

INDEPENDENT AUDITOR'S REPORT

To the members of Moawin Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Moawin Foundation** (the Foundation), which comprise the statement of financial position as at June 30, 2020, and the statement of income & expenditure and statement of comprehensive income, the statement of changes in funds and reserves, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income & expenditure and statement of comprehensive income, the statement of changes in funds and reserve and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at June 30, 2020 and of the surplus, the changes in funds and reserves and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors 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.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income & expenditure and statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

M. Faiz-ur-Rahman.

faiz & co.
Chartered Accountants
Islamabad

Dated: 27 OCT 2020 *faiz*



MOAWIN FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
NON CURRENT ASSETS			
Property and Equipment	4	4,201,012	1,836,000
Intangible Assets	5	47,616	59,520
		4,248,628	1,895,520
CURRENT ASSETS			
Accrued income receivable	6	387,726	142,465
Short term investments	7	10,000,000	10,000,000
Advances, deposits and other receivables	8	212,780	-
Cash and Bank Balances	9	3,840,089	6,622,515
		14,440,595	16,764,980
CURRENT LIABILITIES			
Trade and Other Payables	10	(582,031)	(60,000)
		(582,031)	(60,000)
NET ASSETS			
		18,107,192	18,600,500
FUNDS AND RESERVES:			
Restricted Funds	11	-	2,000,000
General Funds		18,107,192	16,600,500
		18,107,192	18,600,500
		18,107,192	18,600,500
Contingencies and Commitments	12		

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

MOAWIN FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Donations and Grants	13	70,210,168	10,091,183
Return on investments and bank deposits	14	1,104,490	740,136
		71,314,659	10,831,319
EXPENDITURE			
Program activities	15	66,421,118	8,337,582
Administrative and general expenses	16	3,322,093	349,312
Withholding taxes		-	75,914
Financial charges	17	64,756	1,922
		69,807,967	8,764,730
Surplus for the year		1,506,692	2,066,589

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The annexed notes from 1 to 24 form an integral part of these financial statements.

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CHIEF EXECUTIVE

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DIRECTOR

MOAWIN FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
Surplus for the year	1,506,692	2,066,589
Other comprehensive income:		
Items that will be subsequently reclassified in income and expenditure:	-	-
Items that will not be subsequently reclassified in income and expenditure:	-	-
Total comprehensive income for the year	1,506,692	2,066,589

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The annexed notes from 1 to 24 form an integral part of these financial statements.

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DIRECTOR

MOAWIN FOUNDATION
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED JUNE 30, 2020

	Restricted Funds (Rupees)	General Funds (Rupees)	Total (Rupees)
Balance as at June 30, 2018	-	14,533,911	14,533,911
Surplus for the year	-	2,066,589	2,066,589
Funds received during the year	2,000,000	-	2,000,000
Balance as at June 30, 2019	2,000,000	16,600,500	18,600,500
Surplus for the year		1,506,692	1,506,692
Funds transferred/utilized during the year	(2,000,000)	-	(2,000,000)
Balance as at June 30, 2020	-	18,107,192	18,107,192

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The annexed notes from 1 to 24 form an integral part of these financial statements.

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CHIEF EXECUTIVE

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DIRECTOR

**MOAWIN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	2019 Rupees
Cash flows from Operating Activities			
(Deficit)/Surplus for the year		1,506,692	2,066,589
Adjustments for Non cash items:			
Depreciation		432,370	-
Amortization		11,904	14,880
		444,274	14,880
Effect on cash flow due to working capital changes			
Decrease/(Increase) in accrued income receivable		(245,261)	(44,520)
Decrease/(Increase) in advances, deposits and other receivables		(212,780)	-
(Decrease)/Increase in trade and other payables		522,031	-
		63,990	(44,520)
Net cash flow from operating activities		2,014,956	2,036,949
Cash Flows from Investing Activities			
Addition to property and equipment		(2,847,382)	-
Sales Proceeds from sale of Fixed Assets		50,000	-
Net cash flow from investing activities		(2,797,382)	-
Cash flows from Financing Activities			
Restricted funds transferred/utilized		(2,000,000)	2,000,000
Net cash flow from financing activities		(2,000,000)	2,000,000
Increase/(decrease) in cash and cash equivalents during the year		(2,782,426)	4,036,949
Cash and cash equivalents at the beginning of the year		6,622,515	2,585,566
Cash and cash equivalents at the end of the year	9	3,840,089	6,622,515

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 Corporate and General Information

1.1 Legal status and operations

Moawin Foundation ("the Foundation") is a Not for Profit company / organization limited by guarantee incorporated in Pakistan on October 23, 2014 under section 42 of the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The Registered office of the Foundation is situated at House No. B-9, Navy Housing Scheme, F-11/1, Islamabad. The main Objective of the Foundation is to improve standard of education/training at government schools and to employ good teachers, train them and make them teach well and arrange vocational trainings for boys and girls in rural areas of Pakistan.

1.2 Summary of significant events and transactions in the current reporting period

The Foundation's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- The Foundation has renewed its licence under section 42 of the Companies Act, 2017 for the period of three years, which expires on 14-10-2022.
- Term Deposit Receipts (TDRs) of Rs. 10 million matured during the year and were re-invested for 12 months @ 6.1% pa. interest.
- Rs. 49.453 millions grants received from Alight Pakistan (Formerly American Refugee Committee International (ARCI)) for the project period November 2019 to June 2020 under "Improved Access to Quality Education in Gilgit Baltistan" project.
- In the days of widespread outbreak of COVID 19, when the country was facing strict lockdown situation and unemployment was at its peak, the Foundation spent Rs. 13.04 million to distribute ration bags/food items/safety kits to local communities of Gilgit Baltistan and Mehmunwali Sheikhpura.
- COVID-19 – Safety is our deepest commitment to employees, to those who performed project based activities, and to the communities where we live and work. As the COVID-19 crises emerged and the Government of Pakistan imposed smart lockdowns, we adapted our pandemic response plan and leaned on our integrated operating approach to quickly deploy robust preparations. We set up a crises action team, suspended travel and partially closed and encouraged work from home to stay ahead of the curve, and put extensive measures in place to protect employees and programmed base staff. After implementing all the necessary standard operating procedures (SOPs) to ensure safety of employees and project base staff, the Foundation continued to carry out its program activities and has taken all necessary steps to ensure smooth and adequate continuation of its program activities. Although, there is no significant adverse impact of the effects of COVID-19 on the program activities of the Foundation, however, risk shall remain there till the availability of vaccine.

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

- Employees' care is considered as key to preform project-based activities by the Foundation. To fight the widespread coronavirus in its peak days, the Foundation, in accordance with government's SOPs, devised various safety plans to handle the outbreak among its staff and management. These safety plans (which are being followed currently) include maintaining good sanitary conditions and hygiene, spreading awareness for safety of employees, project-based staff and their families, frequent hands washing with soap and water, use of sanitizers, avoiding touching eyes, mouth and nose and maintaining social distancing at work places. In the peak days of COVID 19 outbreak, limited staff was called on work by the Foundation (online working from home by employees and project based staff were preferred) whereas temperature screening and disinfecting on their entering the office buildings and masks wearing at all times is still compulsory.
- Although schools were closed during COVID-19, the Foundation continued to pay salaries and allowances to teachers, and program/project staff during the year.

2 BASIS FOR PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards' for Not for Profit Organizations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis for Measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupee (PKR) which is the Foundation's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Pakistan Rupees (PKR), unless otherwise stated.

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

2.4 Key Judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgments in the process of applying the company's accounting policies. The areas where assumptions and estimates are significant to the financial statements, are documented into the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and	Note	3.1
- Estimation of Provision	Note	3.9
- Income tax	Note	3.13

The revision to accounting estimates (if any) are recognized in the period of in which the estimate is revised if the revision affects only that period or in the period of the revision; and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and Equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except free-hold land and capital work in progress which are stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs (if any).

Cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When major components of an item of property and equipment have different useful lives, these are accounted for as separate items of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to statement of income and expenditure during the financial period in which they are incurred.

Gains and losses, if any, on disposal of property and equipment are taken to the statement of income and expenditure.

Depreciation is charged to statement of income and expenditure applying the straight line method at the rates specified in the Note-4. Depreciation on addition to property and equipment 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 derecognized / disposed off.

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3.2 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 5.

3.3 Financial Instruments

3.3.1 Financial Assets

The Foundation classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale 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:

a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise deposits, other receivables and cash and bank balances in the statement of financial position.

c) Available for Sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless investment matures or management intends to dispose of the investments within twelve months from the balance sheet date. There are no available-for-sale financial assets at the balance sheet date.

d) Held to maturity

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

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

All financial assets are recognized at the time when the Foundation becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized on the trade-date — the date on which the Foundation commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed to the statement of income and expenditure. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss category are recognized in the statement of income and expenditure.

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of income and expenditure as part of 'other income' when the Foundation's right to receive payments is established. Gains or losses on sale of investments at fair value through profit or loss are recognized in the statement of income and expenditure as 'gains and losses from investment securities'.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of income and expenditure as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of income and expenditure as part of 'other income.' Dividends on available-for-sale equity instruments are recognized in the statement of income and expenditure as part of 'other income' when the Foundation's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Foundation measures the investments at cost less impairment in value, if any. Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income.

3.3.2 Financial liabilities

All financial liabilities are recognized at the time when the Foundation becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of income and expenditure.

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3.3.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the Foundation has a legally enforceable right to off-set the recognized amounts and the Foundation intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks on current, deposit and savings accounts and short term investments with original maturities of three months or less.

3.5 Impairment

Non-Financial Assets:

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of income and expenditure.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of income and expenditure.

Financial Assets other than trade receivables:

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.6 General fund

Contributions made by the members of the Foundation and donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated and expenses incurred with respect to normal operations of the Foundation, which are not related to Specific funds/activities, are charged to the statement of income and expenditure.



MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3.7 Restricted Fund

A restricted contribution is a contribution subject to externally imposed stipulations that specify the purpose for which the contribution asset or fund is to be used. Restricted contributions for the purchase of capital assets that will be depreciated are deferred and recognized as revenue in the income and expenditure statement on the same basis as the depreciation expense related to the acquired capital assets. The net investment income earned, to the extent attributable restricted contribution including endowment contribution/fund, are recognized as increase or decrease in the deferred contribution balance and endowment fund as the case may be.

3.8 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.9 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.10 Contingent Liabilities

A contingent liability is disclosed when the Foundation has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Foundation; or the Foundation has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.11 Grants

Funds received directly for specific purposes, are classified as grants. Funds provided or utilized for the purchase of capital items from grants are shown in the statement of financial position as deferred income and a portion of the grant is recognized as income in the statement of income and expenditure to match the depreciation and amortization recognized during the year on the related capital items. Grants utilized for operations are credited to the statement of income and expenditure to the extent of related actual operating expenses. Committed grant is accrued in case where it is probable that the economic benefits of such grant will flow to the Foundation.

3.12 Income

Income is recognized to the extent it is probable that the economic benefits will flow to the Foundation and the income can be measured reliably. income is measured at the fair value of the consideration received or receivable and is recognized on the following basis:



MOAWIN FOUNDATION

Note	2020 (Rupees)	2019 (Rupees)
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4 Property and Equipment

4.1

4,201,012

1,836,000

4.1 Operating Fixed Assets

Description/ Particulars	2020							Net book value
	Cost			Rate %	Depreciation			
	As at July 01, 2019	Additions/ (Deletions)	As at June 30, 2020		As at July 01, 2019	For the year	As at June 30, 2020	
.....Rupees.....								
Freehold Land	1,836,000	-	1,836,000	-	-	-	-	1,836,000
Computer & Accessories	-	990,371	990,371	33%	203,703	203,703	203,703	786,668
Furniture & Fixtures	-	1,011,906 (50,000)	961,906	20%	101,194	101,194	101,194	860,712
Office Equipment	-	845,105	845,105	33%	127,472	127,472	127,472	717,633
Total	1,836,000	2,797,382	4,633,382	-	432,370	432,370	432,370	4,201,012

2019

Description/ Particulars	2019							Net book value	
	Cost			Rate %	Depreciation				
	As at July 01, 2018	Additions/ deletions	As at June 30, 2019		As at July 01, 2018	For the year			As at June 30, 2019
.....Rupees.....									
Freehold Land	1,836,000	-	1,836,000	-	-	-	-	1,836,000	
Total	1,836,000	-	1,836,000		-	-	-	1,836,000	

- Under an agreement between Moawin Foundation (MF) and Punjab Vocational Training Council (PVTC), Government of Punjab, a Vocational Training Institute (VTI) was built in Mahmunwali, Sheikhpura through a grant amounting to Rs. 34.182 million provided by the Government of Punjab. The land for the VTI is provided by Moawin Foundation. The VTI now run under the management of PVTC with support and intervention of MF.

4.2 Allocation of depreciation

Note	2020 (Rupees)	2019 (Rupees)
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Programs/grant Cost

Administrative and general expenses

432,370	-
-	-
<u>432,370</u>	<u>-</u>

MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

2020 (Rupees)	2019 (Rupees)
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5	Intangible Assets	5.1	47,616	59,520
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5.1

Description/ Particulars	2020						Net book value	
	Cost		Rate %	Amortization				
	As at July 01, 2019	Additions/ (Deletion)		As at June 30, 2020	As at July 01, 2019	For the year		As at June 30, 2020
.....Rupees.....								
Software	93,000	-	93,000	20	33,480	11,904	45,384	47,616
Total	93,000	-	93,000		33,480	11,904	45,384	47,616

Description/ Particulars	2019						Net book value	
	Cost		Rate %	Amortization				
	As at July 01, 2018	Additions/ deletions		As at June 30, 2019	As at July 01, 2018	For the year		As at June 30, 2019
.....Rupees.....								
Software	93,000	-	93,000	20	18,600	14,880	33,480	59,520
Total	93,000	-	93,000		18,600	14,880	33,480	59,520

5.2 Amortization charged for the year amounting to Rs. 11,904 (2019: Rs. 14,880) has been allocated to administrative and general expenses.

MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

			2020 Rupees.	2019 Rupees.
6	Accrued income receivable			
	Accrued mark-up on TDRs	6.1	<u>387,726</u>	<u>142,465</u>
6.1	This represents accrued mark-up on Term Deposit Receipt (TDR) having 12 months maturity period and yield of 6.1% (2019: 10.5%) receivable upon maturity.			
7	Short term investments			
	Term Deposit Receipts (TDRs)	7.1	<u>10,000,000</u>	<u>10,000,000</u>
7.1	This represents investments in Term Deposit Receipt (TDR) having 12 months maturity period.			
8	Advances, deposits and other receivables			
	Advances to employees against expenses		<u>102,780</u>	-
	Security deposits	8.1	<u>110,000</u>	-
			<u>212,780</u>	-
8.1	This represents security deposits against offices rent for Gilgat Balistan project.			
9	Cash and Bank Balances			
	Cash in hand		160,823	-
	Balance at banks:			
	- In current account - local currency		<u>2,808,880</u>	6,622,515
	- In saving account - local currency		<u>870,385</u>	-
			<u>3,679,266</u>	6,622,515
			<u>3,840,089</u>	<u>6,622,515</u>
10	Trade and Other Payables			
	Audit fee payable		<u>185,000</u>	60,000
	Withholding Tax payable		<u>397,031</u>	-
			<u>582,031</u>	<u>60,000</u>
11	Restricted Funds			
	Restricted funds during the year		<u>-</u>	<u>2,000,000</u>
12	Contingencies and Commitments			
	There are no significant contingencies and commitments as of the reporting date.			

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

		2020 Rupees.	2019 Rupees.
13	Donations and Grants		
	Grants income 13.1	51,453,660	-
	Donations 13.2	18,756,508	10,091,183
		70,210,168	10,091,183
13.1	This includes Rs. 49.453 million grants received from Alight Pakistan (formerly American Refugee Committee International (ARCI)) for the project period November 2019 to June 2020 under "Improved Access to Quality Education in Gilgit Baltistan" project. This also includes an amount of Rs. 2 million transferred from restricted funds reported in last year's financial statements, under "Funds and Reserves".		
13.2	This represents donations received from individual and institutional donors received during the year without any restriction.		
14	Return on investments and bank deposits		
	Profit on term deposit receipts 14.1	752,111	740,136
	Profit on bank saving account 14.2	352,379	-
		1,104,490	740,136
14.1	This represents Profit on investments in Term Deposit Receipt (TDR) having 12 months maturity period and yield of 6.1% per annum (2019: 10.5%) receivable upon maturity.		
14.2	This represents Profit on saving account ranging from 5.5 - 11.25 receivable monthly.		
15	Program activities		
	Mehmunwali, Sheikhpura 15.1	8,593,758	6,266,347
	Ali Pur, ICT 15.2	7,343,160	2,071,235
	Gilgit Baltistan 15.3	48,739,065	-
	Pind Dadan Khan 15.4	1,423,151	-
	Sargodha 15.5	321,984	-
		66,421,118	8,337,582
15.1	Mehmunwali, Sheikhpura		
	Salaries and benefits	3,165,680	2,505,900
	Students' and Teachers' conveyance charges	1,066,170	1,472,640
	Schools' Repair and maintenance	380,218	115,700
	School supplies	1,917,470	970,322
	Electric Supplies	-	64,560
	Printing and stationery	503,890	21,531
	Postage and communication	3,085	1,460
	Entertainment & Refreshment	345,342	294,627
	Boarding and lodging	38,100	-
	Fund Raising Event	-	745,512
	Travelling & fuel charges	145,909	-
	COVID-19 Response	1,002,130	-
	Office Supplies	25,764	74,095
		8,593,758	6,266,347

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

2020 Rupees.	2019 Rupees.
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15.2 Ali Pur, ICT

Salaries and benefits	15.2.1	20,000	-
Schools' Repair and maintenance		1,455,187	692,660
School supplies		4,841,455	185,969
Water borings in schools		882,337	800,518
Travelling & fuel charges		81,202	-
Entertainment & refreshment		29,709	-
Teachers training		33,270	392,088
		<u>7,343,160</u>	<u>2,071,235</u>

15.2.1 Program Manager and Program Associate were appointed to handle MF operations in ICT schools in September 2019. Their salaries are being paid by the grantor Alight Pakistan (formerly ARCI).

15.3 Gilgit Baltistan

Salaries and benefits		23,361,999	-
School supplies		1,368,661	-
Schools' Repair and maintenance		3,855,000	-
Utilities		250,813	-
Printing and stationery		484,828	-
Rent		1,126,824	-
Postage and communication		7,175	-
Entertainment & refreshment		89,866	-
Legal and professional fee		6,056	-
Boarding and lodging		600,099	-
Depreciation	4.2	432,370	-
Teachers training		2,444,000	-
Advocacy & branding		114,135	-
Travelling & fuel charges		2,063,814	-
COVID-19 Response		12,044,515	-
Office Supplies		488,910	-
		<u>48,739,065</u>	<u>-</u>

15.3.1 Moawin Foundation (MF) and Alight Pakistan (formerly Americal Refugee Committee International (ARCI)) signed Subgrant Agreement on October 01, 2019 for the project entitled "Improved Access to Quality Education in Gilgit-Baltisan (GB)". The Subgrant Agreement is signed for six (6) months from October 01, 2019 to March, 2020 and latter on extended to June, 2020. *fecu*

MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

15.3.2 Moawin Foundation has received Rs. 49.453 million grants from Alight Pakistan (formerly American Refugee Committee International (ARCI)) for the project period November 2019 to June 2020. The Foundation has utilized funds amounting to Rs. 51 million for this specific project. It has overspent funds amounting to Rs. 1.55 million on the execution of the project in the form of approved administrative cost, i.e., salaries and benefits of administrative staff, rent expenses and auditors' remunerations. The overspent funds have been allocated from the foundation's own resources. The breakup of the funds received and utilized for the execution of the project is as follows:

	2020 Rupees.	2019 Rupees.
<i>Total Grants received for the Project from Alight Pakistan (formerly ARCI)</i>	49,453,660	
Less:		
<i>Program/grant cost</i>	48,739,065	
<i>Salaries and benefits of the administrative staff</i>	2,081,199	
<i>Auditor's remuneration cost - Statutory audit fee</i>	185,000	
<i>Total funds utilized in the period</i>	51,005,264	-
<i>Overspent funds from Foundation own resources</i>	<u>(1,551,604)</u>	<u>-</u>

15.4 Pind Dadan Khan

Salaries and benefits	997,400	-
School supplies	384,000	-
Schools' Repair and maintenance	5,770	-
Office Supplies	6,271	-
Postage and communication	100	-
Entertainment and refreshment	22,520	-
Travelling & fuel charges	7,090	-
	<u>1,423,151</u>	<u>-</u>

15.5 This represents supplies to school in the city of Sargodha, Punjab.

16 Administrative and general expenses

Salaries and benefits		2,081,199	240,000
Consultancy charges		-	34,432
Amortization	5.2	11,904	14,880
Miscellaneous expenses		948,550	-
Auditor's remuneration	16.1	280,440	60,000
		<u>3,322,093</u>	<u>349,312</u>

16.1 Auditor's remuneration

Statutory audit fee	185,000	60,000
Other consultancy and misc. expenses	95,440	-
	<u>280,440</u>	<u>60,000</u>

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

17 Financial Charges

Bank service charges

2020 Rupees.	2019 Rupees.
64,756	1,922
<u>64,756</u>	<u>1,922</u>

18 Remuneration of Chief Executive and Directors

No remuneration were paid to Chief Executive Officer and Directors of the Foundation during the year.

19 Financial Instruments

		Fair value		Amortized Cost		Total	
		2020	2019	2020	2019	2020	2019
-----Rupees-----							
Financial Assets							
Accrued income receivable	-	-	387,726	142,465	387,726	142,465	
Short term investments	-	-	10,000,000	10,000,000	10,000,000	10,000,000	
Advances, deposits and other receivables	-	-	212,780	-	212,780	-	
Cash and Bank Balance	-	-	3,840,089	6,622,515	3,840,089	6,622,515	
	-	-	14,440,595	16,764,980	14,440,595	16,764,980	
Financial Liabilities							
Trade and Other	-	-	(582,031)	60,000	(582,031)	60,000	
	-	-	(582,031)	60,000	(582,031)	60,000	

20 Number of Employees

Number of Employees of the Foundation during the year

Average number of employees of the Foundation during the year

2020	2019
24	04
14	04

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MOAWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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21 Transaction with Related Parties

Related Parties comprise associates, Members of the Foundation, their close family members and other key management personnel. Remuneration to key management personnel is disclosed in Note 18. Significant transactions with related parties during the year are as under:

Name of Related Party	Relationship	Transaction during the year and year end balances	2020 (Rupees)	2019 (Rupees)
Chairman	Chairman of the Board	Donation received	250,000	-
Mr. Hasan Sandila	Family Member- Chairman of the Board	Donation received	75,000	95,000
Mr. Shahid Iqbal	Director	Donation received	100,000	-

22 Events After Reporting Date

There are no other significant activities since 30 June 2020 causing any adjustment or disclosure in the financial statements apart from those disclosed in the financial statements.

23 Fund Management

The Foundation's objective when managing Fund balances is to safeguard its ability to continue as a going concern and to maintain a strong fund base to support the sustained development of its operations.

There were no externally imposed capital requirements on the Foundation.

24 Date of Authorization for issue

These financial statements were authorized for issue by the Board of Directors in their meeting held on 27th October, 2020



CHIEF EXECUTIVE



DIRECTOR