

**TABANI'S FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**



## Independent Auditor's Report

### To The Members of Tabani's Foundation

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Tabani's Foundation** (the "Company"), which comprise the statement of financial position as at June 30, 2022, and the statement of income and expenditure, the statement of changes in funds and reserves, 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, the statement of changes in funds and reserves and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the deficit, the changes in funds and reserves and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 comprises the information included in the Director's Report, but does not include the financial statements and our auditors' 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, 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.

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### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the 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 changes in funds and reserves 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) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### **Other Matter**

The financial statements of the Company for the year ended June 30, 2021 were audited by another auditor who expressed unmodified opinion on those statements on October 01, 2021.

The engagement partner on the audit resulting in independent auditors' report is Moin.

**Chartered Accountants**

**Date:** June 26, 2023

**Place:** Karachi

**UDIN:** AR202210344RSuptCmyc

**TABANI'S FOUNDATION**  
 (A company incorporated under section 42 of the Companies Act, 2017)  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

<u>ASSETS</u>	Note	2022 ----- Rupees -----	2021 -----
<b>NON-CURRENT ASSETS</b>			
Long-term deposits		<b>151,000</b>	151,000
		<u>151,000</u>	<u>151,000</u>
<b>CURRENT ASSETS</b>			
Preliminary expense		-	183,750
Cash and bank balances	4	<b>2,102,888</b>	2,158,040
		<u>2,102,888</u>	<u>2,341,790</u>
<b>TOTAL ASSETS</b>		<u><b>2,253,888</b></u>	<u>2,492,790</u>
<b>FUND AND RESERVE</b>			
Capital fund		<b>2,000,000</b>	2,000,000
General fund		<b>(559,443)</b>	(220,290)
		<u>1,440,557</u>	<u>1,779,710</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities		<b>504,588</b>	682,555
Income tax payable		<b>308,743</b>	30,525
<b>TOTAL LIABILITIES</b>		<u>813,331</u>	<u>713,080</u>
<b>CONTINGENCY AND COMMITMENT</b>	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,253,888</b></u>	<u>2,492,790</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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Chief Executive Officer

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Director

**TABANI'S FOUNDATION**

(A company incorporated under section 42 of the Companies Act, 2017)

**STATEMENT OF INCOME AND EXPENDITURE**


**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 ----- Rupees -----	2021 -----
<b>INCOME</b>			
Income from services - Tuition fees	6	24,699,435	2,035,000
		<u>24,699,435</u>	<u>2,035,000</u>
<b>EXPENDITURE</b>			
Cost of services - Salaries and other benefits		22,379,616	1,744,800
Administrative and general expenses	7	2,350,229	254,965
		<u>24,729,845</u>	<u>1,999,765</u>
Surplus before taxation		(30,410)	35,235
Taxation		(308,743)	(30,525)
(Deficit) / surplus after taxation for the year		<u>(339,153)</u>	<u>4,710</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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Chief Executive Officer

  
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Director

**TABANI'S FOUNDATION**

(A company incorporated under section 42 of the Companies Act, 2017)

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficit) / surplus before taxation	(30,410)	35,235
<b>Adjustment for non cash items:</b>		
Amortization of preliminary expenses	183,750	56,250
	<u>153,340</u>	91,485
<b>Working capital changes:</b>		
(Decrease) / increase in accrued and other liabilities	(177,967)	657,935
Cash (used in) / generated from operating activities	(24,627)	749,420
Tax paid	(30,525)	-
Net cash (used in) / generated from operating activities	<u>(55,152)</u>	749,420
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in long term deposit	-	(55,000)
Net cash used in investing activities	<u>-</u>	(55,000)
Net (decrease) / increase in cash and cash equivalents	<u>(55,152)</u>	694,420
Cash and cash equivalents at beginning of the year	2,158,040	1,463,620
Cash and cash equivalents at end of the year	4 <u><u>2,102,888</u></u>	<u><u>2,158,040</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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Chief Executive Officer



Director

**TABANI'S FOUNDATION**

(A company incorporated under section 42 of the Companies Act, 2017)

**STATEMENT OF CHANGES IN FUNDS AND RESERVES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Capital fund	General fund	Total
	----- Rupees -----		
Balance as at July 01, 2020	2,000,000	(225,000)	1,775,000
Surplus for the year	-	4,710	4,710
<b>Balance as at June 30, 2021</b>	<u>2,000,000</u>	<u>(220,290)</u>	<u>1,779,710</u>
Deficit for the year	-	(339,153)	(339,153)
<b>Balance as at June 30, 2022</b>	<u>2,000,000</u>	<u>(559,443)</u>	<u>1,440,557</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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Chief Executive Officer



Director



## **TABANI'S FOUNDATION**

**(A company incorporated under section 42 of the Companies Act, 2017)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

#### **1 LEGAL STATUS AND OPERATIONS**

Tabani's Foundation ("The Company") was incorporated in Pakistan as a Company Limited by Guarantee on April 30, 2019 under section 42 of the Companies Act, 2017 and commenced its operation from June 2021. The Company is principally engaged to promote education and to provide scholarships, supply of books, uniforms, and medals.

The registered address of the Company is 187-P, near PECHS Girls College, Block-2, PECHS, Karachi Pakistan.

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standard for the Small-Sized Entities (Revised AFRS for SSEs) issued by the Institute of Chartered Accountants of Pakistan;
- Accounting Standards for Not for Profit Organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

##### **2.2 Basis of measurement**

These financial statements have been prepared on the basis of historical cost convention.

##### **2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the organisation and is rounded off to the nearest rupee.

#### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statement are set out below. These policies have been applied consistently to all the years presented unless stated otherwise.

##### **3.1 Financial assets**

These are recognized initially at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method less provision for impairment, if any. They are included in current assets, except for assets having maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

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## 3.2 Impairment

### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

### Non-financial assets

The carrying value of assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any of such indications exist and where the carrying value exceeds the estimated recoverable amount, the impairment loss is recognized in statement of profit or loss.

## 3.3 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash in hand and in transit, balances with banks on current, deposit and saving accounts, other short term highly liquid investments with original maturities of three months or less and short term borrowings other than term finance.

## 3.4 Financial liabilities

All financial liabilities are recognized initially at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method. These are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

## 3.5 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 3.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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### 3.7 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### 3.8 Taxation

Provision for tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

### 3.9 Revenue recognition

Income from services - tuition fee is recognised to the extent the Company has rendered services, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. It is measured at the fair value of the consideration received or receivable.

### 3.10 Scholarships

Scholarships are recognized and measured as an expense when the eligibility criteria are met and the amount of the scholarship can be reliably estimated. The expense is recognized in the period in which the scholarship is awarded.

## 4 CASH AND BANK BALANCES

	Note	2022	2021
		-----Rupees-----	
Cash in hand		701,414	1,087,300
Cash at bank - current account		1,401,474	1,070,740
		<u>2,102,888</u>	<u>2,158,040</u>

## 5 CONTINGENCY AND COMMITMENT

There was no contingency and commitment as at June 30, 2022 (2021: Nil)

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		2022	2021
		-----Rupees-----	
<b>6</b>	<b>INCOME FROM SERVICES - TUITION FEES</b>		
	Gross revenue	60,822,400	2,035,000
	Less:		
	Scholarships	(29,416,660)	-
	Discounts	(6,706,305)	-
		<u>24,699,435</u>	<u>2,035,000</u>

**7 ADMINISTRATIVE AND GENERAL EXPENSES**

	Utilities	1,413,259	-
	Communication and postage	217,620	-
	Amortization of preliminary expenses	183,750	56,250
	Auditor's remuneration	162,000	50,000
	Fees and subscription	140,800	-
	Printing and stationery	78,000	60,000
	Travelling and conveyance	59,800	55,000
	Others	95,000	33,715
		<u>2,350,229</u>	<u>254,965</u>

7.1 The break-up of auditors' remuneration is as follows:

	Statutory audit fee	150,000	46,300
	Sindh service tax	12,000	3,700
		<u>162,000</u>	<u>50,000</u>

**8 TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of the associated companies, directors, key management personnel and their close family members. The Company in the normal course of business carries out transactions with various related parties. No transaction with the related parties have been carried out during the year.

The Company used portion of the office premise of the associated undertaking without any charge.

**9 NUMBER OF EMPLOYEES**

	2022	2021
	-----Number-----	
Total number of employees at the year-end	39	31
Average number of employees during the year	35	3

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**10 CORRESPONDING FIGURES**

The corresponding figures have been rearranged and reclassified, wherever considered necessary.

**11 DATE OF AUTHORIZATION OF ISSUE**

These financial statements were authorized for issue on 23<sup>rd</sup> June, 2023 by the Chairman of Board of the Company.

**12 GENERAL**

Figures in these financial statements have been rounded off to the nearest rupee.

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Chief Executive Officer

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Director