

**Makkah Foundation**  
**Financial Statements**  
**For the year ended June 30, 2021**

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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, 2021 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.

## 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.

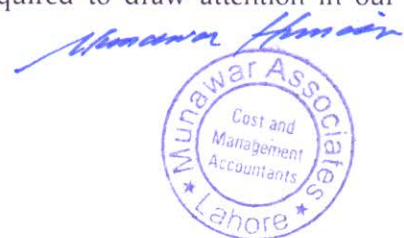
## Auditor's Responsibilities for the Audit of the Financial Statements

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 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:**

October 07, 2021

  
**MUNAWAR ASSOCIATES**  
Cost and Management Accountants

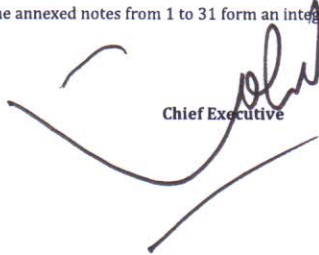


**Makkah Foundation**

Balance Sheet as at June 30, 2021

		2021			2020			
		Restricted Designated Asset Fund	General Fund	Total	Restricted Designated Asset Fund	General Fund	Total	
NOTE		-----Rupees-----			-----Rupees-----			
<b>NON CURRENT ASSETS</b>								
	Property, plant & equipment	4	1,167,119,286	-	1,167,119,286	1,087,885,172	-	1,087,885,172
	Loans, advances and deposits	6	-	2,569,347	2,569,347	-	1,597,647	1,597,647
			1,167,119,286	2,569,347	1,169,688,633	1,087,885,172	1,597,647	1,089,482,819
<b>CURRENT ASSETS</b>								
	Loans, advances and prepayments	7	-	15,274,532	15,274,532	-	8,201,744	8,201,744
	Short Term Investments	8	480,725,661	-	480,725,661	389,500,000	-	389,500,000
	Other receivables	9	234,200,470	2,013,281	236,213,751	312,805,870	1,095,482	313,901,352
	Cash & bank balances	10	294,760,374	353,285,361	648,045,735	132,130,774	286,372,971	418,503,745
			1,009,686,505	370,573,174	1,380,259,679	834,436,644	295,670,197	1,130,106,841
<b>CURRENT LIABILITIES</b>								
	Fee received in advance	11	-	2,602,635	2,602,635	-	11,770,400	11,770,400
	Creditors, accrued expenses and other liabilities	12	-	58,764,048	58,764,048	-	46,043,676	46,043,676
				61,366,683	61,366,683		57,814,076	57,814,076
			1,009,686,505	309,206,491	1,318,892,996	834,436,644	237,856,121	1,072,292,765
<b>NET CURRENT ASSETS</b>								
<b>CONTINGENCIES AND COMMITMENTS</b>								
		13			-			-
<b>NET ASSETS</b>			<b>2,176,805,791</b>	<b>311,775,838</b>	<b>2,488,581,629</b>	<b>1,922,321,816</b>	<b>239,453,768</b>	<b>2,161,775,584</b>
<b>REPRESENTED BY:</b>								
<b>LONG TERM LIABILITIES</b>								
	Long term security deposit - refundable	14	3,500,000	8,717,198	12,217,198	3,500,000	8,800,898	12,300,898
<b>FUNDS</b>								
<b>Restricted Funds</b>								
	Restricted Designated Asset Fund		2,173,305,791	-	2,173,305,791	1,918,821,816	-	1,918,821,816
<b>Un-Restricted Funds</b>								
	General Fund		-	303,058,640	303,058,640	-	230,652,870	230,652,870
<b>NET ASSETS</b>			<b>2,176,805,791</b>	<b>311,775,838</b>	<b>2,488,581,629</b>	<b>1,922,321,816</b>	<b>239,453,768</b>	<b>2,161,775,584</b>

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

  
Chief Executive

  
Member

  
Chief Accountant

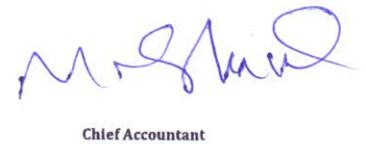
Makkah Foundation  
Statement of Comprehensive Income  
For the year ended June 30, 2021

	NOTE	2021			2020		
		Un-Restricted	Restricted	Total	Un-Restricted	Restricted	Total
		-----Rupees-----			-----Rupees-----		
<b>INCOME</b>							
Tuition and other fees	15	368,108,389	-	368,108,389	337,918,188	-	337,918,188
Fee share on assets designated from restricted fund	15.1	-	272,262,802	272,262,802	-	235,896,537	235,896,537
Other income	16	2,011,499	-	2,011,499	2,438,931	-	2,438,931
Income on assets designated from restricted fund	23	-	40,561,801	40,561,801	-	38,562,213	38,562,213
Income on intangible assets designated from restricted fund	24	-	260,388	260,388	-	134,167	134,167
		<u>370,119,888</u>	<u>313,084,991</u>	<u>683,204,879</u>	<u>340,357,119</u>	<u>274,592,917</u>	<u>614,950,036</u>
<b>EXPENDITURE</b>							
<b>Charged to cost of revenue</b>							
Salaries, allowances and other benefits	17	218,112,401	-	218,112,401	222,837,362	-	222,837,362
Utilities	18	6,106,724	-	6,106,724	7,256,499	-	7,256,499
Financial relief	19	38,491,527	-	38,491,527	34,459,387	-	34,459,387
Examination stationery		89,830	-	89,830	3,449,869	-	3,449,869
TPS Agosh	20	-	2,881,304	2,881,304	-	-	-
Repair and maintenance	21	7,957,447	-	7,957,447	8,267,543	-	8,267,543
Disaster - Auditorium KJ	22	-	19,950,391	19,950,391	-	-	-
Depreciation on assets designated from restricted funds	23	-	40,561,801	40,561,801	-	38,562,213	38,562,213
Income on intangible assets designated from restricted fund	24	-	260,388	260,388	-	134,167	134,167
Others	25	1,316,703	-	1,316,703	3,572,089	-	3,572,089
		<u>272,074,631</u>	<u>63,653,884</u>	<u>335,728,515</u>	<u>279,842,749</u>	<u>38,696,380</u>	<u>318,539,129</u>
<b>Charged to Administrative and general expenses</b>							
Salaries, allowances and other benefits	17	11,479,600	-	11,479,600	11,728,282	-	11,728,282
Utilities	18	321,407	-	321,407	381,921	-	381,921
Printing and stationery		65,149	-	65,149	1,193,980	-	1,193,980
Travelling and conveyance		101,624	-	101,624	137,556	-	137,556
Vehicle running and Maintenance		2,961,691	-	2,961,691	3,063,714	-	3,063,714
Generator running and Maintenance		699,471	-	699,471	384,956	-	384,956
Repair and Maintenance	21	884,161	-	884,161	918,616	-	918,616
Medical expenses		355,069	-	355,069	315,977	-	315,977
Legal & professional charges	26	1,336,685	-	1,336,685	504,035	-	504,035
Fee and taxes		356,806	-	356,806	387,130	-	387,130
Promotional charges		11,134	-	11,134	43,189	-	43,189
Others	27	6,726,571	-	6,726,571	2,518,462	-	2,518,462
		<u>25,299,367</u>	<u>-</u>	<u>25,299,367</u>	<u>21,577,818</u>	<u>-</u>	<u>21,577,818</u>
<b>Total expenses</b>		<u>297,373,998</u>	<u>63,653,884</u>	<u>361,027,882</u>	<u>301,420,567</u>	<u>38,696,380</u>	<u>340,116,947</u>
<b>Excess of income over expenditure before finance income</b>		<u>72,745,890</u>	<u>249,431,107</u>	<u>322,176,997</u>	<u>38,936,551</u>	<u>235,896,537</u>	<u>274,833,088</u>
Finance income	28	-	45,875,057	45,875,057	-	62,647,098	62,647,098
<b>Excess of income over expenditure for the year</b>		<u>72,745,890</u>	<u>295,306,164</u>	<u>368,052,054</u>	<u>38,936,551</u>	<u>298,543,635</u>	<u>337,480,186</u>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<u>72,745,890</u>	<u>295,306,164</u>	<u>368,052,054</u>	<u>38,936,551</u>	<u>298,543,635</u>	<u>337,480,186</u>
<b>ATTRIBUTE TO:</b>							
General Fund		72,745,890	-	72,745,890	38,936,551	-	38,936,551
Restricted Designated Asset Fund		-	295,306,164	295,306,164	-	298,543,635	298,543,635
		<u>72,745,890</u>	<u>295,306,164</u>	<u>368,052,054</u>	<u>38,936,551</u>	<u>298,543,635</u>	<u>337,480,186</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 changes in fund for the year ended June 30, 2021**

Particulars	Restricted Designated Asset Fund	General Fund	Total
	Rupees		
<b>Balance as at July 01, 2019</b>	1,658,974,561	191,025,169	1,849,999,730
Member's contribution	-	17,000	17,000
Donation received during the year	-	674,150	674,150
Distributed as a donation during the year	-	-	-
Amortization of assets funds against disposal/depreciation	(38,696,380)	-	(38,696,380)
Transferred from General Fund	-	-	-
Transferred to restricted designated asset fund	-	-	-
Total comprehensive income for the year ended June 30, 2020	298,543,635	38,936,551	337,480,186
<b>Balance as at June 30, 2020</b>	<b>1,918,821,816</b>	<b>230,652,870</b>	<b>2,149,474,686</b>
<b>Balance as at July 01, 2020</b>	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)	-	(40,822,189)
Transferred from General Fund	-	-	-
Transferred to restricted designated asset fund	-	-	-
Total comprehensive income for the year ended June 30, 2021	295,306,164	72,745,890	368,052,054
<b>Balance as at June 30, 2021</b>	<b>2,173,305,791</b>	<b>303,058,640</b>	<b>2,476,364,431</b>

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, 2021

	2021	2020
	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Total comprehensive income for the year	72,745,890	38,936,551
<b>Adjustment of non cash items:</b>		
Loss/(Gain) on disposal of fixed assets	28,707	59,304
Amortization	394,555	134,167
Depreciation	353,691,612	38,562,213
Disaster-Auditorium KJ	19,950,391	-
	<u>374,065,265</u>	<u>38,755,684</u>
<b>Working capital before changes</b>	<u>446,811,155</u>	<u>77,692,235</u>
<b>Changes in Working Capital</b>		
<b>(Increase) / decrease in current assets</b>		
Short term advances	(7,072,788)	(1,929,986)
Other receivables	77,687,601	(51,299,957)
	<u>70,614,813</u>	<u>(53,229,943)</u>
<b>Increase / (decrease) in current liabilities</b>		
Unearned revenue	(9,167,765)	6,141,730
Trade and other payables	12,720,372	4,761,216
	<u>3,552,607</u>	<u>10,902,946</u>
Net changes in working capital	<u>74,167,420</u>	<u>(42,326,996)</u>
Long term security deposit	(83,700)	(48,200)
<b>Cash inflow from operating activities</b>	<u>520,894,875</u>	<u>35,317,039</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Amount paid for purchase of fixed assets	(22,391,235)	(60,584,538)
Amount paid for purchase of Intangible Assets	(686,640)	(1,150,000)
Change in Capital work in progress	(116,972,526)	(14,256,530)
Amount paid for purchase of TDR	(91,225,661)	(112,000,000)
Amount paid against security deposit	(971,700)	(35,300)
Proceed received from sale fixed assets	15,000	20,000
<b>Cash outflow from investing activities</b>	<u>(232,232,762)</u>	<u>(188,006,368)</u>
<b>CASH FLOW FROM FUNDING ACTIVITIES</b>		
Donation received during the year	317,030	674,150
Distributed as a donation during the year	(674,150)	-
Receipt on assets designated from restricted fund	295,306,164	298,543,635
Amount paid from restricted designated asset fund	(353,691,612)	(38,562,213)
Amount paid from restricted designated Intangible asset fund	(394,555)	(134,167)
Contribution from members	17,000	17,000
<b>Cash inflow / (outflow) from funding activities</b>	<u>(59,120,123)</u>	<u>260,538,405</u>
Net increase in cash and cash equivalents	<u>229,541,992</u>	<u>107,849,078</u>
Cash and cash equivalents at beginning of the year	418,503,745	310,654,669
Cash and cash equivalents at end of the year	<u>648,045,735</u>	<u>418,503,745</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, 2021

#### 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  
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

### notes to the financial statements

for the year ended june 30, 2021

#### 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

		2021	2020
	Note	-----Rupees-----	
Operating fixed assets	4.1	1,034,086,717	1,072,251,381
Intangible Operating fixed assets	4.2	1,442,085	1,015,833
Capital work-in-progress	5	131,590,484	14,617,958
		<u>1,167,119,286</u>	<u>1,087,885,172</u>

# Makkah Foundation

notes to the financial statements

for the year ended June 30, 2021

## 4.1 Operating fixed assets

PARTICULARS	COST			DEPRECIATION			Amount in "Rupees"			
	As at July 1, 2020	Additions for the year	Disposal / Adjustment	As at June 30, 2021	RATE %	As at July 1, 2020	Disposal / Adjustment	Charge for the Year	As at June 30, 2021	Written Down value as at June 30, 2018
<b>4.1.1 Land</b>	400,174,665	-	-	400,174,665	-	-	-	-	-	400,174,665
<b>4.1.2 Building</b>	940,396,863	11,343,032	(27,181,690)	924,558,205	5	299,461,846	(7,231,299)	32,094,014	324,324,561	600,233,644
Furniture & fixtures	14,514,421	491,806	-	15,006,227	10	9,627,287	-	517,682	10,144,969	4,861,258
Lab equipments	668,528	-	-	668,528	25	667,499	-	257	667,756	772
Office equipments	5,375,257	422,595	(78,534)	5,719,318	10	3,525,534	(34,827)	205,250	3,695,957	2,023,361
Electrical equipments	13,094,402	1,014,148	-	14,108,550	10	5,594,736	-	826,128	6,420,864	7,687,686
Vehicles	18,011,928	1,059,000	-	19,070,928	20	13,532,061	-	984,223	14,516,284	4,554,644
Library books	3,122,796	33,614	-	3,156,410	20	2,342,213	-	159,568	2,501,781	654,629
Computers & printers	18,885,710	975,487	-	19,861,197	33	14,476,295	-	2,184,130	16,660,425	3,200,772
Audio Visual Equipments	360,000	1,842,932	-	2,202,932	33	2,002,746	-	184,279	446,591	1,756,341
Surveillance Cameras & Equipment	3,931,914	508,621	-	4,440,535	33	2,002,746	-	745,354	2,748,100	1,692,435
Generator	1,639,865	-	-	1,639,865	10	537,962	-	110,190	648,152	991,713
Tools	43,028	-	-	43,028	20	41,897	-	226	42,123	905
Tube well	2,704,520	-	-	2,704,520	10	1,133,060	-	157,146	1,290,206	1,414,314
Solar System	2,776,065	4,700,000	-	7,476,065	40	362,407	-	2,375,463	2,737,870	4,738,195
Arms & Ammunition	243,031	-	-	243,031	10	123,757	-	17,891	141,648	101,383
<b>June 30, 2021</b>	<b>1,425,942,993</b>	<b>22,391,235</b>	<b>(27,260,224)</b>	<b>1,421,074,004</b>		<b>353,691,612</b>	<b>(7,266,126)</b>	<b>40,561,801</b>	<b>386,987,287</b>	<b>1,034,086,717</b>
<b>June 30, 2020</b>	<b>1,365,480,059</b>	<b>60,584,538</b>	<b>(121,604)</b>	<b>1,425,942,993</b>		<b>315,171,699</b>	<b>(42,300)</b>	<b>38,567,213</b>	<b>353,691,612</b>	<b>1,072,251,381</b>

### 4.1.1- Land

Description	"Rupees"		Location
	2021	2020	
Township	1,333,334	1,333,334	Sector C-1 Block B Lahore
Kot Khawaja Saeed	14,720,900	14,720,900	Shir shah road Kot Khawaja Saeed Lahore
Johar Town	19,401,642	19,401,642	537-K Johar town Lahore
Khayban-e-Jinnah	176,258,111	176,258,111	Near Tariq Garden
(a) Gulshan-e-Lahore	188,460,678	188,460,678	H-4 WAPDA Town
(b) H-4 WAPDA Town	400,174,665	400,174,665	

### 4.1.3- Disposal of Assets

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of purchaser
Building-Auditorium KJ	27,181,690	7,231,299	19,950,391	-	(19,950,391)	Disaster-Fire Negotiation	ZEDCO
Photocopy Machine Ricoh 3045	78,534	34,827	43,707	15,000	(28,707)	Negotiation	ZEDCO

### 2020

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of purchaser
Photocopy Machine Ricoh 4500	121,604	42,300	79,304	20,000	(59,304)	Negotiation	ZEDCO



**Makkah Foundation**  
**notes to the financial statements**  
for the year ended June 30, 2021

	Note	2021	2020
-----Rupees-----			
<b>5 CAPITAL WORK IN PROGRESS</b>			
Opening Balance - Khayban e Jinnah		1,170,284	-
Addition during the year		10,263,650	20,441,072
Transferred to property, plant & equipment		(11,433,934)	(19,270,788)
	<b>5.1</b>	<u>-</u>	<u>1,170,284</u>
Opening Balance - WAPDA Town		13,447,674	361,428
Addition during the year		117,728,477	13,086,246
	<b>5.2</b>	<u>131,176,151</u>	<u>13,447,674</u>
Opening Balance - Innovation Center		-	-
Addition during the year		414,333	-
	<b>5.3</b>	<u>414,333</u>	<u>-</u>
		<u>131,590,484</u>	<u>14,617,958</u>

- 5.1** - This represent the cost have been incurred on the construction of building 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

<b>6 LOANS, ADVANCES AND DEPOSITS</b>			
Deposits	<b>6.1</b>	1,574,497	1,574,497
Staff loans (secured-considered good)	<b>6.2</b>	1,041,800	1,056,950
		46,950	1,033,800
Less: Recoverable within one year grouped under current assets		994,850	23,150
		<u>2,569,347</u>	<u>1,597,647</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 guarantors which are employees of the society.

<b>7 LOANS, ADVANCES AND PREPAYMENTS</b>			
Current portion staff loan	<b>6</b>	46,950	1,033,800
Advances:(Considered good)			
Secured:			
- Advances against expenses		126,300	82,300
- Advances against salary		30,288	-
		156,588	82,300
Unsecured:			
- Suppliers		15,070,994	7,085,644
		<u>15,274,532</u>	<u>8,201,744</u>

**8 SHORT TERM INVESTMENTS**

<b>Held to maturity:</b>			
Term deposit certificates (TDR)-BOP Link Road	<b>8.1</b>	-	70,000,000
Term deposit certificates (TDR)-BOP Township		-	70,000,000
Term deposit certificates (TDR)-Meezan Bank		450,000,000	230,000,000
Term deposit certificates (TDR)-ABL Lajna Chowk		19,500,000	19,500,000
		<u>469,500,000</u>	<u>389,500,000</u>
Al-Meezan MIF Investment		11,000,000	-
Al-Meezan MIF Investment-Dividend		225,661	-
	<b>8.2</b>	<u>11,225,661</u>	<u>-</u>

- This represent term deposit certificates purchased by the society. The term of these TDR's is up to 3 Months and it carries expected  
**8.1** return @6.5% biannual.

- This represent investment in Al-Meezan MIF Investment purchased by the society in units , including dividend earned on Principle  
**8.2** 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, 2021

	Note	2021	2020
		-----Rupees-----	
<b>9 OTHER RECEIVABLES</b>			
Receivable from TPS System Limited	9.1	234,200,471	312,805,870
Receivable from TPS Supplies & Services Limited	9.2	-	1,089,474
Receivable from TPS Agosh	9.3	-	6,008
Receivable from Manar School		1,548,372	
Canteen Rent	9.5	49,510	-
Profit receivable from "Al-Meezan Investment MIIF"	9.6	415,399	-
		<u>236,213,752</u>	<u>313,901,352</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 Punjab School Agosh Campus " against Petty Expenses.		
9.4	This amount is receivable from " The Manar School System " against HR Services		
9.5	This represent the receivable from Canteen Contractors against rent		
9.6	This represent the profit receivable from Al-Meezan Investment MIIF		
<b>10 CASH &amp; BANK BALANCES</b>			
<b>Cash at bank:</b>			
Current account		16,114,588	26,615,710
Profit & loss sharing account		631,931,146	391,888,035
		<u>648,045,735</u>	<u>418,503,745</u>
<b>11 FEE RECEIVED IN ADVANCE</b>			
This represent the fee received in advance from students.			
<b>12 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITES</b>			
Creditors		10,205,733	693,413
Accrued expenses			
- Staff salaries		16,291,244	17,324,134
- Utilities bill & others		653,600	569,068
		<u>16,944,844</u>	<u>17,893,202</u>
<b>Other liabilities</b>			
- EOBI and social security		572,076	583,261
- TPStain		23,950,052	20,144,955
- Staff security payable		5,428,367	5,395,555
- Contributory provident Fund		1,039,232	973,056
- Consultancy Charges Payable		14,550	150,000
- Income tax payable		609,194	210,235
		<u>31,613,471</u>	<u>27,457,062</u>
		<u>58,764,048</u>	<u>46,043,677</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
-			
<b>14 LONG TERM SECURITY DEPOSITS - REFUNDABLE</b>			
- Students	14.1	8,633,225	8,716,925
- The Punjab School System Limited	14.2	3,500,000	3,500,000
- Canteen shops security	14.3	83,973	83,973
		<u>12,217,198</u>	<u>12,300,898</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		
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		
<b>15 TUITION AND OTHER FEES</b>			
Tuition fee		363,684,789	326,763,108
Registration fee		1,482,000	1,220,000
Swimming pool fee		186,000	4,579,000
Transport Fee		2,501,600	5,119,080
Prospectus fee		254,000	237,000
		<u>368,108,389</u>	<u>337,918,188</u>
15.1 Fee Share	15.1.1	<u>272,262,802</u>	<u>235,896,537</u>
		<u>272,262,802</u>	<u>235,896,537</u>

This represents the fee share @ 27.5% (June 30,2019: 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.

**Makkah Foundation**  
**notes to the financial statements**  
for the year ended June 30, 2021

	Note	2021	2020
		-----Rupees-----	
<b>16 OTHER INCOME</b>			
Rent canteens, bookshops & others		1,353,710	1,594,754
Lab Income		-	20,490
Publication Income		-	9,885
Donation in kind		403,160	364,936
Miscellaneous		254,629	448,866
		<u>2,011,499</u>	<u>2,438,931</u>
<b>17 SALARIES, ALLOWANCES AND OTHER BENEFITS</b>			
Salaries and allowances		211,839,657	215,950,202
E.O.B.I		3,741,327	3,769,730
Social Security		4,009,047	2,324,363
Leave Encashment		-	3,732,962
Honorarium		750,500	132,693
Contribution to CP fund		6,908,085	6,643,458
Staff Welfare		1,570,469	1,474,941
Staff Medical		73,885	-
Staff uniform and liveries		699,031	537,295
		<u>229,592,001</u>	<u>234,565,644</u>
<b>Apportion to:</b>			
Cost of revenue	95%	218,112,401	222,837,362
Administrative & general expenses	5%	11,479,600	11,728,282
		<u>229,592,001</u>	<u>234,565,644</u>
<b>18 UTILITIES</b>			
Electricity		4,412,926	5,261,166
Water		450,960	455,560
Sui gas		1,001,330	1,447,580
Telephone		562,914	474,114
		<u>6,428,130</u>	<u>7,638,420</u>
<b>Apportion to:</b>			
Cost of revenue	95%	6,106,724	7,256,499
Administrative & general expenses	5%	321,407	381,921
		<u>6,428,130</u>	<u>7,638,420</u>
<b>19 FINANCIAL RELIEF</b>			
It represent the assistance given to needy and orphan students,			
<b>20 TPS Agosh</b>			
It represent the amount paid for running of TPS Agosh a school established near Sheikhpura for Free education for orphans			
<b>21 REPAIRS AND MAINTAINENCE</b>			
School building		5,277,771	4,892,872
Furniture & fixtures		877,012	1,379,020
Electric equipment's		1,205,694	1,099,563
Office equipment's		186,680	348,725
Computers		1,294,451	1,465,979
		<u>8,841,608</u>	<u>9,186,159</u>
<b>Apportion to:</b>			
Cost of revenue	90%	7,957,447	8,267,543
Administrative & general expenses	10%	884,161	918,616
		<u>8,841,608</u>	<u>9,186,159</u>
<b>22 Disaster -Auditorium KJ</b>			
It represent the loss due to fire of Auditorium (KJ) due to short circuit			
<b>23 DEPRICIATION</b>			
Charged on Designated Assets Fund	4.1	40,561,801	38,562,213
		<u>40,561,801</u>	<u>38,562,213</u>



**Makkah Foundation**  
**notes to the financial statements**  
for the year ended June 30, 2021

	Note	2021	2020
		-----Rupees-----	
<b>24 AMORTIZATION</b>			
Charged on Intangible Assets		260,388	134,167
		<u>260,388</u>	<u>134,167</u>
<b>25 OTHERS</b>			
Education CESS		-	12,525
School magazine		37,236	750,000
Training expenses		76,714	193,268
School function		215,674	658,581
Student welfare and excursion		679,534	1,515,664
Sports expenses		-	274,585
Teaching aid		245,085	-
Swimming pool expenses		33,753	108,162
Loss on Asset Disposal		28,707	59,304
		<u>1,316,703</u>	<u>3,572,089</u>
<b>26 LEGAL AND PROFESSIONAL CHARGES</b>			
Audit and consultancy charges		88,000	301,625
Legal services		1,248,685	202,410
		<u>1,336,685</u>	<u>504,035</u>
<b>27 OTHERS</b>			
Postage and telegram		16,496	23,447
Newspaper and periodicals		100,850	61,570
Gardening and furnishing		2,776,162	157,122
Entertainment and guest house		872,817	1,033,566
Presents & Gifts		51,000	51,000
Laboratory		-	28,205
Sanitation		563,758	273,065
Bank charges & Zakat		11,821	11,788
Donation in kind	27.1	403,160	364,936
Software Expenses		253,915	511,363
Miscellaneous		3,400	2,400
Mosque Expenses		1,673,192	-
		<u>6,726,571</u>	<u>2,518,462</u>
<b>27.1 DONATION IN KIND</b>			
- The Society has given office facility to Foundation of the Faithful to carry out its philanthropic activities in Pakistan.			
<b>28 FINANCE INCOME</b>			
Profit on term deposit certificates		17,625,968	28,236,404
Profit on profit and loss sharing account		27,608,030	34,410,694
Profit on investment with Al-Meezan MIIF		641,060	-
		<u>45,875,057</u>	<u>62,647,098</u>

**29 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	2021	2020
Associate	Receivable	234,200,471	312,805,870
Associate	Receivable	-	1,089,474
Associate	Receivable	-	6,008
General Donation Fund	General Donation Fund	272,262,802	235,896,537
Fee share	Un-restricted Revenue		

**30 Re-classification and Re-statement**

General Fund	From		To	
	General Fund	Restricted Designated Asset Fund	General Fund	Restricted Designated Asset Fund

**31 GENERAL**

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

  
Chief Executive

  
Member

  
Chief Accountant