

**MOAWIN FOUNDATION**  
**Financial Statements**  
*For the year ended June 30, 2024*

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## INDEPENDENT AUDITOR'S REPORT

To the members of Moawin Foundation

Report on the audit of 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, 2024, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information 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 and expenditure, the statement of comprehensive income, the statement of changes in funds 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, 2024 and of the surplus, the comprehensive income, the changes in funds 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.

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.

**Grant Thornton Anjum Rahman**  
302 B, 3rd Floor,  
Evacuee Trust Complex,  
Aga Khan Road, F-5/1,  
Islamabad, Pakistan.

T +92 51 2271906

F +92 51 2273874

## **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.

## **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 Foundation as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds 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 accounts and returns;





- c) investments made, expenditures 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 Hassaan Riaz.



**Grant Thornton Anjum Rahman**

Chartered Accountants

Islamabad

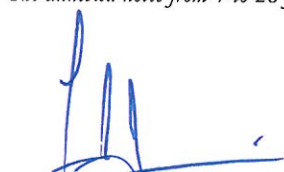
Date: September 23, 2024

UDIN: AR2024101641dRv2yl94



**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property and equipment	5	6,831,728	11,604,327
Intangible asset	6	-	-
Security deposits and prepayments	7	3,922,830	2,352,500
		<u>10,754,558</u>	<u>13,956,827</u>
<b>CURRENT ASSETS</b>			
Advances, prepayments and other receivable	8	2,582,391	3,939,356
Investments	9	27,668,336	21,614,433
Cash and bank balances	10	109,138,229	106,188,985
		<u>139,388,956</u>	<u>131,742,774</u>
<b>TOTAL ASSETS</b>		<u><b>150,143,514</b></u>	<u><b>145,699,601</b></u>
<b>FUNDS AND LIABILITIES</b>			
General funds - revenue reserve		45,605,267	26,505,702
Endowment fund - revenue reserve		10,000,000	10,000,000
		<u>55,605,267</u>	<u>36,505,702</u>
<b>NON - CURRENT LIABILITIES</b>			
Deferred capital grant	11	2,584,258	3,448,696
Lease liability	14	-	2,751,085
		<u>2,584,258</u>	<u>6,199,781</u>
<b>CURRENT LIABILITIES</b>			
Restricted grants	12	82,460,537	98,390,351
Zakat contribution	13	3,115,627	-
Current portion of lease liability	14	2,751,085	2,046,335
Trade and other payables	15	3,626,740	2,557,432
		<u>91,953,989</u>	<u>102,994,118</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><b>150,143,514</b></u>	<u><b>145,699,601</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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*The annexed notes from 1 to 28 form an integral part of these financial statements.*

  
**CHIEF EXECUTIVE**

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**DIRECTOR**

**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>INCOME</b>			
Income recognized from restricted grant	12	527,699,905	292,211,450
Amortization of deferred capital grant	11	864,438	1,092,476
Donations	17	16,639,180	27,466,431
Other income	18	38,035,046	27,105,097
		<u>583,238,569</u>	<u>347,875,454</u>
<b>EXPENDITURE</b>			
Program expenses	19	(552,455,696)	(320,124,507)
Administrative expenses	20	(9,462,651)	(9,904,198)
Interest on lease liability	14	(766,165)	(38,009)
Allowance for expected credit losses	8.1	(1,454,492)	-
		<u>(564,139,004)</u>	<u>(330,066,714)</u>
<b>Surplus before taxation</b>		<b>19,099,565</b>	<b>17,808,740</b>
Taxation	4.13.1	-	-
<b>Surplus after taxation</b>		<b><u>19,099,565</u></b>	<b><u>17,808,740</u></b>

*The annexed notes from 1 to 28 form an integral part of these financial statements.*

  
CHIEF EXECUTIVE

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DIRECTOR

**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
Surplus after taxation	19,099,565	17,808,740
Other comprehensive income	-	-
Total comprehensive income	19,099,565	17,808,740

*The annexed notes from 1 to 28 form an integral part of these financial statements.*

  
CHIEF EXECUTIVE

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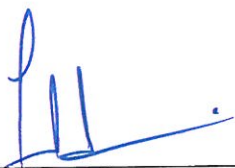
  
DIRECTOR



**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Endowment Funds (Rupees)	General Funds (Rupees)	Total (Rupees)
Balance as at July 01, 2022	10,000,000	8,696,962	18,696,962
Total comprehensive income			
Surplus for the year	-	17,808,740	17,808,740
<b>Balance as at June 30, 2023</b>	<u>10,000,000</u>	<u>26,505,702</u>	<u>36,505,702</u>
Balance as at July 01, 2023	10,000,000	26,505,702	36,505,702
Total comprehensive income			
Surplus for the year	-	19,099,565	19,099,565
<b>Balance as at June 30, 2024</b>	<u>10,000,000</u>	<u>45,605,267</u>	<u>55,605,267</u>

*The annexed notes from 1 to 28 form an integral part of these financial statements.*

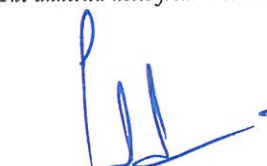
  
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CHIEF EXECUTIVE

  
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DIRECTOR

**MOAWIN FOUNDATION**
*(A Company set up under Section 42 of the Companies Act, 2017)*
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>Cash flows from operating activities</b>			
Surplus before Taxation		19,099,565	17,808,740
<b>Adjustments for non cash items:</b>			
Depreciation	5	4,772,599	2,093,469
Income recognized from restricted grant	12	(527,699,905)	(292,211,450)
Implementation, record maintenance and service cost	18	(18,058,205)	(21,616,644)
Amortization of deferred capital grant	11	(864,438)	(1,092,476)
Zakat	17	(3,555,872)	(3,075,000)
Allowance for expected credit losses	8.1	1,454,492	-
Interest on lease liability	14	766,165	38,009
Amortization	6	-	10,416
		(543,185,163)	(315,853,676)
<b>Effect on cash flow due to working capital changes</b>			
Advances, deposits and other receivables		(1,667,857)	(3,327,471)
Trade and other payables		1,069,309	703,362
		(598,548)	(2,624,109)
<b>Net cash used in operating activities</b>		(524,684,146)	(300,669,045)
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		-	(2,767,565)
Investments - net		(5,163,562)	(2,323,011)
Security deposits and prepayments		-	(500,000)
<b>Net cash from investing activities</b>		(5,163,562)	(5,590,576)
<b>Cash flows from financing activities</b>			
Restricted grants received		529,828,294	397,733,867
Zakat contribution		6,671,499	3,075,000
Repayments of lease liability	14	(2,812,500)	(1,800,000)
<b>Net cash generated from financing activities</b>		533,687,293	399,008,867
Increase/ (decrease) in cash and cash equivalents during the year		3,839,585	92,749,246
Cash and cash equivalents at the beginning of the year		115,078,530	22,329,284
<b>Cash and cash equivalents at the end of the year</b>	10.2	<u>118,918,115</u>	<u>115,078,530</u>

*The annexed notes from 1 to 28 form an integral part of these financial statements.*



CHIEF EXECUTIVE

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DIRECTOR

# MOAWIN FOUNDATION

(A Company set up under Section 42 of the Companies Act, 2017)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

### 1 CORPORATE AND GENERAL INFORMATION

#### 1.1 Legal status and operations

Moawin Foundation ("the Foundation") is a Not for Profit Foundation / 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 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.

Foundation is certified from Pakistan Centre for Philanthropy (PCP), a certifying body for all local and international NGOs having certification No. PCP-R1/2023/811, valid till January 16, 2026.

Foundation is registered with Economic Affairs Division, Government of Pakistan and the related Memorandum of Understanding (MoU) is valid upto September 21, 2026.

#### 1.2 The geographical location and address of the Foundation's regional offices :

The head office of the Foundation is located at Onyx, Street 88, Northern Strip, FECHS, E-11/2, Islamabad, and is in the process of being notified as the registered address. The current registered address of the Foundation is House No. B-9, Navy Housing Scheme, F-11/1, Islamabad.

The Foundation's regional offices are situated at:

**Gilgit Office:** Fateh Super Store, Zulfikarabad.

**Skardu:** Food Corridor, Aliabad.

**Shiekhupura Office:** Park Housing Colony, Phase 1, Near Kamboo Market Kiran Public School.

### 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 Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- 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, 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.

#### 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.

#### 2.4 Use of estimates and judgment

- a) Useful life and residual values of property and equipment; and
- b) Amortization of deferred capital grant.

### 3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

#### 3.1 New accounting standards, interpretations and amendments

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4 to these financial statements.

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**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****3.1.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Foundation:**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 9	Financial Instruments - Classification and Measurement of Financial Instruments (Amendments)	January 1, 2024
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 7	Financial Instruments	January 1, 2024
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 16	Leases (Amendments)	January 1, 2024

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Foundation's financial statements.

**3.1.2 Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:**

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**4.1 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.

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.

## MOAWIN FOUNDATION

(A Company set up under Section 42 of the Companies Act, 2017)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 Foundation 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 on additions is charged from the date when the asset becomes available for intended use till the date it is derecognized upon disposal or when no future economic benefits are expected from its use.

#### **4.2 Right-of-use assets and their related lease liability**

##### **4.2.1 Right of-use assets**

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

##### **4.2.2 Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Foundation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. Remeasurements of lease liabilities only occur in cases where the terms of the lease are changed during the lease tenor. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the income and expenditure statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### **4.3 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.

##### **4.4 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.

##### **4.5 Deferred capital grant**

Restricted funds utilized for capital expenditure are transferred from the Fund balance (restricted) and accounted for as a deferred capital grant. An amount equal to the charge for depreciation and amortization for the year, on property and equipment acquired, is then recognized in the income and expenditure statement.

##### **4.6 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

(A Company set up under Section 42 of the Companies Act, 2017)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

#### 4.7 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.

#### 4.8 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.

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.

#### 4.9 Staff benefit contribution

During the current year, the Foundation has replaced the Voluntary Pension Scheme (VPS) with the Mutual Fund Scheme (MFS), being managed by the Meezan Tahaffuz Pension Fund (MTPF). For eligible employees, the Foundation is contributing an amount to the MFS that matches their contributions, thereby fully discharging its liability under the employee benefit scheme. Contributions to MFS are made at the rate of 10% of gross salaries of respective employees.

#### 4.10 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 capital grant 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.

#### 4.11 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:

- Donations related to specific projects are deferred and recognized as income on a systematic basis to match them with the related costs that they are intended to compensate.
- Donations related to operating fixed assets received are recognized as deferred capital grant and amortized over the useful lives of assets from the date the asset is available for intended use.
- Donation other than those related to specific projects and operating fixed assets are recognized as income on receipt.
- Income on investment is recognized on time proportion basis taking into account the implicit rate of return on investments.
- Income on savings bank accounts is recognized on accrual basis.
- Income from other sources is recorded on receipt basis.

#### 4.12 Zakat contribution

The Foundation is eligible to collect a zakat in the light of Shariah Certificate dated February 01, 2024 issued by the Mr. Mufti Zubair Ahmed, a Shariah Compliant Advisor. Accordingly, the zakat is being spent according to Zakat Standard Operating Procedures (SOPs) and Policies developed by the Shariah Compliant Advisor. Zakat contributions are initially deferred upon receipt and are recognized as income on a systematic basis as and when they are utilized for eligible purposes.

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# MOAWIN FOUNDATION

(A Company set up under Section 42 of the Companies Act, 2017)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

### 4.13 Taxation

#### 4.13.1 Current

The Foundation has been granted approval as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001 by the Commissioner of Income Tax. Therefore, the Foundation is entitled to one hundred percent tax credit of the tax payable, under section 100C of the Income Tax Ordinance, 2001. Therefore, no provision for income tax has been accounted for in these financial statements.

#### 4.12.2 Deferred

The Foundation being registered under section 42 of the repealed Companies Ordinance, 1984, as a non profit Foundation. Accordingly, the income of the Foundation is subject to 100% tax credit as per section 100C of Income Tax Ordinance, 2001. Therefore, no tax expense or deferred tax expense is recognized in these financial Statements.

### 4.14 Foreign currency transactions and translation

The financial statements are presented in Pakistan Rupees which is the Foundation's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and expenditure.

### 4.15 Endowment Fund

Foundation has received a supplementary grant of Rs. 10 million as financial assistance from Government of Pakistan vide grant release letter dated March 13, 2015 against committed financial assistance of Rs. 50 million vide letter # 2781/m/8PM/2014 dated: October 02, 2014. Funds from the grant has been invested in a term deposit receipt (TDR) with Bank Al Habib and the profit from TDR is being accumulated in general reserve. The Board of directors of the Foundation in its 34th meeting dated: January 25, 2022 decided to establish an endowment fund (the fund) and transferred Rs. 10 million from general fund to the fund with decision not to use the principal amount and to ensure that the fund does not deplete over time. The Board also decided to retain the profit from investment to general fund up to June 30, 2024. Board may review the general fund/ profits on investments at each subsequent year end and decide if any amount may be transferred to endowment fund.

### 4.16 Financial instruments

Financial assets and financial liabilities are recognized in the Foundation's statement of financial position when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the income and expenditure statement.

#### 4.16.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### Classification of financial assets:

##### (i) Debt instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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## NOTES TO THE FINANCIAL STATEMENTS

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(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Amortized cost and effective interest rate method:

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Foundation recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in income and expenditure statement and is included in the "finance income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Foundation may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to income and expenditure statement on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in income and expenditure.



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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**(iv) Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Foundation designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost Criteria or the FVTOCI Criteria are classified as at FVTPL. In addition, Debt instruments that meet either the amortized cost Criteria or the FVTOCI Criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or Liabilities or recognizing the gains and Losses on them on different bases. The Foundation has not designated any Debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in income and expenditure statement.

**Impairment of financial assets:**

The Foundation recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Foundation always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Foundation recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**(i) Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Foundation compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Foundation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Foundation's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Foundation's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Foundation presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Foundation has reasonable and supportable information that demonstrates otherwise.

(ii) Definition of default:

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collateral held by the Foundation).

Irrespective of the above analysis, the Foundation considers that default has occurred when a financial asset is more than 360 days past due unless the Foundation has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets:

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy:

The Foundation writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Foundation's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in income and expenditure statement.

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(v) Measurement and recognition of expected credit losses:

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Foundation's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Foundation in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Foundation is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Foundation expects to receive from the holder, the debtor or any other party.

If the Foundation has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Foundation measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Foundation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Derecognition of financial assets:

The Foundation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Foundation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Foundation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Foundation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Foundation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in income and expenditure statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Foundation has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to income and expenditure statement, but is transferred to retained earnings.

### 4.16.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of income and expenditure to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the income and expenditure statement incorporates any interest paid on the financial liability.



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However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch income and expenditure statement. The remaining amount of change in the fair value of liability is recognized in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to income and expenditure statement; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Foundation that are designated by the Foundation as at FVTPL are recognized in income and expenditure statement.

- (ii) Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities:

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income and expenditure statement.

**4.16.3 Non-financial assets**

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income and expenditure statement.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in the prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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**4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Foundation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Interim Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Interim Financial Statements at fair value on a recurring basis, the Foundation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Foundation's General Manager Finance determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Foundation determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The Foundation does not measure any of its assets or liabilities at fair value.

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**FOR THE YEAR ENDED JUNE 30, 2024**
**5 PROPERTY AND EQUIPMENT**

Particulars	Owned assets				Leased assets	Total
	Freehold Land	Computer & Accessories	Furniture & Fixtures	Office Equipment	Right of use asset	
	Note 5.1				Note 5.3	
	Rupees.....					
Cost						
Balance as at July 01, 2022	1,836,000	1,815,740	2,251,514	1,385,550	-	7,288,804
Additions	-	2,070,565	-	697,000	6,559,411	9,326,976
Balance as at June 30, 2023	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Balance as at July 01, 2023	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Additions	-	-	-	-	-	-
Balance as at June 30, 2024	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Accumulated Depreciation						
Balance as at July 01, 2022	-	1,236,200	758,392	923,392	-	2,917,984
Charge for the year	-	944,372	450,326	562,117	136,654	2,093,469
Balance as at June 30, 2023	-	2,180,572	1,208,718	1,485,509	136,654	5,011,453
Balance as at July 01, 2023	-	2,180,572	1,208,718	1,485,509	136,654	5,011,453
Charge for the year	-	824,897	450,326	217,670	3,279,706	4,772,599
Balance as at June 30, 2024	-	3,005,469	1,659,044	1,703,179	3,416,360	9,784,052
Carrying value as at June 30, 2023	1,836,000	1,705,733	1,042,796	597,041	6,422,757	11,604,327
Carrying value as at June 30, 2024	1,836,000	880,836	592,470	379,371	3,143,051	6,831,728
Annual rate of depreciation		33%	20%	33%	50%	

5.1 The Foundation under an agreement dated June 10, 2015 with Punjab Vocational Training Council, Government of Punjab, has provided its land located at village Mahmunwali, District Sheikhpura for establishment of Vocational Training Institute (VTI) free of charge for a period of 33 years. 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 VTI now run under the management of PVTC with support and intervention of MF.

5.2 The Foundation has fully depreciated property and equipment with aggregate cost of Rs. 2,222,921 (2023: nil) that are still in use.

5.3 This represents right to use the office premises obtained under rental agreement for Foundation's head office.

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		2024	2023
		Rupees	Rupees
<b>6</b>	<b>INTANGIBLE ASSET</b>		
	<b>Cost</b>		
	Opening balance	93,000	93,000
	Additions	-	-
	Disposal	-	-
	Closing balance	93,000	93,000
	<b>Accumulated amortization</b>		
	Opening balance	93,000	82,584
	Charge for the year	-	10,416
	Closing balance	93,000	93,000
	<b>Net book value</b>	-	-
6.1	The accounting software is fully amortized but is still being used by the Foundation.		
<b>7</b>	<b>SECURITY DEPOSITS AND PREPAYMENTS</b>	<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
	Security deposits - rental premises	500,000	800,000
	Prepaid rent	3,422,830	1,552,500
		3,922,830	2,352,500
7.1	<b>Prepaid rent</b>		
	Opening balance	2,580,000	610,000
	Additions during the year	2,745,260	2,687,500
	Amortized during the year	803,350	717,500
	Closing balance	4,521,910	2,580,000
7.1.1	<b>Classification</b>		
	Current portion	1,099,080	1,027,500
	Long term portion	3,422,830	1,552,500
		4,521,910	2,580,000
7.1.2	Security deposit and prepaid rent pertained to field schools located at Gadap Town, Karachi, Gulshan-e-Jamali, Karachi and Vocational Training Institute (VTI) Swabi.		
	<b>ADVANCES, PREPAYMENTS AND OTHER</b>	<b>2024</b>	<b>2023</b>
<b>8</b>	<b>RECIEVABLE</b>	<b>Rupees</b>	<b>Rupees</b>
	Advances to employees against expenses	2,435,692	2,033,190
	Advance to employee against salary	-	45,000
	Advances to vendors	502,111	750,000
	Prepaid rent - current portion	1,099,080	1,027,500
	Other receivable	-	83,666
	Less: Allowance for expected credit loss	(1,454,492)	-
		2,582,391	3,939,356
8.1	<b>Allowane for expected credit loss - Advances to employees against expenses</b>		
	Opening balance	-	-
	Charge for the year	1,454,492	-
	Closing balance	1,454,492	-

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**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024**

9	INVESTMENTS	Note	2024	2023
			Rupees	Rupees
	Term deposit receipts (TDRs) - at amortized cost	9.1	25,603,189	20,232,807
	Accrued mark-up on TDRs		2,065,147	1,381,626
			<u>27,668,336</u>	<u>21,614,433</u>
9.1	This represents Term Deposit Receipts (TDRs) of 3 to 12 months tenure (2023: 3 to 12 months) with a yield of 18.25% to 20.25% (2023:14.6% to 19.25%) per annum receivable upon maturity.			
10	CASH AND BANK BALANCES	Note	2024	2023
			Rupees	Rupees
	Cash in hand		1,626,600	980,197
	Balance at banks:			
	- In current account - local currency		100,420	24,810,979
	- In saving accounts - local currency	10.1	107,411,209	80,397,809
			<u>107,511,629</u>	<u>105,208,788</u>
			<u>109,138,229</u>	<u>106,188,985</u>
10.1	Saving accounts carry interest ranging from 18.4% to 20.5% (2023: 5.5% to 12.5%) per annum.			
10.2	<b>Cash and cash equivalents</b>			
	Short term investments		9,779,886	8,889,545
	Cash and bank balances		109,138,229	106,188,985
			<u>118,918,115</u>	<u>115,078,530</u>
11	DEFERRED CAPITAL GRANT		2024	2023
			Rupees	Rupees
	Balance at the beginning of the year		3,448,696	1,773,607
	Additions during the year		-	2,767,565
	Amortization		(864,438)	(1,092,476)
	Balance at end of the year		<u>2,584,258</u>	<u>3,448,696</u>

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	Alight Pakistan	Central Asian Institute (CAI)	IHHNL	Icare Foundation	Sindh Education Foundation	Benevity	MF UK	Total
Note	12.1	12.2, 12.3 & 12.4	12.5	12.6	12.7	12.8	12.9	
					Rupees			
Opening balance as at July 01, 2022	(3,049,254)	-	10,557,463	7,327,971	2,415,963	-	-	17,252,143
Receipts during the year	30,965,580	165,294,171	129,850,057	22,573,059	49,051,000	-	-	397,733,867
Funds available for use	27,916,326	165,294,171	140,407,520	29,901,030	51,466,963	-	-	414,986,010
Funds utilized	(27,187,326)	(91,997,752)	(108,363,878)	(29,897,537)	(34,764,957)	-	-	(292,211,450)
Transferred to deferred capital grant	(729,000)	(1,778,881)	-	-	(259,684)	-	-	(2,767,565)
Implementation, record maintenance and service cost	-	-	(21,616,644)	-	-	-	-	(21,616,644)
Closing balance as at June 30, 2023	-	71,517,538	10,426,998	3,493	16,442,322	-	-	98,390,351
<b>Opening balance as at July 01, 2023</b>	-	71,517,538	10,426,998	3,493	16,442,322	-	-	98,390,351
Receipts during the year	-	195,541,836	180,582,046	66,983,738	64,581,200	7,187,474	14,952,000	529,828,294
Funds available for use	-	267,059,375	191,009,044	66,987,231	81,023,522	7,187,474	14,952,000	628,218,646
Funds utilized	-	(249,202,569)	(163,239,870)	(56,140,582)	(50,048,387)	(5,931,177)	(3,137,320)	(527,699,905)
Transferred to deferred capital grant	-	-	-	-	-	-	-	-
Implementation, record maintenance and service cost	-	-	(18,058,205)	-	-	-	-	(18,058,205)
<b>Closing balance as at June 30, 2024</b>	-	17,856,806	9,710,970	10,846,649	30,975,135	1,256,297	11,814,680	82,460,536

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## MOAWIN FOUNDATION

(A Company set up under Section 42 of the Companies Act, 2017)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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- 12.1 Moawin Foundation (MF) and Alight Pakistan signed subgrant agreement on May 23, 2022 for the period from October 1, 2021 till September 30, 2022 for the project titled "GAAMZAN Phase 3" which stands completed at September 30, 2022.
- 12.2 Moawin Foundation (MF) and Central Asian Institute signed an agreement on November 22, 2023 for the period from October 1, 2023 till September 30, 2024 for the project titled "Improving Quality of Education and Empowering Communities in Gilgit-Baltistan".
- 12.3 "This includes Rs. 8,889,545 received in 2023 from Alight Pakistan to be used for the construction and related activities of Chapurson College, Hunza, under the CAI project. During the year, the foundation incurred an expense amounting to Rs. 2,100,000 for the construction of schools in Gilgit-Baltistan."
- 12.4 Moawin Foundation has received Rs. 195,541,836 (2023: Rs. 165,294,171) grants from Central Asian Institute for the projects vide agreement dated November 22, 2023 for the period from October 01, 2023 to September 30, 2024. The Foundation has utilized funds amounting to Rs. 249,202,569 (2023: Rs. 93,776,633) for these projects leaving a balance of Rs. 17,856,806 (2023: Rs. 71,517,538).
- 12.5 MF in collaboration with Stitching International Humanitarian Hulporganisatie Nederlands (IHHNL) has executed projects including meat distribution, installation of water pumps, flood relief program and orphan gift distribution under memorandum of understanding (MoU) signed on October 01, 2020. For each activity proposals are submitted by IHHNL containing project description and milestones against which project execution are made.
- 12.6 Moawin Foundation (MF) and i-Care Foundation Pakistan (ICFP) are collaborating in the areas including schools and vocational training center under an agreement effective for the period from September 23, 2021 till September 22, 2024.
- 12.7 MF in collaboration of Sindh Education Foundation (SEF) is imparting education under projects titled as "Foundation Assisted Schools" and "Peoples School Program" through agreements executed on June 30, 2021 and July 19, 2022 respectively.
- 12.8 Moawin foundation received grant via Benevity from different donors in USA to undertake a educational and Vocational training activities.
- 12.9 MF in collaboration with MF UK to undertake a School improvement in Moawin foundation adopted schools in Islamabad and Sheikhpura. MF, UK, hereby affirm its commitment to finance project through MF for two years from July 01, 2024 till June 30, 2026.

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**MOAWIN FOUNDATION**
*(A Company set up under Section 42 of the Companies Act, 2017)*
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2024**

13	ZAKAT CONTRIBUTION	Note	2024 Rupees	2023 Rupees
	Balance at the beginning		-	-
	Zakat received during the year		6,671,499	3,075,000
	Directly recorded in the statement of income and expenditure without utilization	17	-	(3,075,000)
			6,671,499	-
	Zakat utilized during the year			
	- on providing goods and services to individuals		(2,855,872)	-
	- Eligible contribution to Al Khidmat Foundation		(700,000)	-
		17	(3,555,872)	-
	Balance at year end		3,115,627	-
	Balance classified general fund - revenue reserves		3,075,000	3,075,000
	<b>Zakat available for utilization at year end</b>		<b>6,190,627</b>	<b>3,075,000</b>
	<b>Closing balance of Zakat represented by:</b>			
	Bank balance related to zakat		6,190,627	3,075,000
13.1	During the current year, the Foundation has implemented a formal mechanism for the receipt and utilization of zakat, in anticipation of increased zakat contributions in future periods. Consequently, the Foundation has adopted a new accounting policy, as detailed in note 4.12, which has been applied prospectively. This is because the zakat contribution of Rs. 3,075,000 received in the prior year was considered immaterial. The contribution received last year was recognized directly in the statement of income and expenditure and currently remains in general funds (revenue reserve) as unutilized at the end of the current year. Effective from April 1, 2024, zakat contributions are being maintained in a separate bank account.			
14	LEASE LIABILITY (NOTE 5.3)		2024 Rupees	2023 Rupees
	Opening balance		4,797,420	-
	Add: Addition during the year		-	6,559,411
	Interest expense		766,165	38,009
	Less: Lease payments		(2,812,500)	(1,800,000)
	Closing balance		2,751,085	4,797,420
	Less: Current lease liabilities		2,751,085	2,046,335
	Non-current liabilities		-	2,751,085
14.1	Future minimum lease payments as at June 30, 2024 are as follows:			
			1 Year	2 - 5 Years
			-----Rupees-----	
	Lease payments		3,060,000	-
	Finance cost		(308,915)	-
	Net present value		2,751,085	-
15	TRADE AND OTHER PAYABLES	Note	2024 Rupees	2023 Rupees
	Accrued liabilities		2,437,139	1,670,502
	EOBI payable		289,985	41,075
	Employees benefit payable	15.1	709,157	393,839
	Withholding tax payable		190,459	452,016
			3,626,740	2,557,432
15.1	This represents payable on account of Foundation's contributions in employees mutual fund scheme (2023: voluntary pension scheme) being managed by Meezan Tahfuzz pension Fund (MTPF).			
16	CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments as of the reporting date (2023: nil).			

**MOAWIN FOUNDATION**
*(A Company set up under Section 42 of the Companies Act, 2017)*
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2024**

17	DONATIONS	Note	2024 Rupees	2023 Rupees
	Zakat	13	3,555,872	3,075,000
	Other donotions	17.1	13,083,308	24,391,431
			<u>16,639,180</u>	<u>27,466,431</u>
17.1	This represent unrestricted donations received from individuals and institutional donors.			
18	OTHER INCOME	Note	2024 Rupees	2023 Rupees
	From financial assets			
	Profit on term deposit receipt	9.1	3,327,204	1,613,010
	Profit on bank saving accounts	10.1	16,343,486	3,875,443
	From non-financial assets			
	Implementation, record maintenance and service cost	18.1	18,058,205	21,616,644
	Other		306,152	-
			<u>38,035,046</u>	<u>27,105,097</u>
18.1	This represents 10% (2023: 10%) of the total amount received from IHNNL.			
19	PROGRAM EXPENSES	Note	2024 Rupees	2023 Rupees
	Sheikhupura	19.1	15,158,711	17,568,222
	Ali Pur, ICT	19.2	3,137,320	1,205,447
	Gilgit Baltistan	19.3	249,202,569	122,496,941
	IHNNL projects	19.4	163,239,870	108,363,878
	Pind Dadan Khan	19.5	541,057	2,022,814
	Sindh Education Foundation	19.6	50,048,387	34,764,957
	Icare Foundation	19.7	56,140,582	29,897,537
	Miran Shah	19.8	374,958	1,367,645
	Benevity	19.9	5,931,177	-
	Chakwal Dehrisydian	19.10	2,339,296	-
	VTI Nowshera	19.11	3,602,184	-
	Solar Water Project		563,045	563,046
	Food distribution		869,920	-
	Flood relief		-	427,296
	Baba Island		906,620	1,406,724
	NHS Program		400,000	40,000
			<u>552,455,696</u>	<u>320,124,507</u>

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**MOAWIN FOUNDATION**
*(A Company set up under Section 42 of the Companies Act, 2017)*
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>19.1 SHEIKHUPURA</b>			
Salaries and benefits		858,508	5,051,221
Schools' repair and maintenance		7,043,167	249,510
Travelling and fuel charges		73,020	-
School supplies		3,674,797	4,632,052
Utilities		-	98,117
Entertainment and refreshment		532,000	-
Printing and stationery		-	23,500
Teachers training		2,288,329	-
Rozgar center	19.1.1	17,000	4,794,122
Stitching center		-	2,719,700
Taleemabad project		671,890	-
		<u>15,158,711</u>	<u>17,568,222</u>
19.1.1 Rozgar center includes supervisor salaries, stipend, repair and maintenance and other program expenses.			
<b>19.2 ALI PUR, ICT</b>			
Salaries and benefits		164,000	778,000
School supplies		338,500	254,678
Travelling and fuel charges		40,030	140,376
Office Supplies		287,030	15,500
Printing and stationery		-	16,893
Events and workshops		14,999	-
Schools' repair and maintenance		2,292,761	-
		<u>3,137,320</u>	<u>1,205,447</u>
<b>19.3 GILGIT BALTISTAN (CENTRAL ASIAN INSTITUTE AND ALIGHT PAKISTAN)</b>			
Salaries and benefits	19.3.1	120,435,132	64,620,964
Scholarships		3,000,000	-
School supplies		28,330,055	21,444,098
Schools' repair and maintenance		47,418,422	6,199,441
Utilities		1,829,236	1,249,127
Printing and stationery		2,711,102	2,807,264
Rent		6,775,793	5,456,658
Postage and communication		106,873	50,247
Entertainment and refreshment		403,888	128,955
Legal and professional fee		3,622,443	167,515
Boarding and lodging		333,250	1,087,957
Repair and maintenance		824,306	38,500
Teachers training		7,168,859	4,429,445
Vocational and training		4,083,663	-
Events and workshops		5,046,834	2,407,894
Advocacy and branding		2,005,243	2,139,940
Travelling and fuel charges		9,362,466	6,796,341
Bank charges		88,491	31,975
Office supplies		5,213,763	1,242,955
Auditor's remuneration	19.3.2	442,750	300,000
Flood relief		-	1,897,665
	19.3.3	<u>249,202,569</u>	<u>122,496,941</u>
19.3.1 This include Rs. 3,169,666 (2023: Rs. 766,866) in respect of Foundation contribution toward employee benefits.			



**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024**

		2024	2023
		Rupees	Rupees
19.3.2	<b>AUDITOR'S REMUNERATION</b>		
	Statutory audit fee	402,500	230,000
	Out of pocket expenses	40,250	70,000
		<u>442,750</u>	<u>300,000</u>
19.3.3	This includes Rs. nil (2023: Rs. 3,311,863) that is borne by Foundation and charged to Foundation's pool funds.		
19.4	<b>STITCHING INTERNATIONAL HUMANITARIAN HULPORGANISATIE NEDERLANDS (IHHNL) PROJECTS</b>	2024	2023
		Rupees	Rupees
	Meat distribution	50,128,120	22,051,260
	Water pumps project	86,267,750	54,073,712
	Food distribution	14,791,500	20,030,700
	Iftar dinner	1,327,500	1,317,500
	Orphan support	3,525,875	3,468,740
	Surgery support	2,106,000	3,802,600
	Flood relief	-	3,051,660
	Winter programme	4,795,250	-
	Advocacy and branding	-	53,480
	Traveling and fuel charges	297,875	514,226
		<u>163,239,870</u>	<u>108,363,878</u>
19.5	<b>PIND DADAN KHAN</b>		
	Salaries and benefits	253,593	1,826,434
	Teachers training and refreshers	-	188,780
	Boarding and lodging	-	7,600
	Bank charges	364	-
	Taleemabad project	287,100	-
		<u>541,057</u>	<u>2,022,814</u>
19.6	<b>SINDH EDUCATION FOUNDATION</b>		
	Salaries and benefits	30,223,938	16,153,076
	School supplies	5,698,607	10,003,175
	Teachers training and refreshers	70,000	172,410
	Events training and workshops	460,025	192,868
	Teachers and students conveyance	-	21,000
	School repair and maintenance	6,631,073	949,500
	Advocacy and branding	11,500	81,315
	Rent	2,774,000	1,696,826
	Utilities	561,698	2,312,090
	Office supplies	444,852	177,296
	Refreshments	-	22,967
	Traveling and fuel charges	1,743,155	2,002,216
	Printing and stationery	668,751	346,388
	Postage and courier	56,974	1,485
	Legal and professional fee	50,000	49,000
	Boarding and lodging	-	159,200
	Securities	477,600	402,670
	Bank charges	41,614	21,475
	Taleemabad Project	134,600	-
		<u>50,048,387</u>	<u>34,764,957</u>
19.6.1	This include Rs. 98,758 (2023: Rs. 43,740) in respect of Foundation contribution toward employee benefits fund.		

**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024**

		2024	2023
	Note	Rupees	Rupees
<b>19.7 ICARE FOUNDATION</b>			
Salaries and benefits	19.7.1	22,094,461	7,105,830
School supplies		8,692,311	8,812,112
Teachers training and refreshers		433,097	-
Events training and workshops		66,810	576,821
Advocacy and branding		50,000	-
Teachers and students conveyance		811,400	1,059,280
School repair and maintenance		19,541,031	1,111,444
Office supplies		296,340	169,870
Refreshments		138,921	84,888
Utilities		78,600	-
Traveling and fuel charges		590,781	115,525
Printing and stationery		97,500	346,200
Postage and courier		6,700	900
Bank charges		14,546	-
VTI Supplies		1,790,684	649,935
Special event		218,800	-
Qurbani project		-	100,000
Taleemabad project		1,218,600	-
Flood relief		-	9,724,612
Preliminary charges		-	40,120
		<u>56,140,582</u>	<u>29,897,537</u>
<b>19.7.1</b>	This include Rs. 744,441 (2023: Rs. 135,396) in respect of Foundation contribution toward employee benefits fund.		
		2024	2023
		Rupees	Rupees
<b>19.8 MIRAN SHAH</b>			
Salaries and benefits		134,600	706,500
School supplies		240,358	528,650
Traveling and fuel charges		-	14,005
Printing and stationery		-	118,490
		<u>374,958</u>	<u>1,367,645</u>
<b>19.9 BENEVITY</b>			
Salaries and benefits		626,000	-
School supplies		216,000	-
Scholarships		206,450	-
Advocacy and branding		75,750	-
VTI supplies		3,953,685	-
Rent		45,452	-
Traveling and fuel charges		193,340	-
Special events		614,500	-
		<u>5,931,177</u>	<u>-</u>
<b>19.10 CHAKWAL-DHERI SYEDAN</b>			
Salaries and benefits		795,500	-
School supplies		1,267,510	-
Teachers training and refreshers		82,000	-
School repair and maintenance		125,700	-
Traveling and fuel charges		67,240	-
Bank Charges		1,346	-
		<u>2,339,296</u>	<u>-</u>

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**MOAWIN FOUNDATION**
*(A Company set up under Section 42 of the Companies Act, 2017)*
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2024**

19.11	VTI NOWSHERA		2024	2023
			Rupees	Rupees
	Salaries and benefits		1,413,633	-
	Scholarships		258,600	-
	Traveling and fuel charges		55,590	-
	Rent		100,000	-
	VTI supplies		1,114,592	-
	Event training and workshops		117,155	-
	Repaire and maintainance		542,614	-
			<u>3,602,184</u>	<u>2,023</u>
20	<b>ADMINISTRATIVE EXPENSES</b>			
	Salaries and benefits	20.1	1,846,521	4,638,868
	Depreciation	5	4,772,599	2,093,469
	Amortization	6	-	10,416
	Traveling and fuel charges		232,099	1,158,071
	Legal and professional fee		457,561	765,150
	Sale tax expense		-	795,243
	Advocacy and branding		498,132	311,066
	Bank charges		47,514	11,238
	Fund raising activity		1,031,500	15,000
	Office Supplies		576,725	-
	Miscellaneous		-	105,677
			<u>9,462,651</u>	<u>9,904,198</u>

20.1 This include Rs. nil (2023: 208,343) in respect of Foundation contribution toward employee benefits fund.

**21 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS**

No remuneration was payable to the directors of the Foundation during the year.

	Chief Executive		Directors		Executives	
	2024	2023	2023	2022	2024	2023
	----- (Rupees) -----					
Remuneration	7,598,991	3,961,299	-	-	30,939,621	6,116,068
Number of persons	1	1	-	-	13	3

**22 FINANCIAL RISK MANAGEMENT**

The Foundation has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity

Market risk

This note presents information about the Foundation's exposure to each of the above risks, the Foundation's objectives, policies and processes for measuring and managing risk and the Foundation's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Management has overall responsibility for the establishment and oversight of the Foundation's risk management framework and policies.

The Foundation's risk management policies are established to identify and analyze the risks faced by the Foundation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundation's activities. The Foundation through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024**

The Board oversees how management monitors compliance with the MF's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the MF.

**22.1 Credit risk**

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations. The Foundation is also exposed to credit risk from its operating and short term investing activities. The Foundation's credit risk exposures are categorized under the following headings:

**22.1.1 Counterparties**

The Foundation conducts transactions with the following major types of counterparties:

**Donor institutions/ companies**

The MF where required establishes an allowance for impairment that represents its estimate of losses in respect of receivables from donors. This allowance is based on the management's assessment of a specific loss component that relates to individually significant exposures.

**Deposits**

The Foundation exposure to credit risk from deposits is limited as it is extended to the deposit that pertains to landlords of office buildings. Given the nature of balances and relationship with counterparties, management does not expect any counterparty to fail to meet its obligations.

Security deposits given to various institutions/ persons and are generally refundable on termination of relevant services/arrangements.

**Bank balances and short term investments**

The Foundation limits its exposure to credit risk by maintaining bank accounts and term deposit receipts only with counterparties that have high credit ratings and therefore management does not expect any counterparty to fail to meet its obligations.

**22.1.2 Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	----- (Rupees) -----	
Security deposits	500,000	800,000
Advances and other receivable	-	128,666
Short term investment	27,668,336	21,614,433
Bank balances	107,511,629	105,208,788
	<u>135,679,965</u>	<u>127,751,887</u>

**22.2 Liquidity risk**

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months
		----- (Rupees) -----	
2024			
Trade and other payables	2,437,139	3,626,740	-
2023			
Trade and other payables	1,670,502	1,670,502	-

The maturity analysis of lease liability is reflected in note 13.

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**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****22.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, mark up rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. The Foundation is not exposed to currency and mark up rate risk.

**22.4 Foreign currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and cash in foreign currency bank account. Foundation is not exposed to foreign currency risk as there is no transactions and balances in foreign currency. Donations from outside the country are directly received in Pak Rupee accounts of the Foundation.

**22.5 Mark up rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

**Fair value sensitivity analysis for fixed rate instruments**

Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not effect statement of income and expenditure except mark-up on bank balances in saving accounts and on term deposit receipts.

**23 FINANCIAL INSTRUMENTS****Fair value of financial assets and liabilities**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	-----Rupees-----			
<b>Assets carried at amortized cost</b>				
Investments	27,668,336	27,668,336	21,614,433	21,614,433
Security deposits	500,000	500,000	800,000	800,000
Cash and bank balances	109,138,229	109,138,229	106,188,985	106,188,985
Advances and other receivable	-	-	128,666	128,666
	<u>137,306,565</u>	<u>137,306,565</u>	<u>128,732,084</u>	<u>128,732,084</u>
<b>Liabilities carried at amortized cost</b>				
Lease liability	2,751,085	2,751,085	4,797,420	4,797,420
Trade and other payables	<u>2,437,139</u>	<u>2,437,139</u>	<u>1,670,502</u>	<u>1,670,502</u>

**24 FUND MANAGEMENT**

Foundation's objective when managing fund is to safe guard Foundation's ability to continue as a going concern so that it can achieve its objectives, provide benefits to other stakeholders and to maintain a strong fund base to support the sustained development of its activities in line with its objects.

**25 NUMBER OF EMPLOYEES**

Numbers

**Permanent staff**

Number of employees at year end

49

Average number of employees

45

**Project staff**

Number of employees at year end

532

Average number of employees

458

V

**MOAWIN FOUNDATION***(A Company set up under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****26 TRANSACTION WITH RELATED PARTIES**

Related parties comprise of members and directors of the Foundation including their close family members. Remuneration to key management personnel is disclosed in note 20. Transactions with related parties during the year, not disclosed in respective notes, are as under:

Name of Related Party	Relationship	Transaction during the year and year end balances	2024 Rupees	2023 Rupees
Mr. Hasan Sandila	Family Member- Chairman of the Board	Donation received	-	25,000
Mr. Asif Sandila	Chairman of the Board	Donation received	127,613	225,000
Mr. Muhammad Musaddiq	Board of Director	Donation received	3,244,000	-

**27 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors in its meeting held on September 18, 2024

**28 GENERAL**

- 28.1 Figures in these financial statements have been rounded off to the nearest Rupee.  
28.2 The comparative figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison.

  
CHIEF EXECUTIVE  
DIRECTOR