

MARIAM ALI MOHAMMAD TABBA FOUNDATION

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**



INDEPENDENT AUDITOR'S REPORT

To the members of **Mariam Ali Mohammad Tabba Foundation.**

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Mariam Ali Mohammad Tabba Foundation (the company), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure and statement of other comprehensive income, the statement of changes in net assets, 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 and statement of other comprehensive income, the statement of changes in net assets, 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, 2023 and of the surplus and total comprehensive income, the changes in net assets 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information.

The other information obtained at the date of this auditor's report in information included in the Director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be

materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 requirements 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.

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 the management.
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- 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 dates 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 presentations.

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 upon our audit, we further report that in our opinion:

- a) proper books of account 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 , the 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).

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


 Chartered Accountants

Islamabad: Date 20 NOV 2023

UDIN: AR2023102310QehzCs13

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

ASSETS	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	6,502,241	3,072,541
Investment properties	5	33,633,629	60,334,816
Long-term deposits	6	31,500,000	31,500,000
		<u>71,635,871</u>	<u>94,907,357</u>
CURRENT ASSETS			
Investments - available for sale	7	151,564,000	125,081,299
Advances, deposits and other receivables	8	4,291,026	101,250
Advance Tax		19,906,769	2,684,464
Cash and bank Balances	9	14,262,014	12,900,847
Total current Assets		<u>190,023,809</u>	<u>140,767,860</u>
TOTAL ASSETS		<u><u>261,659,680</u></u>	<u><u>235,675,217</u></u>
EQUITY AND LIABILITIES			
General fund balance		119,118,010	105,886,783
Fair value reserve on equity investments designated at FVOCI		(9,209,071)	(3,534,980)
		<u>109,908,939</u>	<u>102,351,803</u>
NON- CURRENT LIABILITIES			
Security Deposits	10	13,660,875	14,060,875
Donation Deferred Income	11	78,174,896	86,860,995
		<u>91,835,771</u>	<u>100,921,870</u>
CURRENT LIABILITIES			
Accrued liabilities and other payables	12	13,287,484	6,916,049
Unearned rental income	13	23,844,035	25,485,496
Provision for Taxation		22,783,450	-
		<u>59,914,970</u>	<u>32,401,545</u>
TOTAL EQUITY AND LIABILITIES		<u><u>261,659,680</u></u>	<u><u>235,675,217</u></u>
CONTINGENCIES AND COMMITMENTS	18	-	-

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
Income			
Rental income		85,075,260	76,883,333
Maintenance Income		7,370,000	6,000,000
Dividend income		38,687,500	17,900,000
Other Income		17,217,931	19,876,500
Deferred income realized	11	8,686,099	9,651,222
		<u>157,036,790</u>	<u>130,311,055</u>
Expenditure			
General and administrative expenses	14	(9,038,832)	(6,970,931)
D-39 Tabba Tower	15	(41,380,417)	(38,229,585)
Welfare and charitable expenses	16	(48,751,498)	(28,104,800)
D-5 & D - 39 property tax		(9,896,379)	(22,134,015)
Realized (Loss) on Investments		(11,954,986)	-
		<u>(121,022,113)</u>	<u>(95,439,331)</u>
Before Taxation Surplus for the year		36,014,677	34,871,724
Taxation		(22,783,450)	(16,045,473)
Surplus for the year - after tax		<u>13,231,227</u>	<u>18,826,252</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
Net Surplus for the year		13,231,227	18,826,252
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 Loss on re-measurement of investments classified as fair value through other comprehensive income	7.1	(5,674,091)	1,252,533
Total Comprehensive Income		<u>7,557,136</u>	<u>20,078,785</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Accumulated Fund	Surplus / (Deficit) on remeasurement of Investments	Total
Rupees.....		
Balance at June 30, 2021	87,060,532	(4,787,513)	82,273,019
Other Comprehensive Income	-	1,252,533	1,252,533
Surplus for the year	<u>18,826,251</u>	-	<u>18,826,251</u>
Balance at June 30, 2022	<u>105,886,783</u>	<u>(3,534,980)</u>	<u>102,351,803</u>
Balance as at July 1, 2022	105,886,783	(3,534,980)	102,351,803
Other Comprehensive Income	-	-	-
Surplus / (Deficit) for the year	<u>13,231,227</u>	<u>(5,674,091)</u>	<u>7,557,136</u>
Balance as at June 30, 2023	<u><u>119,118,010</u></u>	<u><u>(9,209,071)</u></u>	<u><u>109,908,939</u></u>

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The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Notes</u>	30-Jun-23 Rupees	30-Jun-22 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		36,014,677	34,871,724
Adjustments for :			
Depreciation on fixed assets	4	27,598,188	28,003,659
Dividend income		(38,687,500)	(17,900,000)
Gain on disposal of assets		-	(19,787,500)
Provision for Taxation		22,783,450	-
Other Income		(17,217,931)	(89,000)
Operating profit before working capital changes		<u>30,490,884</u>	<u>25,098,883</u>
Changes in working capital:			
(Increase)/ Decrease in current assets			
Other receivables	8	(4,189,776)	499,006
Taxes paid		(17,222,306)	(680,019)
Increase/(decrease) in current liabilities			
Accrued liabilities and payables		6,371,435	2,496,103
Unearned rental income	13	(1,641,461)	1,456,318
Cash generated from operations		<u>13,808,776</u>	<u>28,870,291</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Taxes paid		(22,783,450)	(16,045,473)
Net cash generated from operating activities		<u>(8,974,674)</u>	<u>12,824,819</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in shares	7	(44,111,778)	(54,300,765)
Realized (Loss) on Investments		11,954,986	-
Addition of Fixed assets		(4,326,702)	-
Long term deposits		-	10,000,000
Security Deposit received		(400,000)	(5,900,000)
Disposal of Fixed assets		-	22,000,000
Other Income		17,217,933	89,000
Dividend Received		38,687,500	17,900,000
Net cash used in investing activities		<u>19,021,939</u>	<u>(10,211,765)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Income - Donation	11	(8,686,099)	(9,651,222)
Net cash from financing activities		<u>(8,686,099)</u>	<u>(9,651,222)</u>
Net increase in cash and cash equivalents		1,361,167	(7,038,168)
Cash and cash equivalents at the beginning of the year		12,900,847	19,939,015
Cash and bank balances at the end of the year	9	<u>14,262,014</u>	<u>12,900,847</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

	<u>Standard or interpretation</u>	<u>Effective date (accounting periods beginning on or after)</u>
IFRS 4	Amendments to IFRS 17 and Extension of the	1-Jan-23
IAS 1	Temporary Exemption from applying IFRS 9. Amended by classification of	1-Jan-23
IAS 16	Liabilities as Current or Non-current Amended by Property, Plant and Equipment - proceeds before intended use	1-Jan-23
IAS 37	Amended by onerous contract - cost of fulfilling a contract	1-Jan-22
IAS 8	Accounting Policies, Changing in Accounting Estimates and Errors (Amendments)	1-Jan-23
IAS 12	Income Tax (Amendments)	1-Jan-23

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.

<u>Standard or Interpretation</u>	<u>Effective date (annual periods beginning on or after)</u>
IFRS 17 Insurance Contracts	1-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.

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.

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MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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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.

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MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 *any*

MARIAM ALI MUHAMMAD TABBA FOUNDATION
(A Company Setup under section 42 of the Companies Act, 2017)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. PROPERTY AND EQUIPMENT

Description	COST			ACCUMULATED DEPRECIATION			Written down value as at June 30, 2023	Rate %
	As at July 1, 2022	Additions	Deletion	As at June, 2023	Charge for the year	Disposal		
Owned								
Computer & Equipment	838,160	-	-	838,160	-	-	838,161	33%
Building	5,000,000	-	-	5,000,000	500,000	-	4,333,336	10%
Electric Equipment	3,149,723	400,000	-	3,549,723	331,556	-	1,575,402	10%
Vehicle	1,500,000	-	-	1,500,000	-	-	1,500,000	20%
Generator	-	3,926,702	-	3,926,702	65,445	-	3,861,257	10%
	10,487,883	4,326,702		14,814,585	897,001		6,502,241	

5. INVESTMENT PROPERTIES

D - 39	227,011,869	-	-	227,011,869	22,701,187	-	205,428,240	10%
D - 5 Majestic Plaza	40,000,000	-	-	40,000,000	4,000,000	-	27,950,000	10%
	267,011,869			267,011,869	26,701,187		233,378,240	

33,633,629 *Carry*

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	Note	30-Jun-23 Rupees	30-Jun-22 Rupees			
5 Investment Properties						
Net carrying value at July 01						
Opening net book value		60,334,816	89,736,003			
Addition during the year		-	-			
Disposal during the year		-	(2,212,500)			
Depreciation charge		(26,701,187)	(27,188,687)			
Closing net book value as at June 30		<u>33,633,629</u>	<u>60,334,816</u>			
Gross carrying value as at June 30						
Cost		267,011,869	267,011,869			
Accumulated depreciation		(233,378,240)	(206,677,053)			
Net book value (NBV)		<u>33,633,629</u>	<u>60,334,816</u>			
Depreciation rate		10%	10%			
6. Long-term deposits						
Opening		31,500,000	41,500,000			
Paid during the year		-	-			
Refund during the year		-	(10,000,000)			
Closing	6.1	<u>31,500,000</u>	<u>31,500,000</u>			
6.1.	The both parties are mutually agreed to cancel the said agreement, and there is no claim / damages and amicably settled what so ever nature in this regard, balance amount of Rs.31,500,000/- will be refunded to Mariam Ali Mohammad Tappa Foundation. (MATF)					
7. Investments - available for sale						
Investment in quoted securities	7.1	<u>151,564,000</u>	<u>125,081,299</u>			
7.1. Unrealized (loss) / gain on remeasurement of investments as of reporting date						
Cost of Investment		172,728,057	128,616,279			
Realized (Loss) on Investments as per NCCPL		(11,954,986)	-			
Unrealized Gain or (Loss) on Investments - AFS	7.2	(9,209,071)	(3,534,980)			
Market Value		<u>151,564,000</u>	<u>125,081,299</u>			
7.2. Movement in unrealized (loss) / gain on remeasurement of investments						
At the beginning of the year		(3,534,980)	(4,787,513)			
Net unrealized gain in the value of investment for the year		(5,674,091)	1,252,533			
At the end of the year		<u>(9,209,071)</u>	<u>(3,534,980)</u>			
7.3 At fair Value through other comprehensive income						
		Cost - in Rupees		Market Value - in Rupees		
	No. of Shares	No. of Shares	2023	2022	2023	2022
	2023	2022				
	2,550,000	2,290,000	172,728,057	128,616,279	151,564,000	125,081,299
	<u>2,550,000</u>	<u>2,290,000</u>	<u>172,728,057</u>	<u>128,616,279</u>	<u>151,564,000</u>	<u>125,081,299</u>
		In Quoted Securities				
		PSX				

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	30-Jun-23	30-Jun-22
8. Advance Deposits and other receivables		
Advance - CDC	739	-
Other receivables	4,290,287	101,250
	<u>4,291,026</u>	<u>101,250</u>
9. CASH AND BANK BALANCES		
Cash at bank - Current Account	<u>14,262,014</u>	<u>12,900,847</u>
10. Security Deposits		
Bachaa Party	1,800,000	1,800,000
Infinitum Innovation (Pvt.) Ltd.	4,210,875	4,210,875
Al-Meezan Investment Management	1,950,000	1,950,000
Fotile Kitchen	3,000,000	3,000,000
Infinitum Innovation (Pvt.) Ltd.	2,700,000	2,700,000
Sunberg	-	400,000
	<u>13,660,875</u>	<u>14,060,875</u>
11. Deferred Income - Donation		
During the year ended 30 June 2021, 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	86,860,995	96,512,216
Amortization for the year	11.1 (8,686,099)	(9,651,222)
deferred income at year end	<u>78,174,896</u>	<u>86,860,995</u>
11.1 The company has amortized the deferred income over 10 years.		
12. Accrued liabilities and other payables		
Accrued liabilities	2,162,447	2,782,730
Payable for suppliers	10,865,282	3,937,501
WHT Payable	151,755	87,818
External Audit fee	108,000	108,000
	<u>13,287,484</u>	<u>6,916,049</u>
13. UN EARNED RENTAL INCOME		
D39 Tabba Tower	13.1 18,918,619	18,419,804
D-5 Majestic Plaza	13.2 4,925,416	7,065,692
	<u>23,844,035</u>	<u>25,485,496</u>

13.1 This amount represents the rental received in advance from Al-Meezan, Faysal bank and Infinitum.

13.2 This amount represents rent received in advance from Bachaa Party.

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	30-Jun-23	30-Jun-22
14. General and administrative expenses		
Salaries and benefits	3,827,950	3,131,000
Rent, rates and taxes	181,946	69,257
Repair and maintenance	948,051	740,644
Legal and Professional charges	1,565,445	980,005
External Audit fee	14.1 108,000	112,996
Internal Audit fee	114,750	108,000
CDC charges	3,961	-
Takaful expenses	132,415	99,312
Fees & Subscription	72,000	-
Utility charges	992,998	554,148
Advertisement and promotion	130,000	110,000
Security Fee	50,000	36,209
Bank charges	-	565
Commission / Brokery	-	200,000
Depreciation expense	897,001	814,972
Other Expense	14,315	13,829
	<u>9,038,832</u>	<u>6,970,931</u>
14.1. Audit Remuneration		
Audit fee	103,000	103,000
Out of Pocket	5,000	5,000
	<u>108,000</u>	<u>108,000</u>
	30-Jun-23	30-Jun-22
	Rupees	Rupees
15. D-39 Tabba Tower		
Salaries and benefits	2,362,952	2,068,970
Takaful expenses	450,061	424,382
Repair and maintenance	2,635,236	1,228,885
Depreciation expense	26,701,187	27,188,687
Utility charges	3,267,249	2,798,895
Generator Expense	3,412,837	2,536,474
Janitorial Services	123,396	230,696
Lift Maintenance	309,205	227,000
CCTV System	-	30,302
Plumbing & Fire Fighting Services	200,191	200,004
Security Service	1,893,384	1,278,010
Staff Entertainment	24,720	17,280
	<u>41,380,417</u>	<u>38,229,585</u>
16. Welfare and Charitable Expenses		
Donation - Extended to institutions	9,780,961	9,172,624
Donation - Extended to individual	922,000	2,169,273
Donation - Welfare	15,243,206	-
Advance Community Education School expenses	16.1 5,771,982	4,945,579
JPMC / NECP charitable expenses	16.2 17,033,349	11,817,324
	<u>48,751,498</u>	<u>28,104,800</u>

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	30-Jun-23	30-Jun-22
	Rupees	Rupees
16.1 Advance Community Education School expenses		
Staff Salaries	5,256,324	4,027,192
Rent expense	-	480,000
Utility charges	166,659	147,556
Repair and maintenance	212,106	-
Other expenses	-	176,840
Takaful expenses	136,893	113,991
	<u>5,771,982</u>	<u>4,945,579</u>
16.2 JPMC / NECP Charitable expenses		
Staff Salaries	10,595,258	9,348,731
Medical assistance	-	11,602
Janitorial expenses	1,122,590	767,345
Repair and maintenance	3,368,201	1,511,891
Midwiferies expenses	1,761,376	-
Takaful expenses	185,924	177,755
	<u>17,033,349</u>	<u>11,817,324</u>

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17 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.

17.1 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:

	2023			Total Rupees
	Amortized cost Rupees	Fair value through OCI Rupees	Fair value through profit or loss Rupees	
Financial assets				
Trade receivables	4,291,026	-	-	4,291,026
Short-term investments	-	151,564,000	-	151,564,000
Cash and bank balances	14,262,014	-	-	14,262,014
Long term deposits	31,500,000	-	-	31,500,000
	50,053,040	151,564,000	-	201,617,041

Other financial liabilities at amortized cost	Total
.....Rupees.....	
13,287,484	13,287,484
13,287,484	13,287,484

Financial liabilities

Trade and other payables

	2022			Total Rupees
	Amortized cost Rupees	Fair value through OCI Rupees	Fair value through income and expenditure Rupees	
Financial assets				
Trade receivables	101,250	-	-	101,250
Short-term investments	-	125,081,299	-	125,081,299
Cash and bank balances	12,900,847	-	-	12,900,847
Long term deposits	31,500,000	-	-	31,500,000
	44,502,097	125,081,299	-	169,583,396

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Other financial liabilities at amortized cost	Total
.....Rupees.....	
6,916,049	6,916,049
<u>6,916,049</u>	<u>6,916,049</u>

Financial liabilities

Trade and other payables

17.2 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:

	2023 Rupees	2022 Rupees
Long term deposits	31,500,000	31,500,000
Advance Deposits and other receivables	4,291,026	101,250
Short-term investments	151,564,000	125,081,299
Bank balances	14,262,014	12,900,847
	<u>201,617,041</u>	<u>169,583,397</u>

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.

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

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	2023		2022	
	Maturity Within one year	Maturity After one year	Maturity Within one year	Maturity After one year
	Rupees	Rupees	Rupees	Rupees
Trade and other payables	13,287,484	-	6,916,049	-
	<u>13,287,484</u>	<u>-</u>	<u>6,916,049</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 with in acceptable parameters, while optimizing the return on risk.

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

17.3 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:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rupees	Rupees	Rupees	Rupees
Assets carried at amortized cost				
Long term deposits	31,500,000	31,500,000	31,500,000	31,500,000
Advance Deposits and other receivables	4,291,026	4,291,026	101,250	101,250
Cash and bank balances	14,262,014	14,262,014	12,900,847	12,900,847
	<u>50,053,040</u>	<u>50,053,040</u>	<u>44,502,097</u>	<u>44,502,097</u>
Assets carried at fair value				
Long-term investments	33,633,629	33,633,629	60,334,816	60,334,816
Short-term investments	151,564,000	151,564,000	125,081,299	125,081,299
	<u>185,197,629</u>	<u>185,197,629</u>	<u>185,416,115</u>	<u>185,416,115</u>
Liabilities carried at amortized cost				
Trade and other payables	13,287,484	13,287,484	6,916,049	6,916,049
	<u>13,287,484</u>	<u>13,287,484</u>	<u>6,916,049</u>	<u>6,916,049</u>

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The basis for determining fair values is as follows:

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
2023			
Assets carried at fair value			
Investment through OCI	151,564,000	-	-
	<u>151,564,000</u>	<u>-</u>	<u>-</u>
2022			
Assets carried at fair value			
Investment through OCI	125,081,299	-	-
	<u>125,081,299</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.

17.4 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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18 CONTINGENCIES AND COMMITMENT

There were no contingencies and commitment occurred during the year.

19 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	2023 Rupees	2022 Rupees
Generation's School	Donation	-	-
Caravan of Life	Donation	-	-
Lucky Tex Pakistan (Pvt.) Ltd	Loan obtained and repaid	-	-

20 NUMBER OF EMPLOYEES

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

	2023	2022
	-----Number-----	
Total number of employees as at June 30	<u>40</u>	<u>40</u>
Average number of employees during the year	<u>38</u>	<u>33</u>

21 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 06 NOV 2023 by the Board of Directors of *SMW* the Foundation.

22 GENERAL

Figures have been rounded to the nearest rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR