

Makkah Foundation

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

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INDEPENDENT AUDITOR'S REPORT

To the members of "MAKKAH FOUNDATION".

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of "Makkah Foundation" (the society) which comprise the balance sheet as at June 30, 2022 and the statement of comprehensive income, the statement of cash flows, the statement of changes in funds 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 purpose of the audit.

In our opinion and to the best of our information and according to explanation given to us, the balance sheet, the statement of comprehensive income, the statement of cash flows and the statement of changes in funds together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan.

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 Society 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

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

Munawar Hussain



Responsibilities of Management for the Financial Statements

Management is responsible for preparation and fair presentation of the financial statements in accordance with the accounting standards as applicable in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Board of Members is responsible for overseeing the Society'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 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 procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 Society'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

Munawar Associates



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 Society to cease to continue as going 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.

We communicate with the board of members 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.

We also provide the board of members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

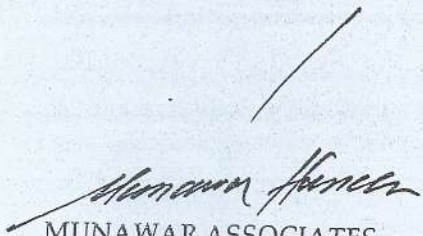
Report on Other Legal and Regulatory Requirements

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

- a) Proper books of accounts have been kept by the Society as required by the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan;
- b) the balance sheet, the statement of comprehensive income, the statement of cash flows and the statement of changes in funds together with notes thereon have been drawn up in conformity with the applicable accounting standards in Pakistan for Not for Profit Organization issued by the Institute of Chartered Accountant of Pakistan and are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred during the year were for the purpose of Society's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980).

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

Lahore:
September 28, 2022


MUNAWAR ASSOCIATES
Cost and Management Accountants



Makkah Foundation
Balance Sheet
As at June 30, 2022

	2022			2021		
	Restricted Designated Asset Fund	General Fund	Total	Restricted Designated Asset Fund	General Fund	Total
	-----Rupees-----			-----Rupees-----		
NON CURRENT ASSETS						
Property, plant & equipment	1,412,168,950	-	1,412,168,950	1,167,119,286	-	1,167,119,286
Loans, advances and deposits	-	2,621,897	2,621,897	-	2,569,347	2,569,347
	<u>1,412,168,950</u>	<u>2,621,897</u>	<u>1,414,790,847</u>	<u>1,167,119,286</u>	<u>2,569,347</u>	<u>1,169,688,633</u>
CURRENT ASSETS						
Loans, advances and prepayments	-	30,109,131	30,109,131	-	15,274,532	15,274,532
Short Term Investments	566,225,661	-	566,225,661	480,725,661	-	480,725,661
Other receivables	296,824,875	2,887,137	299,712,012	234,200,470	2,013,281	236,213,751
Cash & bank balances	243,994,705	422,236,023	666,230,728	294,760,374	353,285,361	648,045,735
	<u>1,107,045,241</u>	<u>455,232,291</u>	<u>1,562,277,532</u>	<u>1,009,686,505</u>	<u>370,573,174</u>	<u>1,380,259,679</u>
CURRENT LIABILITIES						
Fee received in advance	-	4,092,260	4,092,260	-	2,602,635	2,602,635
Creditors, accrued expenses and other liabilities	-	71,935,425	71,935,425	-	58,764,048	58,764,048
		<u>76,027,685</u>	<u>76,027,685</u>		<u>61,366,683</u>	<u>61,366,683</u>
NET CURRENT ASSETS	<u>1,107,045,241</u>	<u>379,204,606</u>	<u>1,486,249,847</u>	<u>1,009,686,505</u>	<u>309,206,491</u>	<u>1,318,892,996</u>
CONTINGENCIES AND COMMITMENTS						
NET ASSETS	<u>2,519,214,191</u>	<u>381,826,503</u>	<u>2,901,040,694</u>	<u>2,176,805,791</u>	<u>311,775,838</u>	<u>2,488,581,629</u>
REPRESENTED BY:						
LONG TERM LIABILITIES						
Long term security deposit - refundable	3,500,000	8,821,548	12,321,548	3,500,000	8,717,198	12,217,198
FUNDS						
Restricted Funds						
Restricted Designated Asset Fund	2,515,714,191		2,515,714,191	2,173,305,791		2,173,305,791
Un-Restricted Funds						
General Fund		373,004,955	373,004,955		303,058,640	303,058,640
	<u>2,519,214,191</u>	<u>381,826,503</u>	<u>2,901,040,694</u>	<u>2,176,805,791</u>	<u>311,775,838</u>	<u>2,488,581,629</u>

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The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Member

Chief Accountant

Makkah Foundation
Statement of Comprehensive Income
For the year ended June 30, 2022

NOTE	2022			2021			
	Un-Restricted	Restricted	Total	Un-Restricted	Restricted	Total	
	-----Rupees-----			-----Rupees-----			
INCOME							
	15	393,857,690	-	393,857,690	368,108,389	-	368,108,389
	15.1	-	296,251,324	296,251,324	-	272,262,802	272,262,802
	16	4,452,884	-	4,452,884	2,011,499	-	2,011,499
	23	-	37,817,697	37,817,697	-	40,561,801	40,561,801
	24	-	367,328	367,328	-	260,388	260,388
		398,310,574	334,436,349	732,746,923	370,119,888	313,084,991	683,204,879
EXPENDITURE							
Charged to cost of revenue							
	17	246,975,224	-	246,975,224	218,112,401	-	218,112,401
	18	8,445,089	-	8,445,089	5,106,724	-	5,106,724
	19	26,225,605	-	26,225,605	38,491,527	-	38,491,527
	20	2,029,051	-	2,029,051	89,830	-	89,830
	20	-	4,360,317	4,360,317	-	2,881,304	2,881,304
	21	10,959,251	-	10,959,251	7,957,447	-	7,957,447
	22	-	-	-	-	19,950,391	19,950,391
	23	-	37,817,697	37,817,697	-	40,561,801	40,561,801
	24	-	367,328	367,328	-	260,388	260,388
	25	3,944,995	-	3,944,995	1,316,703	-	1,316,703
		298,579,215	42,545,342	341,124,557	272,074,531	63,653,884	335,728,515
Charged to Administrative and general expenses							
	17	12,998,696	-	12,998,696	11,479,600	-	11,479,600
	18	444,478	-	444,478	321,407	-	321,407
		2,345,776	-	2,345,776	65,149	-	65,149
		150,103	-	150,103	101,624	-	101,624
		5,694,235	-	5,694,235	2,961,691	-	2,961,691
		753,138	-	753,138	699,471	-	699,471
	21	1,217,695	-	1,217,695	884,161	-	884,161
		230,022	-	230,022	355,069	-	355,069
	26	2,436,773	-	2,436,773	1,336,603	-	1,336,603
		91,520	-	91,520	356,806	-	356,806
		34,516	-	34,516	11,134	-	11,134
	27	4,416,272	-	4,416,272	6,726,571	-	6,726,571
		30,813,224	-	30,813,224	25,299,367	-	25,299,367
		329,392,439	42,545,342	371,937,781	297,373,998	63,653,884	361,027,882
		68,918,134	291,891,007	360,809,142	72,745,890	249,431,107	322,176,997
	28	-	88,494,834	88,494,834	-	45,875,057	45,875,057
		68,918,134	380,385,841	449,303,976	72,745,890	295,306,164	368,052,054
		-	-	-	-	-	-
		68,918,134	380,385,841	449,303,976	72,745,890	295,306,164	368,052,054
ATTRIBUTE TO:							
		68,918,134	-	68,918,134	72,745,890	-	72,745,890
		-	380,385,841	380,385,841	-	295,306,164	295,306,164
		68,918,134	380,385,841	449,303,976	72,745,890	295,306,164	368,052,054

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chief Executive

Member

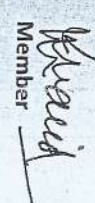
Chief Accountant

Makkah Foundation
Statement of Changes in Fund
For the year ended June 30, 2022

Particulars	Restricted Designated	General Fund	Total
	Asset Fund		
	Rupees		
Balance as at July 01, 2020	1,918,821,816	230,652,870	2,149,474,686
Member's contribution	-	17,000	17,000
Donation received during the year	-	317,030	317,030
Distributed as a donation during the year	-	(674,150)	(674,150)
Amortization of assets funds against disposal/depreciation	(40,822,189)	-	(38,185,025)
Total comprehensive Income for the year ended June 30, 2021	295,306,164	72,745,890	368,052,054
Balance as at June 30, 2021	<u>2,173,305,791</u>	<u>303,058,640</u>	<u>2,476,364,431</u>
Balance as at July 01, 2021	2,173,305,791	303,058,640	2,476,364,431
Member's contribution	-	18,000	18,000
Donation received during the year	-	1,010,181	1,010,181
Amortization of assets funds against disposal/depreciation	(37,977,441)	-	(37,977,441)
Total comprehensive Income for the year ended June 30, 2021	380,385,841	68,918,134	449,303,975
Balance as at June 30, 2022	<u>2,515,714,191</u>	<u>373,004,955</u>	<u>2,888,719,146</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Member


Chief Accountant

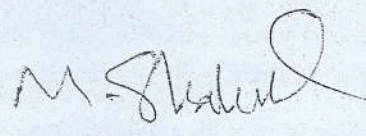
Makkah Foundation
Statement of Cash Flows
For the year ended June 30, 2022

	2022	2021
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Total comprehensive income for the year	68,918,134	72,745,890
Adjustment of non cash items:		
Loss/(Gain) on disposal of fixed assets	(1,421,382)	28,707
Amortization	761,883	394,555
Depreciation	37,610,113	40,561,801
Disaster-Auditorium KJ	-	19,950,391
	<u>36,950,614</u>	<u>60,935,454</u>
Working capital before changes	<u>105,868,748</u>	<u>133,681,344</u>
Changes in Working Capital		
(Increase) / decrease in current assets		
Short term advances	(14,834,599)	(7,072,788)
Other receivables	(63,498,261)	77,687,601
	<u>(78,332,860)</u>	<u>70,614,813</u>
Increase / (decrease) in current liabilities		
Unearned revenue	1,489,625	(9,167,765)
Trade and other payables	13,171,377	12,720,372
	<u>14,661,002</u>	<u>3,552,607</u>
Net changes in working capital	<u>(63,671,858)</u>	<u>74,167,420</u>
Long term security deposit	104,350	(83,700)
Cash inflow from operating activities	<u>42,301,240</u>	<u>207,765,064</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Amount paid for purchase of fixed assets	(6,412,857)	(22,391,235)
Amount paid for purchase of Intangible Assets	-	(686,640)
Change in Capital work in progress	(277,662,866)	(116,972,526)
Amount paid for purchase of TDR	(85,500,000)	(91,225,661)
Amount paid against security deposit	(52,550)	(971,700)
Proceed received from sale fixed assets	2,470,000	15,000
Cash outflow from investing activities	<u>(367,158,273)</u>	<u>(232,232,762)</u>
CASH FLOW FROM FUNDING ACTIVITIES		
Donation received during the year	1,010,181	317,030
Distributed as a donation during the year	-	(674,150)
Receipt on assets designated from restricted fund	380,385,841	295,306,164
Amount paid from restricted designated asset fund	(37,610,113)	(40,561,801)
Amount paid from restricted designated Intangible asset fund	(761,883)	(394,555)
Contribution from members	18,000	17,000
Cash inflow / (outflow) from funding activities	<u>343,042,026</u>	<u>254,009,688</u>
Net increase in cash and cash equivalents	<u>18,184,995</u>	<u>229,541,992</u>
Cash and cash equivalents at beginning of the year	648,045,735	418,503,745
Cash and cash equivalents at end of the year	<u>666,230,728</u>	<u>648,045,735</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.


Chief Executive


Member


Chief Accountant

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

1 SOCIETY AND ITS OPERATION

- 1.1** MAKKAH FOUNDATION is a Charitable Society which was established on 26th January 1996, under the Societies Registration Act XXI OF 1860.
The main aim and objective of the Society is to establish Educational Institution to provide education with excellent standard and to foster the requisites of Islamic Character building in its comprehensive meaning. The Society is running The Punjab School for the education of children on no profit no loss basis. Makkah Foundation Society is also certified from PCP as an NPO.
- 1.2** **Restricted Designated Asset Fund**
MAKKAH FOUNDATION SOCIETY is maintaining a restricted designated asset fund. The fund is maintained to develop the infrastructure of society and further expansion of the society. The fund is governed by the rules approved by the Governing body of the society.

2 BASIS OF PREPARATION

- 2.1** **Statement of Compliance**
These financial statements have been prepared in accordance with the Accounting and Financial reporting standards as applicable in Pakistan, the guideline for accounting and financial reporting by non-government organizations/ non profit organizations and the charter of Makkah Foundation Society.
- 2.2** **Accounting Convention**
These Financial Statements have been prepared under the historical cost convention without any adjustment to the effects of Inflation with reference to Current Values.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 **Property, Plant and Equipment**

3.1.1 **Operating fixed assets**

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land which are stated at cost. Depreciation is charged to statement of comprehensive income, applying the reducing balance method at the rates specified in Note -4.1. Depreciation on additions is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is disposed off.

Disposal assets is recognised when significant risks and rewards incidental to the ownership have been transferred to buyers. Gain and losses on disposal are determined by comparing sale proceeds with carrying amount and are recognized in the statement of comprehensive income.

3.1.2 **Capital work-in-progress**

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred and advances made in the course of construction and installation. These are transferred to specific assets as and when the assets are available for use.

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

3.2 Financial Instruments

The society classifies its financial assets in the following categories: loans and receivables and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

3.2.1 Investments held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

3.2.2 Advances and other receivables

Advances and other receivables are stated at estimated realizable value after each debt has been considered individually.

3.3 Cash and cash equivalents

Cash and Cash Equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

3.4 Creditors, accrued and other liabilities

Accrued and other payables are carried at cost which is the fair value of the consideration to be paid in the future.

3.5 Provisions

Provisions are recognized in the balance sheet when the Society has a present legal or constructive obligation as a result of past events, it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.6 REVENUE RECOGNITION

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the society and the amount of revenue and the associated cost incurred and to be incurred can be measured reliably.

- i) Fees received from students are recognized when deposited in Bank by the students.
- ii) Profit on saving accounts is recognized on receipt basis.
- iii) Profit on investments is accrued on the basis of effective yield of respective investments.
- iv) Rental Income is recognized on a time proportion basis.

3.7 TAXATION

No provision has been provided as the Makkah Foundation Society is exempt from tax . Under Section 100 C of the Income Tax Ordinance 2001.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		-----Rupees-----	
Operating fixed assets	4.1	1,001,840,843	1,034,086,717
Intangible Operating fixed assets	4.2	1,074,757	1,442,085
Capital work-in-progress	5	409,253,350	131,590,484
		<u>1,412,168,950</u>	<u>1,167,119,286</u>

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

4.1 Operating fixed assets

PARTICULARS	COST			RATE %	DEPRECIATION			Written Down value as at June 30, 2022		
	As at July 1, 2021	Additions for the Year	Disposal / Adjustment		As at July 1, 2021	Disposal / Adjustment	Charge for the Year		As at June 30, 2022	
4.1.1 Land	400,174,665	-	-	-	-	-	-	400,174,665		
4.1.2 Building	924,558,205	-	-	5	324,324,561	-	30,011,682	354,336,243		
Furniture & fixtures	15,006,227	641,033	-	10	10,144,959	-	508,858	10,653,827		
Lab equipments	668,528	-	-	25	667,756	-	193	667,949		
Office equipments	5,719,318	71,000	-	10	3,695,957	-	205,327	3,901,284		
Electrical equipments	14,108,550	875,285	-	10	6,420,864	-	789,945	7,210,809		
Vehicles	19,070,928	3,521,532	(2,417,000)	20	14,516,284	(1,368,382)	1,336,892	14,484,794		
Library books	3,156,410	14,340	-	20	2,501,781	-	133,050	2,634,831		
Computers & printers	19,861,197	1,268,667	-	33	16,660,425	-	1,329,603	17,990,028		
Audio Visual Equipments	2,202,932	-	-	33	446,591	-	579,593	1,026,184		
Surveillance Cameras & Equipment	4,440,535	21,000	-	33	2,748,100	-	563,702	3,311,802		
Generator	1,639,865	-	-	10	648,152	-	99,171	747,323		
Tools	43,028	-	-	20	42,123	-	181	42,304		
Tube well	2,704,520	-	-	10	1,290,206	-	141,431	1,431,637		
Solar System	7,476,065	-	-	40	2,737,870	-	1,895,278	4,693,148		
Arms & Ammunition	243,031	-	-	10	141,648	-	15,207	156,855		
June 30, 2022	1,421,074,004	6,412,857	(2,417,000)	-	386,987,287	(1,368,382)	37,610,113	423,229,018		
June 30, 2021	1,425,942,993	22,391,235	(27,260,224)	-	353,691,612	(7,266,126)	40,561,801	386,987,287		
4.1.3 Land										
Township	1,333,334	1,333,334	Sector C-1 Block B Lahore				2022	2021		
Kot Khawaja Saeed	14,720,900	14,720,900	Shir shah road Kot Khawaja Saeed Lahore				113,228,698	113,228,698		
Johar Town	19,401,642	19,401,642	537-K-Johar town Lahore				61,953,374	61,953,374		
Khayaban-e-Jinnah							149,284,570	149,284,570		
(a) Gulshan-e-Lahore	176,258,111	176,258,111	Near Tariq Garden				597,464,899	597,464,899		
(b) H-4 WAPDA Town	188,460,678	188,460,678	H-4 WAPDA Town							
4.1.3 Disposal of Assets	400,174,665	400,174,665					921,931,541	921,931,541		
2022										
Toyota Corolla LE 15 916	1,950,000	1,950,000	Accumulated Depreciation	930,800	Net Book Value	1,019,200	Gain / (Loss)	1,180,800	Mode of Disposal	Particulars of purchaser
Suzuki Pickup LES 09 1673	467,000	467,000	Accumulated Depreciation	437,582	Net Book Value	29,418	Gain / (Loss)	240,582	Negotiation	Khalid Ahmad Butt
2021									Negotiation	Muhammad Unair
Building-Auditorium KI	27,181,690	27,181,690	Accumulated Depreciation	7,231,299	Net Book Value	19,950,391	Gain / (Loss)	(19,950,391)	Disaster-Fire	
Photocopy Machine Ricoh 5045	78,534	78,534	Accumulated Depreciation	34,827	Net Book Value	43,707	Gain / (Loss)	(28,707)	Negotiation	ZEDCO

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

4.2 Operating Intangible assets

PARTICULARS	COST				DEPRECIATION				Amount in "Rupees"	
	As at July 1, 2021	Additions for the Year	Disposal / Adjustment	As at June 30, 2022	RATE %	As at July 1, 2021	Disposal / Adjustment	Charge for the Year	As at June 30, 2022	Written Down value as at June 30, 2022
Software										
June 30, 2022	1,836,640	-	-	1,836,640	20%	394,555	-	367,328	761,883	1,074,757
June 30, 2021	1,836,640	686,640	-	1,836,640	20%	134,167	-	260,388	394,555	1,442,085

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

	Note	2022	2021
		-----Rupees-----	
5 CAPITAL WORK IN PROGRESS			
Opening Balance - Khayban e Jinnah (Auditorium)		-	1,170,284
Addition during the year		12,886,160	10,263,650
Transferred to property, plant & equipment		-	(11,433,934)
	5.1	<u>12,886,160</u>	<u>-</u>
Opening Balance - WAPDA Town		131,176,151	13,447,674
Addition during the year		264,528,388	117,728,477
	5.2	<u>395,704,539</u>	<u>131,176,151</u>
Opening Balance - Innovation Center		414,333	-
Addition during the year		248,318	414,333
	5.3	<u>662,651</u>	<u>414,333</u>
		<u>409,253,350</u>	<u>131,590,484</u>

- 5.1 - This represent the cost have been incurred on the construction of building of Auditorium for Khayaban-e-Jinnah branch.
5.2 - This represent the cost have been incurred on the construction of building for 27 K WAPDA Town Branch.
5.3 - This represent the cost have been incurred on the renovation of building for Innovation Center in Township Campus.

6 LOANS, ADVANCES AND DEPOSITS			
Deposits	6.1	1,692,147	1,574,497
Staff loans (secured-considered good)	6.2	961,600	1,041,800
Less: Recoverable within one year grouped under current assets		31,850	46,950
		<u>929,750</u>	<u>994,850</u>
		<u>2,621,897</u>	<u>2,569,347</u>

- 6.1 This represent the security amounts paid to and against connections of WAPDA, PTCL and Sui Gas.
6.2 These represent the interest free loans to the employees of the society and recoverable in monthly instalments over the period of fifteen months. These loans are secured against their salaries and two other guarantors which are employees of the society.

7 LOANS, ADVANCES AND PREPAYMENTS			
Current portion staff loan	6	31,850	46,950
Advances:(Considered good)			
Secured:			
- Advances against expenses		147,100	126,300
- Advances against salary		9,000	30,288
		<u>156,100</u>	<u>156,588</u>
Unsecured:			
- Suppliers		29,921,181	15,070,994
		<u>30,109,131</u>	<u>15,274,532</u>

8 SHORT TERM INVESTMENTS

Held to maturity:			
Term deposit certificates (TDR)-Meezan Bank	8.1	530,000,000	450,000,000
Term deposit certificates (TDR)-ABL Lajna Chowk	8.2	25,000,000	19,500,000
		<u>555,000,000</u>	<u>469,500,000</u>
Al-Meezan MIIF Investment		11,000,000	11,000,000
Al-Meezan MIIF Investment-Dividend		225,661	225,661
	8.3	<u>11,225,661</u>	<u>11,225,661</u>

- 8.1 This represent term deposit certificates purchased by the society. The term of these TDR's is up to 3 Months and it carries expected return @12.25% per annum.
8.2 This represent term deposit certificates purchased by the society. The term of these TDR's is up to 6 Months and it carries expected return @12.5% per annum.
8.3 This represent Investment in Al-Meezan MIIF Investment purchased by the society in units , including dividend earned on Principle investment. Units Purchased with Principle Investment= 209350.3005 Unit Increased due to dividend= 4384.6991

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

	Note	2022	2021
		-----Rupees-----	
9 OTHER RECIEVABLES			
Receivable from TPS System Limited	9.1	296,824,875	234,200,471
Receivable from Manar School	9.2	2,850,338	1,548,372
Canteen Rent	9.3	36,799	49,510
Profit receivable from "Al-Meezan Investment MIIF"	9.4	-	415,399
		<u>299,712,012</u>	<u>236,213,752</u>
9.1	This amount is receivable from " The Punjab School System Limited " against fee share.		
9.2	This amount is receivable from " The Manar School System " against HR Services		
9.3	This represent the receivable from Canteen Contractors against rent		
9.4	This represent the profit receivable from Al-Meezan Investment MIIF		
10 CASH & BANK BALANCES			
Cash at bank:			
Current account		13,450,698	16,114,588
Profit & loss sharing account		652,780,030	631,931,146
		<u>666,230,728</u>	<u>648,045,735</u>
11 FEE RECEIVED IN ADVANCE			
This represent the fee received in advance from students.			
12 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITES			
Creditors		16,462,912	10,205,733
Accrued expenses			
- Staff salaries		19,526,351	16,291,244
- Utilities bill & others		826,771	653,600
		20,353,122	16,944,844
Other liabilities			
- EOBI and social security		800,776	572,076
- TPStain		26,848,498	23,950,052
- Staff security payable		5,538,832	5,428,367
- Contributory provident Fund		1,289,742	1,039,232
- Consultancy Charges Payable		66,875	14,550
- Income tax payable		574,668	609,194
		35,119,391	31,613,471
		<u>71,935,425</u>	<u>58,764,048</u>
13 CONTINGENCIES AND COMMITMENTS			
14 LONG TERM SECURITY DEPOSITS - REFUNDABLE			
- Students	14.1	8,722,575	8,633,225
- The Punjab School System Limited	14.2	3,500,000	3,500,000
- Canteen shops security	14.3	98,973	83,973
		<u>12,321,548</u>	<u>12,217,198</u>
14.1	The amount is received from students against transport as security. The amount is refundable to the students at the end of their academic stay in the school.		
14.2	This represent the security amount received from Punjab school johar town campus against the building. The amount is		
14.3	This represent the security amount received from tenants of school canteens. This amount is refundable to them at the termination of rent agreement.		

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

		2022	2021
		-----Rupees-----	
15	TUITION AND OTHER FEES		
	Tuition fee	380,931,440	363,684,789
	Registration fee	1,542,000	1,482,000
	Swimming pool fee	4,722,000	186,000
	Transport Fee	6,362,250	2,501,600
	Prospectus fee	300,000	254,000
		<u>393,857,690</u>	<u>368,108,389</u>
15.1	Fee Share	<u>296,251,324</u>	<u>272,262,802</u>
		<u>296,251,324</u>	<u>272,262,802</u>
15.1.1	This represents the fee share @ 27.5% (June 30,2021: 27.5%) on tuition fee of "The Punjab School System Limited". This fee share is in return of educational and technical infrastructure provided by the society to the Company.		
16	OTHER INCOME		
	Rent canteens, bookshops & others	1,993,155	1,353,710
	Gain on disposal of vehicle	1,421,382	-
	Donation in kind	444,785	403,160
	Miscellaneous	593,562	254,629
		<u>4,452,884</u>	<u>2,011,499</u>
17	SALARIES, ALLOWANCES AND OTHER BENEFITS		
	Salaries and allowances	236,592,536	211,839,657
	E.O.B.I	4,093,970	3,741,327
	Social Security	2,807,647	4,009,047
	Leave Encashment	3,353,550	-
	Honorarium	4,450,578	750,500
	Contribution to CP fund	6,350,592	6,908,085
	Staff Welfare	1,725,150	1,570,469
	Staff Medical	-	73,885
	Staff uniform and liveries	599,897	699,031
		<u>259,973,920</u>	<u>229,592,001</u>
	Apportion to:		
	Cost of revenue	95%	246,975,224
	Administrative & general expenses	5%	12,998,696
			<u>259,973,920</u>
			<u>229,592,001</u>
18	UTILITIES		
	Electricity	7,061,239	4,412,926
	Water	450,000	450,960
	Sui gas	601,290	1,001,330
	Telephone	777,038	562,914
		<u>8,889,567</u>	<u>6,428,130</u>
	Apportion to:		
	Cost of revenue	95%	8,445,089
	Administrative & general expenses	5%	444,478
			<u>8,889,567</u>
			<u>6,428,130</u>
19	FINANCIAL RELIEF		
	It represent the assistance given to needy and orphan students,		
20	TPS Agosh		
	It represent the amount paid for running of TPS Agosh a school established near Sheikhpura for Free education for orphans		

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

	Notes	2022	2021
		-----Rupees-----	
21 REPAIRS AND MAINTAINENCE			
School building		6,245,074	5,277,771
Furniture & fixtures		430,077	877,012
Electric equipments		3,638,424	1,205,694
Office equipments		518,543	186,680
Computers		997,028	1,294,451
Surveillance Cameras		347,800	-
		<u>12,176,946</u>	<u>8,841,608</u>
Apportion to:			
Cost of revenue	90%	10,959,251	7,957,447
Administrative & general expenses	10%	1,217,695	884,161
		<u>12,176,946</u>	<u>8,841,608</u>
22 Disaster -Auditorium KJ			
It represent the loss due to fire of Auditorium (KJ) due to short circuit			
23 DEPRECIATION ON ASSETS DESIGNATED FROM RESTRICTED FUNDS			
Charged on Designated Assets Fund	4.1	37,817,697	40,561,801
		<u>37,817,697</u>	<u>40,561,801</u>
24 AMORTIZATION ON INTANGIBLE ASSETS DESIGNATED FROM RESTRICTED FUND			
Charged on Intangible Assets	4.2	367,328	260,388
		<u>367,328</u>	<u>260,388</u>
25 OTHERS			
Education CESS		51,000	-
School magazine		92,800	37,236
Training expenses		237,300	76,714
School function		466,619	215,674
Student welfare and excursion		986,288	679,534
Sports expenses		393,693	-
Teaching aid		6,595	245,085
Swimming pool expenses		1,710,700	33,753
Loss on Asset Disposal		-	28,707
		<u>3,944,995</u>	<u>1,316,703</u>
26 LEGAL AND PROFESSIONAL CHARGES			
Legal services		2,436,773	1,336,685
		<u>2,436,773</u>	<u>1,336,685</u>
27 Misc. Expenses			
Postage and telegram		18,901	16,496
Newspaper and periodicals		70,150	100,850
Gardening and furnishing		1,025,591	2,776,162
Entertainment and guest house		1,231,743	872,817
Presents & Gifts		72,000	51,000
Laboratory		1,350	-
Sanitation		549,877	563,758
Bank charges & Zakat		10,785	11,821
Donation in kind	27.1	444,785	403,160
Software Expenses		740,831	253,915
Miscellaneous		2,400	3,400
Mosque Expenses		247,859	1,673,192
		<u>4,416,272</u>	<u>6,726,571</u>
27.1 DONATION IN KIND			

- The Society has given office facility to Foundation of the Faithful to carry out its philanthropic activities in Pakistan.

Makkah Foundation
Notes to the Financial Statements
For the year ended June 30, 2022

Notes	2022	2021
	-----Rupees-----	
28 FINANCE INCOME		
Profit on term deposit certificates	46,568,519	17,625,968
Profit on profit and loss sharing account	41,132,141	27,608,030
Profit on investment with Al-Meezan MIIF	794,173	641,060
	88,494,834	45,875,057

29 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, members, key management personals. The Society in the normal course carries out transactions with various related parties. Nature and description of related party transactions during the year along with monetary values are as follows;

Nature of relationship	Nature of transaction			
Associate	Receivable	9.1	296,824,875	234,200,471
Associate	Receivable	9.2	2,850,338	1,548,372
Fee share	Un-restricted Revenue		296,251,324	272,262,802

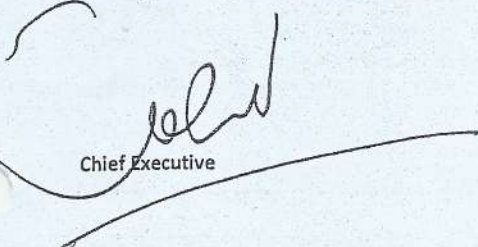
30

Re-classification and Re-statement

General Fund	From General Fund	To Restricted Designated Asset Fund

31 GENERAL

31.1 - Figures have been rounded off to the nearest of rupees.


Chief Executive


Member


Chief Accountant