

**MOAWIN FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2025, 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, 2025 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**

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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;

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- 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.

A handwritten signature in black ink, appearing to read "Grant Thornton Anjum Rahman".

Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

Date: September 19, 2025

UDIN: AR202510164NxFE7V9Qn

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	5	18,181,077	6,831,728
Intangible asset	6	-	-
Security deposits and prepayments	7	9,561,001	3,922,830
		<u>27,742,078</u>	<u>10,754,558</u>
CURRENT ASSETS			
Advances, prepayments and other receivable	8	27,405,207	2,582,391
Investments	9	20,420,695	27,668,336
Cash and bank balances	10	129,924,439	109,138,229
		<u>177,750,341</u>	<u>139,388,956</u>
TOTAL ASSETS		<u><u>205,492,419</u></u>	<u><u>150,143,514</u></u>
FUNDS AND LIABILITIES			
Endowment fund - revenue reserve		10,000,000	10,000,000
General funds - revenue reserve		67,262,190	45,605,267
		<u>77,262,190</u>	<u>55,605,267</u>
NON - CURRENT LIABILITIES			
Deferred capital grant	11	1,329,981	2,584,258
Lease liability	14	7,234,066	-
		<u>8,564,047</u>	<u>2,584,258</u>
CURRENT LIABILITIES			
Restricted grants	12	78,978,122	82,460,537
Zakat contribution	13	22,969,505	3,115,627
Current portion of lease liability	14	7,039,201	2,751,085
Accrued and other payables	15	10,679,354	3,626,740
		<u>119,666,182</u>	<u>91,953,989</u>
TOTAL FUNDS AND LIABILITIES		<u><u>205,492,419</u></u>	<u><u>150,143,514</u></u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE



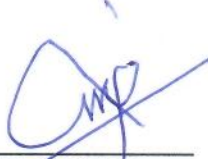
DIRECTOR

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
INCOME			
Income recognized from restricted grant	12	691,799,963	527,699,905
Amortization of deferred capital grant	11	1,254,277	864,438
Donations	17	17,273,970	16,639,180
Other income	18	39,241,488	38,035,046
		<u>749,569,698</u>	<u>583,238,569</u>
EXPENDITURE			
Program expenses	19	(711,242,622)	(552,455,696)
Administrative expenses	20	(16,341,820)	(9,462,651)
Finance cost	21	(328,333)	(766,165)
Allowance for expected credit losses	8.1	-	(1,454,492)
		<u>(727,912,775)</u>	<u>(564,139,004)</u>
Surplus before taxation		21,656,923	19,099,565
Taxation	4.13.1	-	-
Surplus after taxation		<u>21,656,923</u>	<u>19,099,565</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.



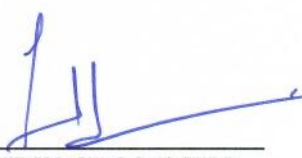
CHIEF EXECUTIVE

DIRECTOR

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 Rupees	2024 Rupees
Surplus after taxation	21,656,923	19,099,565
Other comprehensive income	-	-
Total comprehensive income	21,656,923	19,099,565

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Surplus before Taxation		21,656,923	19,099,565
Adjustments for non cash items:			
Depreciation	5	4,314,379	4,772,599
Income recognized from restricted grant	12	(691,799,963)	(527,699,905)
Implementation, record maintenance and service cost	18	(17,885,185)	(18,058,205)
Amortization of deferred capital grant	11	(1,254,277)	(864,438)
Zakat	17	(9,706,588)	(3,555,872)
Allowance for expected credit losses	8.1	-	1,454,492
Interest on lease liability	14	328,333	766,165
		(716,003,302)	(543,185,163)
Effect on cash flow due to working capital changes			
Advances, deposits and other receivables		(24,822,816)	(1,667,857)
Accrued and other payables		(2,727,272)	1,069,309
		(27,550,088)	(598,548)
Net cash used in operating activities		(721,896,467)	(524,684,146)
Cash flows from investing activities			
Acquisition of property and equipment		(1,456,000)	-
Investments - net		7,247,641	5,163,562
Security deposits and prepayments		(5,638,171)	-
Net cash from investing activities		153,470	5,163,562
Cash flows from financing activities			
Restricted grants received		706,202,735	529,828,294
Zakat contribution		29,560,466	6,671,499
Repayments of lease liability	14	(3,013,879)	(2,812,500)
Net cash generated from financing activities		732,749,322	533,687,293
Increase/ (decrease) in cash and cash equivalents during the year		11,006,324	3,839,585
Cash and cash equivalents at the beginning of the year		118,918,115	115,078,530
Cash and cash equivalents at the end of the year	10.2	129,924,439	118,918,115

The annexed notes from 1 to 29 form an integral part of these financial statements.


CHIEF EXECUTIVE



DIRECTOR

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Endowment Funds - revenue reserve	General Funds - revenue reserve	Total
	-----Rupees-----		
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
Balance as at June 30, 2024	10,000,000	45,605,267	55,605,267
Balance as at July 01, 2024	10,000,000	45,605,267	55,605,267
Total comprehensive income			
Surplus for the year	-	21,656,923	21,656,923
Balance as at June 30, 2025	10,000,000	67,262,190	77,262,190

The annexed notes from 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE
DIRECTOR

MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 Memorandum of Understanding (MoU) has been signed on September 21, 2020 having validity up to September 21, 2024 which is extended on September 04, 2024 for a period 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 ACE UP-Town Building, Main Northern Strip, 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 Office: Food Corridor, Aliabad.

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

Jand Office: Near Pepsi Agency, Kohat Road, District Attock, Jand.

Talagang Office: Jhatla Mohala, Near Bipas Road, District Talagang.

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 except lease liability recognized at present value.

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

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND****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.

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)
IFRS S1	General Requirements for Disclosure of Sustainability related Financial Information	July 01, 2025
IFRS S2	Climate-related Disclosures	July 01, 2025
IAS 21	The effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026

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 Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025:

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**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.

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.

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 Basic financial instruments

Basic financial instruments are: cash; simple debt instruments (such as an account, note or loan receivable or payable); a commitment to receive a loan; and an investment in non-convertible preference shares and non-puttable ordinary and preference shares. On initial recognition, a basic financial instrument is measured at transaction price, unless the arrangement is in effect a financing transaction. In this case, it is the present value of the future payment discounted using a market rate. At the end of each reporting period the basic financial instruments are measured as follows (without any deduction for transaction costs the entity may incur on sale or other disposal): (a) Debt instruments at amortized cost using the effective interest rate method; (b) commitments to receive a loan at cost (which could be nil) less impairment; (c) Investments in non-convertible or non-puttable shares at fair value if the shares are publicly traded or fair value can be measured reliably, otherwise at cost less impairment.

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.6.1 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.

4.6.2 Impairment

Non-Financial Assets:

The assets that are subject to depreciation or amortization 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 recognized 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 amortization, if no impairment loss had been recognized. The Foundation recognizes the reversal immediately in the statement of income and expenditure.

4.7 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.

4.8 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.

4.9 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.

4.9.1 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.

4.10 Staff benefit contribution

During the current year, the Foundation has contributed amount in 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.

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.11 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 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.

4.11.1 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 spend 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.

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.

4.13.2 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.

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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. 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.

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.

(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.

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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.

(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.

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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:

- 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;

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- 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.

(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.

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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.

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.

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- (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.

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.

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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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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****5 PROPERTY AND EQUIPMENT**

Particulars	Owned assets				Leased assets	Total
	Freehold Land (Note 5.1)	Computer & Accessories	Furniture & Fixtures	Office Equipment	Right of use asset (Note 5.3)	
	-----Rupees-----					
Cost						
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/deletions	-	-	-	-	-	-
Balance as at June 30, 2024	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Balance as at July 01, 2025	1,836,000	3,886,305	2,251,514	2,082,550	6,559,411	16,615,780
Additions/deletions	-	1,205,000	-	251,000	14,207,728	15,663,728
Balance as at June 30, 2025	1,836,000	5,091,305	2,251,514	2,333,550	20,767,139	32,279,508
Accumulated Depreciation						
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
Balance as at July 01, 2024	-	3,005,469	1,659,044	1,703,179	3,416,360	9,784,052
Charge for the year	-	604,066	118,494	152,774	3,439,045	4,314,379
Balance as at June 30, 2025	-	3,609,535	1,777,538	1,855,953	6,855,405	14,098,431
Carrying value as at June 30, 2024	1,836,000	880,836	592,470	379,371	3,143,051	6,831,728
Carrying value as at June 30, 2025	1,836,000	1,481,770	473,976	477,597	13,911,734	18,181,077
Annual rate of depreciation		33%	20%	33%	50%	

5.1 The Foundation under an agreement dated June 10, 2015 with Punjab Vocational Training Council (PVTTC), 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 PVTTC, Government of Punjab, a 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 PVTTC with support and intervention of MF.

5.2 The Foundation has fully depreciated property and equipment with aggregate cost of Rs. 2,222,921 (2024: Rs. 2,222,921) that are still in use.

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



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FOR THE YEAR ENDED JUNE 30, 2025**

6 INTANGIBLE ASSET	Note	2025 Rupees	2024 Rupees
Cost			
Opening balance		93,000	93,000
Additions		-	-
Disposal		-	-
Closing balance		93,000	93,000
Accumulated amortization			
Opening balance		93,000	93,000
Charge for the year		-	-
Closing balance		93,000	93,000
Net book value		-	-

6.1 The fully amortized software is still being used by Foundation.

7 SECURITY DEPOSITS AND PREPAYMENTS

Security deposits - rental premises		7,550,000	500,000
Prepaid rent	7.1.1	2,011,001	3,422,830
		9,561,001	3,922,830
7.1 Prepaid rent			
Opening balance		4,521,910	2,580,000
Additions during the year		60,000	2,745,260
Amortized during the year		(1,435,559)	(803,350)
Closing balance	7.1.1	3,146,351	4,521,910
7.1.1 Classification			
Current portion		1,135,350	1,099,080
Long term portion		2,011,001	3,422,830
		3,146,351	4,521,910

7.1.2 Security deposit and prepaid rent pertained to head office, field schools and early childhood care and education centers.

ADVANCES, PREPAYMENTS AND OTHER

8 RECIEVABLE	Note	2025 Rupees	2024 Rupees
Advances to employees against expenses		2,339,687	2,435,692
Advances to vendors		24,459,744	502,111
Prepaid rent - current portion	7.1.1	1,135,350	1,099,080
Other receivable		924,918	-
Less: Allowance for expected credit loss	8.1	(1,454,492)	(1,454,492)
		27,405,207	2,582,391
8.1 Allowance for expected credit loss - Advances to employees against expenses			
Opening balance		1,454,492	-
Charge for the year		-	1,454,492
Closing balance		1,454,492	1,454,492

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FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Rupees	Rupees
9 INVESTMENTS			
Term deposit receipts (TDRs) - at amortized cost	9.1	18,941,698	25,603,189
Accrued mark-up on TDRs		1,478,997	2,065,147
		<u>20,420,695</u>	<u>27,668,336</u>
9.1 This represents Term Deposit Receipts (TDRs) of 12 months tenure (2024: 3 to 12 months) with a yield of 9.60% to 14.25% (2024:18.25% to 20.25%) per annum receivable upon maturity.			
10 CASH AND BANK BALANCES			
	Note	Rupees	Rupees
Cash in hand		2,380,006	1,626,600
Balance at banks:			
- In current account - local currency		2,695,084	100,420
- In saving accounts - local currency	10.1	124,849,349	107,411,209
		<u>127,544,433</u>	<u>107,511,629</u>
		<u>129,924,439</u>	<u>109,138,229</u>
10.1 Saving accounts carry interest ranging from 5.79% to 19% (2024: 18.4% to 20.5%) per annum.			
10.2 Cash and cash equivalents			
		Rupees	Rupees
Short term investments		-	9,779,886
Cash and bank balances		129,924,439	109,138,229
		<u>129,924,439</u>	<u>118,918,115</u>
11 DEFERRED CAPITAL GRANT			
Balance at the beginning of the year		2,584,258	3,448,696
Additions during the year		-	-
Amortization		(1,254,277)	(864,438)
Balance at end of the year		<u>1,329,981</u>	<u>2,584,258</u>

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NOTES TO THE FINANCIAL STATEMENTS
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12 RESTRICTED GRANTS

Particulars		Opening balance	Receipts during the year	Funds available for use	Funds utilized during the year	Implementation, record maintenance and service cost (Note 18.1)	Closing balance
-----Rupees-----							
30th June 2025							
FOREIGN SOURCES :							
Central Asian Institute (CAI) - Gilgit Baltistan	12.1	17,856,805	223,574,214	241,431,019	(224,745,072)	-	16,685,947
Stitching International Humanitarian Hulporganisatie Nederland (IHHNL)	12.2	9,710,969	178,851,850	188,562,819	(160,330,781)	(17,885,185)	10,346,853
Benevity	12.3	1,256,297	11,580,992	12,837,289	(12,509,144)	-	328,145
Moawin Foundation - UK	12.4	11,814,680	516,605	12,331,285	(13,640,309)	-	(1,309,024)
LOCAL SOURCES :							
Sindh Education Foundation (SEF)	12.5	30,975,135	84,115,307	115,090,442	(88,487,990)	-	26,602,452
Punjab Education Foundation (PEF)	12.6	-	92,697,390	92,697,390	(87,088,853)	-	5,608,537
Icare Foundation	12.7	10,846,649	46,018,908	56,865,557	(53,963,939)	-	2,901,618
Oil and Gas Development Company Limited (OGDCL)	12.8 & 12.9	-	17,911,375	17,911,375	(10,455,028)	-	7,456,347
Early Childhood Care and Education Centres - Gilgit Baltistan	12.10	-	27,600,000	27,600,000	(24,968,775)	-	2,631,225
Other grants	12.11	-	23,336,094	23,336,094	(15,610,072)	-	7,726,022
Total Amount		82,460,535	706,202,735	788,663,270	(691,799,963)	(17,885,185)	78,978,122

30th June 2024

FOREIGN SOURCES :							
Central Asian Institute (CAI) - Gilgit Baltistan	12.1	71,517,538	195,541,836	267,059,374	(249,202,569)	-	17,856,805
Stitching International Humanitarian Hulporganisatie Nederland (IHHNL)	12.2	10,426,998	180,582,046	191,009,044	(163,239,870)	(18,058,205)	9,710,969
Benevity	12.3	-	7,187,474	7,187,474	(5,931,177)	-	1,256,297
Moawin Foundation - UK	12.4	-	14,952,000	14,952,000	(3,137,320)	-	11,814,680
LOCAL SOURCES :							
Sindh Education Foundation (SEF)	12.5	16,442,322	64,581,200	81,023,522	(50,048,387)	-	30,975,135
Icare Foundation	12.7	3,493	66,983,738	66,987,231	(56,140,582)	-	10,846,649
Total Amount		98,390,351	529,828,294	628,218,645	(527,699,905)	(18,058,205)	82,460,535

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 12.1 Moawin Foundation has received Rs. 221,809,234 (2024: Rs. 195,541,836) grants from Central Asian Institute for the projects vide agreement dated December 12, 2024 for the period from October 01, 2024 to September 30, 2025. The Foundation has utilized funds amounting to Rs. 224,745,072 (2024: Rs. 249,202,569) for these projects leaving a balance of Rs. 14,920,967 (2024: Rs. 17,856,805). Grant purpose is to program activities to improve quality of education and empowering communities in Gilgit-Baltistan regions of Pakistan.
- 12.2 MF in collaboration with Stitching International Humanitarian Hulporganisatie Nederlands (IHHNL) has executed projects including qurbani projects, installation of water pumps, arrangement of iftar, food distribution, orphan support, surgery support and winter program 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.
- 12.3 Moawin foundation received grant via Benevity from different donors in USA to undertake a educational and vocational training activities. Grant is received mainly from Salim Akbani and Nazir alimuhammad.
- 12.4 Moawin Foundation is in collaboration with Moawin Foundation UK to undertake schools renovation and improvements in Moawin foundation adopted schools in Islamabad and Sheikhpura. Moawin Foundation UK, hereby affirm its commitment to finance project through Moawin Foundation Pakistan for two years from July 01, 2024 till June 30, 2026.
- 12.5 Moawin Foundation in collaboration of Sindh Education Foundation (SEF) is imparting education under projects titled as "Foundation Assisted Schools" in Karachi and Gadap and "Peoples School Program" in Ghotki and Ubaro through agreements executed on June 20, 2021 and July 19, 2022 respectively.
- 12.6 Moawin Foundation has entered into a License Agreement dated August 28, 2024, with the Punjab Education Foundation (PEF) under the Public Schools Reorganization Program (PSRP). The agreement permits the Organization to manage and operate certain public schools in Punjab province (Attock, Lawa, Jand, Texila). PEF will provide a per-student monthly subsidy at rates notified by the Government of Punjab / School Education Department, intended to cover operational costs and ensure the provision of free, quality education in accordance with the program's objectives. The total grant amount is contingent upon verified student enrollment and adherence to performance standards, including quality assurance tests (QATs) and school improvement plans. Key obligations include maintaining school infrastructure, achieving minimum enrollment targets, adhering to the prescribed curriculum, and undergoing periodic monitoring. The agreement is valid for an initial term subject to annual automatic extension, contingent on compliance with all terms.
- 12.7 Moawin Foundation (MF) and i-Care Foundation Pakistan (ICFP) are collaborating in the regions of Sheikhpura, Pind Dadan Khan, Miran Shah, Qila Rohtas, Nankana Sahib and Chakwal which includes schools and vocational training center at said locations under an agreement effective for the period from September 23, 2024 till September 22, 2027. ICFP will deduct 5% administrative cost from all donation received under this agreement.
- 12.8 Moawin foundation has entered into a memorandum of understanding (MoU) dated June 14, 2024, with OGDCL. Under this agreement, a financial grant of Rs. 24,600,000 has been committed for the "Adoption and Upgradation of Shakardara Model High School" located in Tehsil Lachi, District Kohat. The purpose of the grant is to fund the school's repair, renovation, provision of equipment, teacher training, and recurring operational expenses for a period of one year, from July 1, 2024, to June 30, 2025 and amount will be received upon completion of milestones. Amount of Rs 12,300,000 has been received during the year.

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MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 12.9 Moawin foundation has entered into a memorandum of understanding (MoU) dated March 04, 2024, with OGDCL .Under this agreement, a financial grant of Rs. 22,445,500 has been committed for the "Adoption and Upgradation of Govt. English Medium High School" located in Shujabad, Multan. The purpose of the grant is to fund the school's repair, renovation, provision of equipment, teacher training, and recurring operational expenses for a period of one year, from April 1, 2024, to March 31, 2025 and amount will be received upon completion of milestones. Amount of Rs 5,611,375 has been received during the year.
- 12.10 Moawin Foundation has been awarded a contract by the Government of Gilgit Baltistan, School Education Department dated February 24, 2025 for the establishment of 120 Quality ECD Classrooms in school of Gilgit Baltistan under UNICEF support, with a total approved grant of Rs. 69,000,000 . A performance security of 10% has been furnished to initiate the project. As of the reporting date, an amount of Rs. 27,600,000 has been received upon successful completion of the first and second milestones. The remaining grant amount is recognized as a receivable, contingent upon the completion of subsequent project milestones as per the contract terms.
- 12.11 Moawin Foundation has received a donation amounting to Rs. 4,500,000 from Mr. Musaddiq from which Rs. 4,000,000 was designated for construction work at VTI Mehmooonwali and Rs. 500,000 for a tree plantation initiative. As of the reporting date, the full amount of Rs. 4,000,000 for construction remains held as an advance to the contractor and is recognized as a current asset. For the tree plantation project, expenditures of Rs. 431,910 have been incurred and recognized as an expense.
- Moawin Foundation received a restricted grant of Rs. 2,000,000 from Admiral Amjad Hussain to support the development and operational running costs of a school located in Chakwal Dheri Syedan. The funds are designated specifically for this purpose in accordance with the donor's instructions.
- Moawin Foundation received a restricted grant of Rs. 1,000,000 from Systems Limited through Mr Adeel Ahmad which is designated specifically for use in PEF schools .
- Moawin Foundation has received a grant of Rs. 1,000,000 from Honda Atlas for the construction of a Science laboratory and installation of equipments at the Govt Girls School in Mehmunwali, Sheikhpura. Amount of Rs 4,419,600 has been received from BOP for repair and renovation of school located in Islamabad G-9/2 upon submission of proposal by MF.

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

13	ZAKAT CONTRIBUTION	Note	2025 Rupees	2024 Rupees
	Balance at the beginning of year		3,115,627	-
	Zakat received during the year		29,560,466	6,671,499
	Fund transferred to other bank	13.1	(611,900)	
			32,064,193	6,671,499
	Zakat utilized during the year			
	- on providing goods and services to beneficiaries	17	(9,094,688)	(2,855,872)
	- Eligible contribution to Al Khidmat Foundation		-	(700,000)
			(9,094,688)	(3,555,872)
	Balance at the end of year		22,969,505	3,115,627
	Balance classified as general fund - revenue reserves		3,075,000	3,075,000
	Zakat available for utilization at the end of year		26,044,505	6,190,627
	Closing balance of Zakat represented by:			
	Bank balance - zakat account		25,390,048	6,190,627
	Bank balance - other account		654,457	-
			26,044,505	6,190,627

13.1 This represents the zakat paid using the funds from non-zakat designated bank account in previous year.

14	LEASE LIABILITY			
	Balance at the beginning of the year		2,751,085	4,797,420
	Additions during the year		14,207,728	-
	Interest expense	21	328,333	766,165
	Payments during the year		(3,013,879)	(2,812,500)
	Balance at the end of the year		14,273,267	2,751,085
	Less: Current portion	14.1	(7,039,201)	2,751,085
			7,234,066	-

14.1 Lease liability is payable as follows:

	Minimum lease payments	Interest	Present value of minimum lease payments
2025	----- (Rupees) -----		
Upto one year	8,253,000	1,213,799	7,039,201
More than one year	7,623,000	388,934	7,234,066
	15,876,000	1,602,733	14,273,267
	Minimum lease payments	Interest	Present value of minimum lease payments
2024	----- (Rupees) -----		
Upto one year	3,060,000	308,915	2,751,085
More than one year	-	-	-
	3,060,000	308,915	2,751,085

15	ACCRUED AND OTHER PAYABLES	Note	2025 Rupees	2024 Rupees
	Accrued liabilities		2,594,389	2,437,139
	EOBI payable		3,882,643	289,985
	Employees benefit payable	15.1	2,136,632	709,157
	Withholding tax payable		1,438,632	190,459
	Others		627,058	-
			10,679,354	3,626,740

15.1 This represents payable on account of Foundation's contributions in employees mutual fund scheme being managed by Meezan Tahaffuz pension Fund (MTPF).

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****16 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as of the reporting date (2024: Nil).

17 DONATIONS	Note	2025 Rupees	2024 Rupees
Zakat	13	9,706,588	3,555,872
Other donations	17.1	7,567,382	13,083,308
		<u>17,273,970</u>	<u>16,639,180</u>

17.1 This represents unrestricted donations received from individuals and institutional donors.

18 OTHER INCOME	Note	2025 Rupees	2024 Rupees
From financial assets:			
Profit on term deposit receipt	9.1	3,651,109	3,327,204
Profit on bank saving accounts	10.1	8,662,133	16,343,485
From non-financial assets:			
Implementation, record maintenance and service cost	18.1	17,885,185	18,058,205
Others	18.2	9,043,061	306,152
		<u>39,241,488</u>	<u>38,035,046</u>

18.1 This represents 10% (2024: 10%) of the total amount received from IHHNL.

18.2 This represents amount of Rs. 1,464,970 (2024: Nil) received from Bank Al Habib for sponsoring golf tournament.

19 PROGRAM EXPENSES	Note	2025 Rupees	2024 Rupees
Central Asian Institute (CAI) - Gilgit Baltistan	19.1	224,745,072	249,202,569
Stitching International Humanitarian	19.2	160,330,781	163,239,870
Hulporganisatie Nederland - IHHNL			
Sindh Education Foundation - SEF	19.3	88,487,990	50,048,387
Punjab Education Foundation - PEF	19.4	87,088,853	-
Icare Foundation	19.5	53,963,939	72,215,308
Early Childhood Care and Education Centres - Gilgit Baltistan	19.6	24,968,775	-
Moawin Foundation - UK	19.7	13,640,309	3,137,320
Benevity	19.8	12,509,144	5,931,177
Oil and Gas Development Company Limited - OGDCL	19.9	10,455,028	-
Zakat	19.10	9,094,688	2,855,872
General program expense		8,855,312	460,438
Chakwal Dehrisydian	19.11	3,766,042	2,339,296
Chapurson project		6,913,900	-
US Funds		5,417,520	-
VTI Nowshera	19.12	1,005,270	3,602,184
		<u>711,242,622</u>	<u>553,032,421</u>
-Through grants received		691,799,963	527,699,905
-Through own contributions		19,442,659	25,332,516
		<u>711,242,622</u>	<u>553,032,421</u>

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

19.1	CENTRAL ASIAN INSTITUTE (CAI) - GILGIT BALTISTAN	Note	2025 Rupees	2024 Rupees
	Salaries and benefits	19.1.2	158,493,312	120,435,132
	School supplies		20,278,201	28,330,055
	Rent		10,608,508	6,775,793
	Events and workshops		6,835,828	5,046,834
	Travelling and fuel charges		6,481,818	9,362,466
	Vocational and training		4,201,370	4,083,663
	Office supplies		3,493,353	5,213,763
	Utilities		2,075,609	1,829,236
	Teachers training		1,972,910	7,168,859
	Scholarships		1,800,000	3,000,000
	Fee and subscription		1,652,444	3,622,443
	Printing and stationery		1,470,122	2,711,102
	Advocacy and branding		1,033,449	2,005,243
	Boarding and lodging		885,443	333,250
	Health and hygiene program		878,000	-
	Taleemabad project		704,000	-
	Auditor's remuneration	19.1.1	600,000	442,750
	Schools' repair and maintenance		432,335	47,418,422
	Entertainment and refreshment		400,518	403,888
	Repair and maintenance		361,490	824,306
	Postage and courier		63,166	106,873
	Bank charges		23,196	88,491
			<u>224,745,072</u>	<u>249,202,569</u>
19.1.1	Auditor's remuneration			
	Statutory audit fee		550,000	402,500
	Out of pocket expenses		50,000	40,250
			<u>600,000</u>	<u>442,750</u>
19.1.2	This include Rs. 4,547,215 (2024: Rs. 3169,666) in respect of Foundation contribution toward employee benefits.			
19.2	STITCHING INTERNATIONAL HUMANITARIAN HULPORGANISATIE NEDERLAND - IHHNL	Note	2025 Rupees	2024 Rupees
	Water pumps project		71,322,500	86,267,750
	Qurbani project		53,004,450	50,128,120
	Food distribution		17,869,572	14,791,500
	Surgery support		9,501,000	2,106,000
	Orphan support		4,284,700	3,525,875
	Winter programme		2,719,000	4,795,250
	Iftar dinner		1,284,000	1,327,500
	Travelling and fuel charges		198,500	297,875
	Meeting and refreshment		147,059	-
			<u>160,330,781</u>	<u>163,239,870</u>

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

19.3 SINDH EDUCATION FOUNDATION - SEF	Note	2025 Rupees	2024 Rupees
Salaries and benefits	19.3.1	49,189,130	30,223,938
School supplies		17,175,692	5,698,607
Schools' repair and maintenance		8,335,103	6,631,073
Rent		3,780,000	2,774,000
Taleemabad Project		3,100,000	134,600
Travelling and fuel charges		2,289,650	1,743,155
Teachers training and refreshers		949,568	70,000
Printing and stationery		810,449	668,751
Office supplies		629,425	444,852
Securities		490,000	477,600
Examination fee-Students		453,130	-
Events training and workshops		368,602	460,025
Fee and subscription		340,000	50,000
Boarding and lodging		213,464	-
Utilities		211,375	561,698
Bank charges		66,040	41,614
Meeting and refreshment		63,387	-
Postage and courier		22,975	56,974
Advocacy and branding		-	11,500
		<u>88,487,990</u>	<u>50,048,387</u>

19.3.1 This include Rs. 808,582 (2024: Rs. 98,758) in respect of Foundation contribution toward employee benefits fund.

19.4 PUNJAB EDUCATION FOUNDATION - PEF	Note	2025 Rupees	2024 Rupees
Salaries and benefits		65,356,862	-
School supplies		10,530,118	-
Travelling and fuel charges		3,116,829	-
Utilities		2,400,573	-
Office supplies		1,528,644	-
Teachers training and refreshers		1,002,659	-
Events training and workshops		194,890	-
Printing and stationery		878,886	-
Rent		774,332	-
Schools' repair and maintenance		688,692	-
Fee and subscription		291,500	-
Advocacy and branding		193,100	-
Meeting and refreshment		96,215	-
Bank charges		29,876	-
Postage and courier		5,677	-
		<u>87,088,853</u>	<u>-</u>

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

19.5 ICARE FOUNDATION	Note	2025 Rupees	2024 Rupees
Salaries and benefits	19.5.2	34,981,738	23,341,162
School's repair and maintenance		5,736,888	26,584,198
Scholarships		1,222,300	-
School supplies		6,580,798	12,607,466
Special event		243,000	218,800
VTI Supplies		839,440	1,790,684
Travelling and fuel charges		399,913	663,801
Teachers training and refreshers		1,572,662	2,721,426
Events training and workshops		265,780	66,810
Entertainment and refreshment		157,050	532,000
Utilities		169,480	78,600
Rent		35,000	-
Fee and subscription		21,047	-
Bank charges		44,158	14,910
Office supplies		173,605	296,340
Printing and stationery		45,850	104,200
Taleemabad project		72,700	2,177,590
Teachers and students conveyance		1,376,000	811,400
Refreshments		-	138,921
Advocacy and branding		-	50,000
Postage and communication		5,180	-
Rozgar center		-	17,000
Examination fee-Students		21,350	-
	19.5.1	<u>53,963,939</u>	<u>72,215,308</u>
19.5.1 This includes expenses related to following locations:			
Sheikhupura		32,569,641	15,158,711
Pind Dadan Khan		4,737,449	541,057
Miran Shah		2,227,798	374,958
Others		14,429,051	56,140,582
		<u>53,963,939</u>	<u>72,215,308</u>
19.5.2 This include Rs. 848,999 (2024: Rs. 744,441) in respect of Foundation contribution toward employee benefits fund.			
19.6 EARLY CHILDHOOD CARE AND EDUCATION CENTRES - GILGIT BALTISTAN		2025 Rupees	2024 Rupees
Schools' repair and maintenance		12,700,000	-
Furniture and fixtures		4,900,000	-
Events training and workshops		4,420,750	-
Travelling and fuel charges		1,578,025	-
Caprets and underlay		1,300,000	-
Salaries and benefits		50,000	-
Advocacy and branding		20,000	-
		<u>24,968,775</u>	<u>-</u>

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 Rupees	2024 Rupees
19.7 MOAWIN FOUNDATION - UK		
Schools' repair and maintenance	12,711,000	2,292,761
Events and workshops	423,562	14,999
Teachers training	187,968	-
Plantation drive	160,000	-
Printing and stationery	77,600	-
School supplies	42,150	338,500
Travelling and fuel charges	37,600	40,030
Bank charges	429	-
Office supplies	-	287,030
Salaries and benefits	-	164,000
	<u>13,640,309</u>	<u>3,137,320</u>
19.7.1 This amount is incurred against operations and educational expenses of various schools located in Islamabad Capital Territory.		
19.8 BENEVITY		
Salaries and benefits	5,640,426	626,000
VTI supplies	3,581,600	3,953,685
Scholarships	2,420,743	206,450
Vocational and training	342,000	-
School supplies	172,820	216,000
Travelling and fuel charges	95,183	193,340
Rent	81,810	45,452
Utilities	68,710	-
Fee and subscription	54,350	-
Teachers training and refreshers	21,622	-
Special events	-	614,500
Office supplies	10,700	-
Bank charges	10,540	-
Schools' repair and maintenance	6,900	-
Printing and stationery	1,740	-
Advocacy and branding	-	75,750
	<u>12,509,144</u>	<u>5,931,177</u>
19.9 OIL AND GAS DEVELOPMENT COMPANY LIMITED - OGDCL		
Salaries and benefits	6,697,926	-
School supplies	101,090	-
Office supplies	26,514	-
Schools' repair and maintenance	2,014,380	-
Teachers training and refreshers	275,212	-
Rent	707,480	-
Travelling and fuel charges	559,765	-
Utilities	13,592	-
Printing and stationery	43,470	-
Postage and courier	12,935	-
Bank charges	2,664	-
	<u>10,455,028</u>	<u>-</u>



MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	Rupees	Rupees
19.10 ZAKAT		
Winter program	2,901,500	-
School supplies - Sheikhpura	2,720,277	-
Medical support program	1,132,670	992,976
Food distribution	846,840	869,920
Flood relief	655,000	992,976
Youth internship program	445,000	-
Scholarships	228,076	-
Examination fee-Students	118,043	-
Printing and stationery	47,040	-
Bank charges	242	-
	<u>9,094,688</u>	<u>2,855,872</u>
19.11 CHAKWAL DEHRISYDIAN		
Salaries and benefits	1,871,400	795,500
School supplies	938,439	1,267,510
School's repair and maintenance	849,245	125,700
Travelling and fuel charges	77,455	67,240
Teachers training and refreshers	8,649	82,000
Bank Charges	7,814	1,346
Office supplies	5,616	-
Printing and stationery	4,324	-
Utilities	3,100	-
	<u>3,766,042</u>	<u>2,339,296</u>
19.12 VTI NOWSHERA		
Salaries and benefits	779,400	1,413,633
Scholarships	-	258,600
Travelling and fuel charges	101,000	55,590
Rent	-	100,000
VTI supplies	84,100	1,114,592
Event training and workshops	-	117,155
Repaire and maintanance	-	542,614
Schools' repair and maintenance	1,300	-
Office supplies	25,030	-
Utilities	600	-
Printing and stationery	13,840	-
	<u>1,005,270</u>	<u>3,602,184</u>

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025**

20	ADMINISTRATIVE EXPENSES	Note	2025 Rupees	2024 Rupees
	Salaries and benefits		5,811,209	1,846,521
	Depreciation	5	4,314,379	4,772,599
	Golf tournament		1,464,970	-
	Advocacy and branding		1,045,416	498,132
	Fee and subscription		1,191,484	457,561
	Events training and workshops		889,204	-
	Travelling and fuel charges		564,387	232,099
	Boarding and lodging		144,660	-
	Meeting and refreshment		855,646	-
	Rent		33,600	-
	Bank charges		26,866	47,514
	Fund raising activity		-	1,031,500
			16,341,820	8,885,926

21 FINANCE COST

Markup on lease liability	328,333	766,165
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22 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

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

	Directors		Chief Executive Officer		Executives	
	2025	2024	2025	2024	2025	2024
	-----Rupees-----					
Remuneration	-	-	8,969,875	6,839,092	36,747,482	27,845,659
Contribution Plan	-	-	996,653	759,899	4,083,054	3,093,962
Number of persons	7	7	1	1	17	13

23 FINANCIAL RISK MANAGEMENT

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

Credit risk

Liquidity risk

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.

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.

MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****23.1 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:

23.1.1 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.

23.1.2 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:

	2025	2024
	----- Rupees -----	
Security deposits	7,550,000	500,000
Advances and other receivable	924,918	-
Short term investment	20,420,695	27,668,336
Bank balances	127,544,433	107,511,629
	<u>156,440,046</u>	<u>135,679,965</u>

23.1.3 Short term investment

The Company holds short term investments with the Banks which are rated A1+ (short term rating) as per JCR-VIS and PACRA rating.

Impairment on short term investments has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its short term investments have low credit risk based on external credit rating of the counterparties. The credit rating of the counterparties are as follows.

	Long term rating	Short term rating	2025 Rupees	2024 Rupees
Bank Al Habib Limited	AAA	A1+	<u>20,420,695</u>	<u>27,668,336</u>

23.1.4 Bank balances

The Company holds cash at various banks, which are rated A1+ (short term rating) as per JCR-VIS and PACRA rating.

Impairment on cash at bank has been measured on 12 month expected loss basis and reflect the short maturities of the exposures. The Company considers that its cash at bank have low credit risk based on external credit rating of the counterparties. The credit ratings of the banks as per JCR-VIS and PACRA are as follows.

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MOAWIN FOUNDATION*(A Company licensed under Section 42 of the Companies Act, 2017)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025**

	Long term rating	Short term rating	2025 Rupees	2024 Rupees
Bank Al Habib Limited	AAA	A1+	54,731,440	79,977,774
Sindh Bank Limited	AA-	A1+	36,090,527	27,533,855
Telenor Microfinance	A+	A1	857,487	-
Bank of Punjab-PEF	AA+	A1+	9,897,390	-
Mobilink Microfinance Bank	A	A1	689,737	-
Meezan Bank	AAA	A1+	25,277,852	-
			127,544,433	107,511,629

23.2 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 -----		
2025			
Accrued and other payables	3,221,447	1,227,058	1,994,389
2024			
Accrued and other payables	2,437,139	442,750	1,994,389

The maturity analysis of lease liability is reflected in note 14.

23.3 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.

23.4 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.

23.5 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.

24 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Assets carried at amortized cost				
Investments	20,420,695	20,420,695	27,668,336	27,668,336
Security deposits	7,550,000	7,550,000	500,000	500,000
Cash and bank balances	129,924,439	129,924,439	109,138,229	109,138,229
Advances and other receivable	924,918	924,918	-	-
	158,820,052	158,820,052	137,306,565	137,306,565
Liabilities carried at amortized cost				
Lease liability	14,273,267	14,273,267	2,751,085	2,751,085
Accrued and other payables	3,221,447	3,221,447	2,437,139	2,437,139
	17,494,714	17,494,714	5,188,224	5,188,224

25 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.

	2025	2024
26 NUMBER OF EMPLOYEES	-----Numbers-----	
Permanent staff		
Number of employees at year end	92	49
Average number of employees	84	45
Project staff		
Number of employees at year end	1073	532
Average number of employees	949	458

27 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 22. 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	2025 Rupees	2024 Rupees
Mr. Asif Sandila	Chairman of the Board	Donation	600,971	127,613
Mr. Muhammad Musaddiq	Director	Donation	25,204,854	3,244,000
Mr. Foad Amin Baig	Chief Executive Officer	Donation	114,000	-
Mr. Hasan Sandila	Family Member-Chairman of the Board	Donation	300,000	-

MOAWIN FOUNDATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

28 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in its meeting held on
September 17, 2025.

29 GENERAL

29.1 Figures in these financial statements have been rounded off to the nearest Rupee.

29.2 The comparative figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison.



CHIEF EXECUTIVE



DIRECTOR