

Makkah Foundation Society

**Financial Statements
For The Year Ended June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the members of "MAKKAH FOUNDATION SOCIETY".

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of "MAKKAH FOUNDATION SOCIETY (The Society)" which comprise the statement of financial position as at June 30, 2023 and statement of comprehensive income, the statement of cash flows, the statement of changes in fund 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, 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.

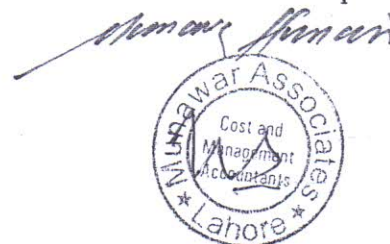
Basis for Opinion

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.



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.

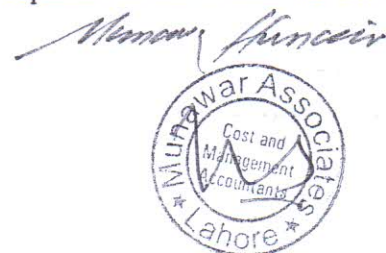
Auditor's Responsibilities for the Audit of the Financial Statements

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 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

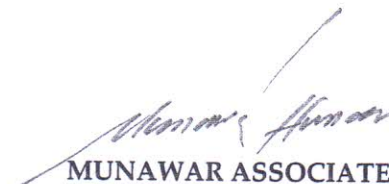
Based on our audit, we further report that in our opinion:

- 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 income and expenditure, 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:

October 30, 2023

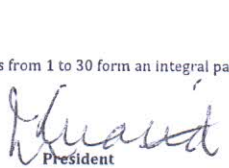

MUNAWAR ASSOCIATES
Cost and Management Accountants



Makkah Foundation Society
Balance Sheet as at June 30, 2023

	2023			2022		
	Restricted Designated Asset Fund	General Fund	Total	Restricted Designated Asset Fund	General Fund	Total
NOTE	-----Rupees-----			-----Rupees-----		
NON CURRENT ASSETS						
Property, plant & equipment	4	2,364,251,823	2,364,251,823	1,412,168,950		1,412,168,950
Loans, advances and deposits	6		3,249,347		2,621,897	2,621,897
		<u>2,364,251,823</u>	<u>3,249,347</u>	<u>2,367,501,170</u>	<u>2,621,897</u>	<u>1,414,790,847</u>
CURRENT ASSETS						
Loans, advances and prepayments	7		3,103,428		30,109,131	30,109,131
Short Term Investments	8	36,225,661	36,225,661	566,225,661		566,225,661
Other receivables	9	379,192,233	389,591,903	296,824,875	2,887,137	299,712,012
Cash & bank balances	10	-	529,747,756	243,994,705	422,236,023	666,230,728
		<u>415,417,894</u>	<u>543,250,854</u>	<u>958,668,748</u>	<u>1,107,045,241</u>	<u>1,562,277,532</u>
CURRENT LIABILITIES						
Fee received in advance	11	-	4,779,820	-	4,092,260	4,092,260
Creditors, accrued expenses and other liabilities	12	-	40,118,492	-	71,935,425	71,935,425
		<u>-</u>	<u>44,898,312</u>	<u>-</u>	<u>76,027,685</u>	<u>76,027,685</u>
NET CURRENT ASSETS		<u>415,417,894</u>	<u>498,352,542</u>	<u>913,770,436</u>	<u>379,204,606</u>	<u>1,486,249,847</u>
CONTINGENCIES AND COMMITMENTS	13					
NET ASSETS		<u>2,779,669,716</u>	<u>501,601,889</u>	<u>3,281,271,605</u>	<u>2,519,214,191</u>	<u>2,901,040,694</u>
REPRESENTED BY:						
LONG TERM LIABILITIES						
Long term security deposit - refundable	14	3,500,000	8,860,348	12,360,348	3,500,000	8,821,548
FUNDS						
Restricted Funds						
Restricted Designated Asset Fund		2,776,169,716	2,776,169,716	2,515,714,191		2,515,714,191
Un-Restricted Funds						
General Fund			492,741,541		373,004,955	373,004,955
		<u>2,779,669,716</u>	<u>501,601,889</u>	<u>3,281,271,605</u>	<u>2,519,214,191</u>	<u>2,901,040,694</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


President

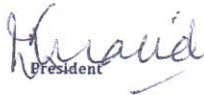

Member


Chief Accountant

Makkah Foundation Society
Statement of Comprehensive Income
For the year ended June 30, 2023

NOTE	2023			2022		
	Un-Restricted	Restricted	Total	Un-Restricted	Restricted	Total
	-----Rupees-----			-----Rupees-----		
INCOME						
	424,114,322		424,114,322	393,857,690		393,857,690
Tuition and other fees	15					
Fee share on assets designated from restricted fund	15.1	315,876,131	315,876,131	296,251,324	296,251,324	296,251,324
Other income	16	3,343,949	3,343,949	4,452,884	4,452,884	4,452,884
Income on assets designated from restricted fund	22	38,584,345	38,584,345	37,817,697	37,817,697	37,817,697
Income on intangible assets designated from restricted fund	23	370,701	370,701	367,328	367,328	367,328
	427,458,271	354,831,177	782,289,448	398,310,574	334,436,349	732,746,923
EXPENDITURE						
Charged to cost of revenue						
Salaries, allowances and other benefits	17	292,817,219	292,817,219	246,975,224	246,975,224	246,975,224
Utilities	18	10,837,684	10,837,684	8,445,089	8,445,089	8,445,089
Financial relief	19	28,257,133	28,257,133	26,225,605	26,225,605	26,225,605
Examination stationery		5,136,994	5,136,994	2,029,051	2,029,051	2,029,051
TPS Agosh	20	-	7,448,355	-	4,360,317	4,360,317
Repair and maintenance	21	18,276,741	18,276,741	10,959,251	10,959,251	10,959,251
Depreciation on assets designated from restricted funds	22	-	38,584,345	-	37,817,697	37,817,697
Income on intangible assets designated from restricted fund	23	-	370,701	-	367,328	367,328
Others	24	5,178,237	5,178,237	3,944,995	3,944,995	3,944,995
		360,504,008	46,403,401	406,907,409	298,579,215	42,545,342
Charged to Administrative and general expenses						
Salaries, allowances and other benefits	17	15,411,433	15,411,433	12,998,696	12,998,696	12,998,696
Utilities	18	570,404	570,404	444,478	444,478	444,478
Printing and stationery		6,394,661	6,394,661	2,345,776	2,345,776	2,345,776
Travelling and conveyance		458,008	458,008	150,103	150,103	150,103
Vehicle running and Maintenance		8,854,713	8,854,713	5,694,235	5,694,235	5,694,235
Generator running and Maintenance		3,288,492	3,288,492	753,138	753,138	753,138
Repair and Maintenance	21	2,030,749	2,030,749	1,217,695	1,217,695	1,217,695
Medical expenses		545,248	545,248	230,022	230,022	230,022
Legal & professional charges	25	833,338	833,338	2,436,773	2,436,773	2,436,773
Fee and taxes		13,130,626	13,130,626	91,520	91,520	91,520
Promotional charges		1,107,266	1,107,266	34,516	34,516	34,516
Others	26	5,891,306	5,891,306	4,416,272	4,416,272	4,416,272
		58,516,244	58,516,244	30,813,224	30,813,224	30,813,224
Total expenses		419,020,252	46,403,401	465,423,653	329,392,439	42,545,342
Excess of income over expenditure before finance income		8,438,018	308,427,776	316,865,794	68,918,134	291,891,007
Finance income	27	-	101,644,227	-	88,494,834	88,494,834
Excess of income over expenditure for the year		8,438,018	410,072,003	418,510,021	68,918,134	380,385,841
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		8,438,018	410,072,003	418,510,021	68,918,134	380,385,841
ATTRIBUTE TO:						
General Fund		8,438,018	8,438,018	68,918,134	-	68,918,134
Restricted Designated Asset Fund		-	410,072,003	-	380,385,841	380,385,841
		8,438,018	410,072,003	418,510,021	68,918,134	380,385,841

The annexed notes from 1 to 30 form an integral part of these financial statements.


President


Member

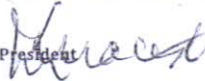

Chief Accountant

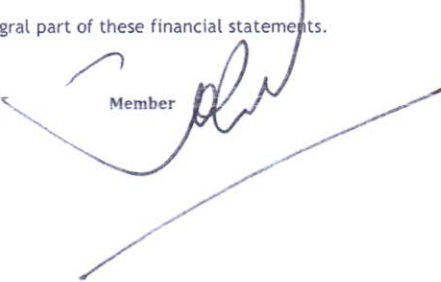
Makkah Foundation Society

Statement of changes in fund for the year ended June 30, 2023

Particulars	Restricted Designated Asset Fund	General Fund	Total
	-----Rupees-----		
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
Distributed as a donation during the year	-	-	-
Amortization of assets funds against disposal/depreciation	(37,977,441)	-	(38,954,019)
Tranferred from General Fund	-	-	-
Tranferred to restricted designated asset fund	-	-	-
Total comprehensive income for the year ended June 30, 2022	380,385,841	68,918,134	449,303,975
Balance as at June 30, 2022	2,515,714,191	373,004,955	2,888,719,146
Balance as at July 01, 2022	2,515,714,191	373,004,955	2,888,719,146
Member's contribution	-	18,000	18,000
Donation received during the year	-	1,871,520	1,871,520
Distributed as a donation/ Charity during the year	-	(1,327,211)	(1,327,211)
Amortization of assets funds against disposal/depreciation	(38,880,219)	-	(38,880,219)
Tranferred from General Fund	-	110,736,259	110,736,259
Tranferred to restricted designated asset fund	(110,736,259)	-	(110,736,259)
Total comprehensive income for the year ended June 30, 2023	410,072,003	8,438,018	418,510,021
Balance as at June 30, 2023	2,776,169,716	492,741,541	3,268,911,257

The annexed notes from 1 to 30 form an integral part of these financial statements.


President

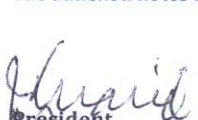

Member

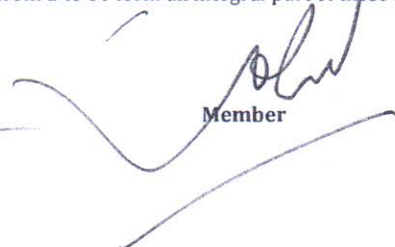

Chief Accountant

Makkah Foundation Society
Statement of cash flows for the year ended June 30, 2023

	2023	2022
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Total comprehensive income for the year	8,438,018	68,918,134
Adjustment of non cash items:		
Loss/(Gain) on disposal of fixed assets	221,481	(1,421,382)
Amortization	1,132,584	761,883
Depreciation	461,421,745	423,229,018
	-	-
	462,775,810	422,569,519
Working capital before changes	471,213,828	491,487,653
Changes in Working Capital		
(Increase) / decrease in current assets		
Short term advances	27,005,703	(14,834,599)
Other receivables	(89,879,891)	(63,498,261)
	(62,874,188)	(78,332,860)
Increase / (decrease) in current liabilities		
Unearned revenue	687,560	1,489,625
Trade and other payables	(31,816,933)	13,171,377
	(31,129,373)	14,661,002
Net changes in working capital	(94,003,561)	(63,671,858)
Long term security deposit	38,800	104,350
Cash inflow from operating activities	377,249,067	427,920,145
CASH FLOW FROM INVESTING ACTIVITIES		
Amount paid for purchase of fixed assets	(1,091,019,040)	(6,412,857)
Amount paid for purchase of Intangible Assets	(101,175)	-
Change in Capital work in progress	99,725,642	(277,662,866)
Amount paid for purchase of TDR	530,000,000	(85,500,000)
Amount paid against security deposit	(627,450)	(52,550)
Proceed received from sale fixed assets	210,000	2,470,000
Excess Paid amount received back Fixed assets	-	-
Cash outflow from investing activities	(461,812,023)	(367,158,273)
CASH FLOW FROM FUNDING ACTIVITIES		
Donation received during the year	1,871,520	1,010,181
Distributed as a donation during the year	(1,327,211)	-
Receipt on assets designated from restricted fund	410,072,003	380,385,841
Amount paid from restricted designated asset fund	(461,421,745)	(423,229,018)
Amount paid from restricted designated Intangible asset fund	(1,132,584)	(761,883)
Contribution from members	18,000	18,000
Cash inflow / (outflow) from funding activities	(51,920,017)	(42,576,879)
Net increase in cash and cash equivalents	(136,482,971)	18,184,995
Cash and cash equivalents at beginning of the year	666,230,728	648,045,735
Cash and cash equivalents at end of the year	529,747,756	666,230,728

The annexed notes from 1 to 30 form an integral part of these financial statements.


 President


 Member


 Chief Accountant

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

1 SOCIETY AND ITS OPERATION

1.1 MAKKAH FOUNDATION SOCIETY 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

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 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.

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.

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

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	2023 -----Rupees-----	2022
Operating fixed assets	4.1	2,053,918,884	1,001,840,843
Intangible Operating fixed assets	4.2	805,231	1,074,757
Capital work-in-progress	5	309,527,708	409,253,350
		<u>2,364,251,823</u>	<u>1,412,168,950</u>

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

4.1 Operating fixed assets

PARTICULARS	Amount in "Rupees"									
	COST				RATE %	DEPRECIATION				
	As at July 1, 2022	Additions for the year	Disposal / Adjustment	As at June 30, 2023		As at July 1, 2022	Disposal / Adjustment	Charge for the Year	As at June 30, 2023	Written Down value as at June 30, 2023
4.1.1 Land	400,174,665	602,543,160	-	1,002,717,825	-	-	-	-	-	1,002,717,825
4.1.2 Building	924,558,205	472,832,730	-	1,397,390,935	5	354,336,243	-	30,481,234	384,817,477	1,012,573,458
Furniture & fixtures	15,647,260	1,397,586	-	17,044,846	10	10,653,827	-	562,399	11,216,226	5,828,620
Lab equipments	668,528	-	-	668,528	25	667,949	-	145	668,094	434
Office equipments	5,790,318	1,450,000	(748,272)	6,492,046	10	3,901,284	(316,791)	209,090	3,793,583	2,698,463
Electrical equipments	14,983,835	707,650	-	15,691,485	10	7,210,809	-	811,569	8,022,378	7,669,107
Vehicles	20,175,460	450,000	-	20,625,460	20	14,484,794	-	1,005,549	15,490,343	5,135,117
Library books	3,170,750	8,635	-	3,179,385	20	2,634,831	-	107,472	2,742,303	437,082
Computers & printers	21,129,864	1,236,319	-	22,366,183	33	17,990,028	-	1,317,117	19,307,145	3,059,038
Audio Visual Equipments	2,202,932	2,334,000	-	4,536,932	33	1,026,184	-	388,327	1,414,511	3,122,421
Surveillance Cameras & Equipment	4,461,535	-	-	4,461,535	33	3,311,802	-	379,412	3,691,214	770,321
Generator	1,639,865	-	-	1,639,865	10	747,323	-	89,254	836,577	803,288
Tools	43,028	-	-	43,028	20	42,304	-	145	42,449	579
Tube well	2,704,520	-	-	2,704,520	10	1,431,637	-	127,288	1,558,925	1,145,595
Solar System	7,476,065	8,058,960	-	15,535,025	40	4,633,148	-	3,017,591	7,650,739	7,884,286
Arms & Ammunition	243,031	-	-	243,031	10	156,855	-	12,926	169,781	73,250
June 30, 2023	1,425,069,861	1,091,019,040	(748,272)	2,515,340,629		423,229,018	(316,791)	38,509,518	461,421,745	1,053,918,884
June 30, 2022	1,421,074,004	6,412,857	(2,417,000)	1,425,069,861		386,987,287	(1,368,382)	37,610,113	423,229,018	1,001,840,843
4.1.1- Land	"Rupees"		Location		4.1.2- Building		"Rupees"			
	2023	2022				2023	2022			
Township	1,333,334	1,333,334	Sector C-1 Block B Lahore		Township	119,718,150	119,228,698			
Kot Khawaja Saeed	14,720,900	14,720,900	Shir shah road Kot Khawaja Saeed Lahore		Kot Khawaja Saeed	61,953,374	61,953,374			
Johar Town	19,401,642	19,401,642	537-K Johar town Lahore		Johar Town	149,284,570	149,284,570			
Khayaban-e-Jinnah					Khayaban-e-jinnah					
(a) Gulshan-e-Lahore	176,258,111	176,258,111	Near Tariq Garden		(a) Gulshan-e-Lahore	627,751,829	600,091,563			
(b) H-4 WAPDA Town	188,460,678	188,460,678	H-4 WAPDA Town		(b) H-4 WAPDA Town	438,683,012	-			
DHA Multan Lahore Chapter	245,342,160	-								
Multan Road Lahore	357,201,000	-								
	1,002,717,825	400,174,665				1,397,390,935	924,558,205			

4.1.3- Disposal of Assets
2023

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of purchaser
Photocopy Machine MP 7000 3 Numbers	748,272	316,791	431,481	210,000	(221,481)	Negotiation	ZEDCO

2022

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of purchaser
Toyota Corolla LEE 15 916	1,950,000	930,800	1,019,200	2,200,000	1,180,800	Negotiation	Khalid Ahmad Butt
Suzuki Pickup LES 09 1673	467,000	437,582	29,418	270,000	240,582	Negotiation	Muhammad Umair

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

4.2 Operating intangible assets

PARTICULARS	COST				RATE %	DEPRECIATION				Written Down value as at June 30, 2023
	As at July 1, 2022	Additions for the year	Disposal / Adjustment	As at June 30, 2022		As at July 1, 2022	Disposal / Adjustment	Charge for the Year	As at June 30, 2022	
Software	1,836,640	101,175		1,937,815	20%	761,883	-	370,701	1,132,584	805,231
June 30, 2023	1,836,640	101,175	-	1,937,815		761,883	-	370,701	1,132,584	805,231
June 30, 2022	1,836,640	-	-	1,836,640	20%	394,555	-	367,328	761,883	1,074,757

4.2.1 Amortisation is charged to income applying the straight-line method at the rate of 20% per annum

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
5 CAPITAL WORK IN PROGRESS			
Opening Balance - Khayban e Jinnah (Auditorium)		12,886,160	-
Addition during the year		14,774,106	12,886,160
Transferred to property, plant & equipment		(27,660,266)	-
	5.1	<u>-</u>	<u>12,886,160</u>
Opening Balance - WAPDA Town		395,704,539	131,176,151
Addition during the year		352,506,181	264,528,388
Transferred to property, plant & equipment		(438,683,012)	-
	5.2	<u>309,527,708</u>	<u>395,704,539</u>
Opening Balance - Innovation Center		662,651	414,333
Addition during the year		5,826,801	248,318
Transferred to property, plant & equipment		(6,489,452)	-
	5.3	<u>-</u>	<u>662,651</u>
		<u>309,527,708</u>	<u>409,253,350</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 WAPDA Town Branch (27 K)			
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	1,725,547	1,692,147
Staff loans (secured-considered good)	6.2	1,585,900	961,600
		62,100	31,850
Less: Recoverable within one year grouped under current assets		<u>1,523,800</u>	<u>929,750</u>
		<u>3,249,347</u>	<u>2,621,897</u>
6.1 This represent the security amounts paid to and against connections of WAPDA, PTCL and Sui Gas.			
These represent the interest free loans to the employees of the society and recoverable in monthly installments over the period of fifteen			
6.2 months. These loans are secured against their salaries and two other gaurantors which are employees of the society.			
7 LOANS, ADVANCES AND PREPAYMENTS			
Current portion staff loan	6	62,100	31,850
Advances:(Considered good)			
Secured:			
- Advances against expenses		153,300	147,100
- Advances against salary		-	9,000
		153,300	156,100
Unsecured:			
- Suppliers		2,888,028	29,921,181
		<u>3,103,428</u>	<u>30,109,131</u>
8 SHORT TERM INVESTMENTS			
Held to maturity:			
Term deposit certificates (TDR)-Meezan Bank		-	530,000,000
Term deposit certificates (TDR)-ABL Lajna Chowk	8.1	25,000,000	25,000,000
		<u>25,000,000</u>	<u>555,000,000</u>
Al-Meezan MIF Investment		11,000,000	11,000,000
Al-Meezan MIF Investment-Devidend		225,661	225,661
		<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 for 1to 3 Months and it carries expected return @9 %to 20%% biannual.			

Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
9 OTHER RECEIVABLES			
Receivable from TPS System Limited	9.1	379,192,233	296,824,875
Receivable from TPS Supplies & Services Limited	9.2	5,056,706	-
Receivable from Manar School	9.3	3,230,677	2,850,338
Receivable from Students	9.4	647,951	-
Canteen Rent	9.5	66,437	36,799
Profit receivable from "Al-Meezan Investment MIIF"	9.6	1,397,899	-
		<u>389,591,903</u>	<u>299,712,012</u>
9.1	This amount is receivable from " The Punjab School System Limited " against fee share.		
9.2	This amount is receivable from " The Punjab School Supplies & Services Limited " against rent.		
9.3	This amount is receivable from " The Manar School System " against HR Services		
9.4	This amount is receivable from "Students" against Summer Vacation Homework		
9.5	This amount is receivable from Canteen Contractors against rent		
9.6	This represent the profit receivable from Al-Meezan Investment MIIF		
10 CASH & BANK BALANCES			
Cash at bank:			
Current account		17,295,949	13,450,699
Profit & loss sharing account		512,451,807	652,780,030
		<u>529,747,756</u>	<u>666,230,729</u>
11 FEE RECEIVED IN ADVANCE			
	This represent the fee received in advance from students.		
12 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES			
Creditors		404,201	16,462,912
Accrued expenses			
- Staff salaries		671,256	19,526,351
- Utilities bill & others		1,338,037	826,771
		2,009,293	20,353,122
Other liabilities			
- EOBI and social security		1,103,712	800,776
- TPStain		29,407,794	26,848,498
- Staff security payable		6,381,844	5,538,832
- Contributory provident Fund		30,404	1,289,742
- Consultancy Charges Payable		29,750	66,875
- Income tax payable		751,494	574,668
		<u>37,704,998</u>	<u>35,119,391</u>
		<u>40,118,492</u>	<u>71,935,425</u>
13 CONTINGENCIES AND COMMITMENTS			
14 LONG TERM SECURITY DEPOSITS - REFUNDABLE			
- Students	14.1	8,761,375	8,722,575
- The Punjab School System Limited	14.2	3,500,000	3,500,000
- Canteen shops security	14.3	98,973	98,973
		<u>12,360,348</u>	<u>12,321,548</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 refundable to them		
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 Society
notes to the financial statements
for the year ended June 30, 2023

	Note	2023	2022
		-----Rupees-----	
15 TUITION AND OTHER FEES			
Tuition fee		406,132,502	380,931,440
Registration fee		1,747,000	1,542,000
Swimming pool fee		5,925,000	4,722,000
Transport Fee		9,991,820	6,362,250
Prospectus fee		318,000	300,000
		<u>424,114,322</u>	<u>393,857,690</u>
15.1 Fee Share	15.1.1	<u>315,876,131</u>	<u>296,251,324</u>
		<u>315,876,131</u>	<u>296,251,324</u>
15.1.1	This represents the fee share @ 33% (June 30,2022: 33%) 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		2,357,424	1,993,155
Publication Income		130,514	-
Gain on disposal of vehicle		-	1,421,382
Donation in kind		-	444,785
Miscellaneous		856,011	593,562
		<u>3,343,949</u>	<u>4,452,884</u>
17 SALARIES, ALLOWANCES AND OTHER BENEFITS			
Salaries and allowances		272,278,849	236,592,536
Eldee to Staff		5,380,000	-
E.O.B.I		6,878,514	4,093,970
Social Security		3,761,516	2,807,647
Leave Encashment		4,804,668	3,353,550
Honorarium		3,335,729	4,450,578
Contribution to CP fund		6,351,896	6,350,592
Staff Welfare		3,273,623	1,725,150
Staff Medical		99,417	-
Staff uniform and liveries		2,064,440	599,897
		<u>308,228,652</u>	<u>259,973,920</u>
Apportion to:			
Cost of revenue	95%	292,817,219	246,975,224
Administrative & general expenses	5%	15,411,433	12,998,696
		<u>308,228,652</u>	<u>259,973,920</u>
18 UTILITIES			
Electricity		9,040,502	7,061,239
Water		450,000	450,000
Sui gas		1,236,850	601,290
Telephone		680,736	777,038
		<u>11,408,088</u>	<u>8,889,567</u>
Apportion to:			
Cost of revenue	95%	10,837,684	8,445,089
Administrative & general expenses	5%	570,404	444,478
		<u>11,408,088</u>	<u>8,889,567</u>
19 FINANCIAL RELIEF			
It represent the Financial 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			
21 REPAIRS AND MAINTAINENCE			
School building		14,857,362	6,245,074
Furniture & fixtures		724,611	430,077
Electric equipments		1,978,000	3,638,424
Office equipments		575,503	518,543
Computers		2,027,631	997,028
Audio Visual		28,500	-
Surveillance Cameras		115,883	347,800
		<u>20,307,490</u>	<u>12,176,946</u>
Apportion to:			
Cost of revenue	90%	18,276,741	10,959,251
Administrative & general expenses	10%	2,030,749	1,217,695
		<u>20,307,490</u>	<u>12,176,946</u>

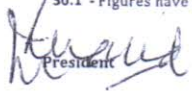
Makkah Foundation Society
notes to the financial statements
for the year ended June 30, 2023

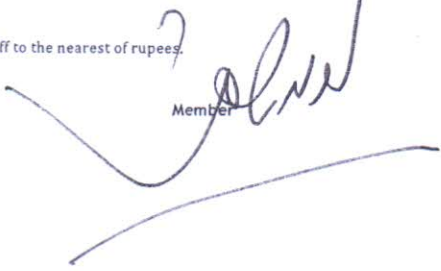
	Notes	2023	2022
-----Rupees-----			
22 DEPRICIATION			
Charged on Designated Assets Fund	4.1	38,584,345	37,817,697
		<u>38,584,345</u>	<u>37,817,697</u>
23 AMORTIZATION			
Charged on Intangible Assets	4.2	370,701	367,328
		<u>370,701</u>	<u>367,328</u>
24 OTHERS			
Education CESS		26,700	51,000
School magazine		-	92,800
Training expenses		376,107	237,300
School function		1,221,611	466,619
Student welfare and excursion		1,960,042	986,288
Awards & Medals		354,601	-
Sports expenses		561,924	393,693
Teaching aid		262,559	6,595
Swimming pool expenses		193,212	1,710,700
Loss on Asset Disposal		221,481	-
		<u>5,178,237</u>	<u>3,944,995</u>
25 LEGAL AND PROFESSIONAL CHARGES			
Audit and consultancy charges		120,000	357,000
Legal services		713,338	2,079,773
		<u>833,338</u>	<u>2,436,773</u>
26 OTHERS			
Postage and telegram		39,537	18,901
Newspaper and periodicals		112,075	70,150
Gardening and furnishing		1,751,469	1,025,591
Entertainment and guest house		1,907,185	1,231,743
Presents & Gifts		70,640	72,000
Laboratory		102,533	1,350
Sanitation		903,849	549,877
Bank charges & Zakat		21,562	10,785
Donation in kind	26.1	-	444,785
Software Expenses		746,337	740,831
Miscellaneous		3,370	2,400
Mosque Expenses		232,749	247,859
		<u>5,891,306</u>	<u>4,416,272</u>
26.1 DONATION IN KIND			
- The Society has given office facility to Foundation of the Faithful to carry out its phalanthropic activities in Pakistan.			
27 FINANCE INCOME			
Profit on term deposit certificates		26,850,588	46,568,519
Profit on profit and loss sharing account		73,395,740	41,132,141
Profit on investmnet with Al-Meezan MIF		1,397,899	794,173
		<u>101,644,227</u>	<u>88,494,834</u>
28 TRANSACTIONS WITH RELATED PARTIES			
The related parties comprise associated undertakings, members, key management personals. The Society in the normal course carries out			
Nature of relationship	Nature of transaction		
Associate	Receivable	9.1	379,192,233
Associate	Receivable	9.2	296,824,875
Associate	Receivable	9.3	5,056,706
General Donation Fund	General Donation Fund		3,230,677
Fee share	Un-restricted Revenue		2,850,338
			<u>315,876,131</u>
29 Re-classification and Re-statement			
	From	To	
General Fund	General Fund	Restricted Designated Asset Fund	(110,736,259)
30 GENERAL			


Nature of relationship	Nature of transaction	2023	2022
Associate	Receivable	9.1	379,192,233
Associate	Receivable	9.2	296,824,875
Associate	Receivable	9.3	5,056,706
General Donation Fund	General Donation Fund		3,230,677
Fee share	Un-restricted Revenue		2,850,338
			<u>315,876,131</u>
			<u>296,251,324</u>

	From	To	
General Fund	General Fund	Restricted Designated Asset Fund	(110,736,259)

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

 President

 Member

 Chief Accountant