezan Investment Management Company	14.1 <u>1,200,000</u>	-
	<u>1,200,000</u>	-
14.1 This amount represent the donation received for general purpose.		
15. General and administrative expenses		
Salaries and benefits	1,781,750	1,407,000
Rent, rates and taxes	305,150	164,226
Repair and maintenance	634,884	679,155
Legal and Professional charges	210,000	141,000
External Audit fee	15.1 103,010	89,100
Internal Audit fee	108,000	81,000
CDC charges	-	5,000
Takaful expenses	73,524	27,430
Vehicle taxes and maintenance	-	6,500
Utility charges	528,405	821,773
Advertisement and promotion	110,000	110,000
Security Fee	51,087	188,584
Bank charges	1,017	1,689
Rent Discount	1,830,147	-
Entertainment	40,800	-
Commission / Brokery	60,000	-
Depreciation expense	814,972	778,239
Other Expense	29,028	-
	<u>6,681,774</u>	<u>4,500,696</u>
15.1. Audit Remuneration		
Audit fee	98,010	89,100
Out of Pocket	5,000	-
	<u>103,010</u>	<u>89,100</u>
	30-Jun-21	30-Jun-20
	Rupees	Rupees
16. D-39 Tabba Tower		
Salaries and benefits	1,900,285	1,758,226
Takaful expenses	108,380	300,971
Repair and maintenance	1,202,150	1,101,433
Depreciation expense	27,460,295	27,644,004
Utility charges	2,188,015	3,000,051
Generator Expense	2,172,929	1,987,660
Janitorial Services	28,004	9,852
Lift Maintenance	120,000	206,955
CCTV System	97,949	55,033
Plumbing & Fire Fighting Services	200,004	166,503
Security Service	1,326,262	-
Staff Entertainment	19,483	-
	<u>36,823,756</u>	<u>36,230,688</u>
17. Welfare and Charitable Expenses		
Donation extended to institutions	7,665,432	6,919,399
Donation extended to individual	854,467	-
Advance Community Education School expenses	17.1 4,948,740	4,563,956
JPMC / NECP charitable expenses	17.2 10,501,463	8,859,346
	<u>23,970,102</u>	<u>20,342,701</u>

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	30-Jun-21	30-Jun-20
	Rupees	Rupees
17.1 Advance Community Education School expenses		
Staff Salaries	3,752,775	3,822,990
Rent expense	399,000	372,000
Stationary expenses	373,679	34,855
Utility charges	128,401	69,316
Other expenses	294,885	264,795
	<u>4,948,740</u>	<u>4,563,956</u>
17.2 JPMC / NECP Charitable expenses		
Staff Salaries	6,211,189	5,711,633
Medical assistance	120,555	189,244
Janitorial expenses	723,170	2,096,360
Repair and maintenance	2,013,582	862,109
Takaful expenses	1,432,967	-
	<u>10,501,463</u>	<u>8,859,346</u>

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18 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including the effects of changes in market interest rates, credit and liquidity risk associated with various financial assets and liabilities respectively as referred in this note. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company finances its operations through equity, short-term borrowings and management of working capital with a view to maintaining a reasonable mix and to minimize risk. Taken as a whole, risk arising from the Company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

18.1 Summary of financial assets and liabilities by category

The carrying amounts of the Company's financial assets and liabilities are recognized at the date of statement of financial position of the reporting period under review may also be categorized as follow:

	2021			Total Rupees
	Amortized cost Rupees	Fair value through OCI Rupees	Fair value through profit or loss Rupees	
Financial assets				
Trade receivables	600,257	-	-	600,257
Short-term investments	69,528,000	9,213,435	-	78,741,435
Cash and bank balances	19,939,015	-	-	19,939,015
Long-term investments	89,736,003	-	-	89,736,003
Long term deposits	41,500,000	-	-	41,500,000
	<u>221,303,275</u>	<u>9,213,435</u>	<u>-</u>	<u>230,516,711</u>
			Other financial liabilities at amortized cost Rupees	Total Rupees
Financial liabilities				
Trade and other payables			4,419,946	4,419,946
			<u>4,419,946</u>	<u>4,419,946</u>

	2020			Total Rupees
	Amortized cost Rupees	Fair value through OCI Rupees	Fair value through income and expenditure Rupees	
Financial assets				
Trade receivables	220,000	-	-	220,000
Short-term investments	45,194,600	(8,890,410)	-	36,304,190
Cash and bank balances	6,310,107	-	-	6,310,107
Long-term investments	116,264,658	-	-	116,264,658
Long term deposits	31,500,000	-	-	31,500,000
	<u>199,489,365</u>	<u>(8,890,410)</u>	<u>-</u>	<u>190,598,955</u>

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	30-Jun-21	30-Jun-20
	Rupees	Rupees
	Other	Total
	financial	
	liabilities at	
	amortized cost	
	Rupees	Rupees
Financial liabilities		
Trade and other payables	119,049,255	119,049,255
	119,049,255	119,049,255

18.2 Financial risk factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the company by failing to discharge an obligation. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognized at the date of statement of financial position, as follows:

	2021	2020
	Rupees	Rupees
Long-term investments	89,736,003	116,264,658
Long term deposits	41,500,000	31,500,000
Other receivables	380,257	-
Short-term investments	69,528,000	45,194,600
Bank balances	19,939,015	6,310,107
	221,083,276	199,269,365

The company's policy is to enter into financial contracts in accordance with the risk management framework where under it deals only with credit worthy counterparties. Management considers that above stated financial assets for each of the reporting dates under review are of good credit quality, including those that are past due. Management actively monitors credit ratings and only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Trade debts

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors.

All the trade debtors at the date of statement of financial position represent domestic parties.

In respect of receivables, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counter parties having similar characteristic, except for legislative related entities. The credit risk for bank balances is considered negligible, since the counterparties are reputable banks with high quality credit ratings.

b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business. The Company follows an effective cash flow management and planning policy to ensure the availability of funds and to take appropriate measures for new requirements.

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At the date of statement of financial position, the Company's liabilities have contractual maturities which are summarized below:

	2021		2020	
	Maturity Within one year	Maturity After one year	Maturity Within one year	Maturity After one year
	Rupees	Rupees	Rupees	Rupees
Trade and other payables	4,419,946	-	4,419,946	-
	<u>4,419,946</u>	<u>-</u>	<u>4,419,946</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) 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 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 objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Company is exposed to interest rate risk, currency risk and market price risk.

18.3 Fair values

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rupees	Rupees	Rupees	Rupees
Assets carried at amortized cost				
Long term deposits	41,500,000	41,500,000	31,500,000	31,500,000
Other receivables	380,257	380,257	-	-
Cash and bank balances	19,939,015	19,939,015	6,310,107	6,310,107
	<u>61,819,272</u>	<u>61,819,272</u>	<u>37,810,107</u>	<u>37,810,107</u>
Assets carried at fair value				
Long-term investments	89,736,003	89,736,003	116,264,658	116,264,658
Short-term investments	69,528,000	69,528,000	45,194,600	45,194,600
	<u>159,264,003</u>	<u>159,264,003</u>	<u>161,459,258</u>	<u>161,459,258</u>
Liabilities carried at amortized cost				
Trade and other payables	4,419,946	4,419,946	119,049,255	119,049,255
	<u>4,419,946</u>	<u>4,419,946</u>	<u>119,049,255</u>	<u>119,049,255</u>

The basis for determining fair values is as follows:

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Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3:

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred.

	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees
2021			
Assets carried at fair value			
Investment through OCI	9,213,435	-	-
	<u>9,213,435</u>	<u>-</u>	<u>-</u>
2020			
Assets carried at fair value			
Investment through OCI	(8,890,410)	-	-
	<u>(8,890,410)</u>	<u>-</u>	<u>-</u>

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost have been determined for disclosure purposes only and have been categorized in level 2 of fair value hierarchy.

18.4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

Investment in fair value through profit or loss

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date.

Available for sale investments

The fair value of available for sale investment is determined by reference to breakup value announced by Karachi Stock Exchange.

Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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19 CONTINGENCIES AND COMMITMENT

There were no contingencies and commitment occurred during the year.

20 TRANSACTIONS WITH RELATED PARTIES

All the balances and transactions with related parties has been adequately disclosed in the relevant notes to the financial statements.

Name of related party	Nature of transaction	2021 Rupees	2020 Rupees
Generation's School	Donation	-	110,935
Caravan of Life	Donation	-	412,000
Lucky Tex Pakistan (Pvt.) Ltd	Loan obtained and repaid	-	7,500,000

20.1 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Sindh including Federal Government announced a temporary lock down as a measure to reduce the spread of the COVID-19.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the foundation continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.

21 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively area as follows:

	2021	2020
	-----Number-----	
Total number of employees as at June 30	40	40
Average number of employees during the year	33	33

22 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 05 OCT 2021 by the Board of Directors of the Foundation.

23 GENERAL

Figures have been rounded to the nearest rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR