

## AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **MOAWIN FOUNDATION (the Association)** as at June 30, 2016 and the related income and expenditure account, statement of cash flows and statement of changes in accumulated fund together with the notes forming apart thereof, for the year then ended and we state that we obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Association's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Association as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of Association 's business; and
  - (iii) the business conducted and the expenditure incurred during the year were in accordance with the objects of the Association;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of cash flows and statement of changes in accumulated fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, given the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Association 's affairs as at June 30, 2016 and of the excess of income over expenditure, its cash flows and changes in accumulated fund for the year then ended.
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Islamabad  
October 09, 2016

*Danish Mehmood & Co.*

**Danish Mehmood & Co.**  
Chartered Accountants  
Danish Mehmood

**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
**FINANCIAL STATEMENTS**

**BALANCE SHEET**  
**AS AT JUNE 30, 2016**

	NOTE	2016 Rupees	2015 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	5,125,437	1,836,000
		<u>5,125,437</u>	<u>1,836,000</u>
<b>CURRENT ASSETS</b>			
Advance tax		145,252	15,123
Cash and bank balances	6	10,349,221	10,430,136
		<u>10,494,473</u>	<u>10,445,259</u>
<b>CURRENT LIABILITIES</b>			
Payable to Chief Executive	7	(1,300,000)	(1,000,000)
Trade and other payables	8	(105,000)	(30,000)
		<u>(1,405,000)</u>	<u>(1,030,000)</u>
<b>NET ASSETS</b>		<u><u>14,214,910</u></u>	<u><u>11,251,259</u></u>
<b>REPRESENTED BY:</b>			
Accumulated Fund		<u><u>14,214,910</u></u>	<u><u>11,251,259</u></u>
<b>Contingencies and Commitments</b>	9		

The annexed notes from 1 to 16 form an integral part of these financial statements.

*DMCA.*

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
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**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

		Jul 1, 2015 to Jun 30, 2016 (Rupees)	Oct 23, 2014 to Jun 30, 2015 (Rupees)
	Note		
<b>INCOME</b>			
Donation/Grants		4,656,526	11,820,780
Profit on fixed deposits		768,493	151,233
		5,425,019	11,972,013
<b>EXPENDITURE</b>			
Program activities	11	2,430,552	686,824
Administrative and general expenses	12	30,000	32,318
Financial charges	13	816	1,612
		2,461,368	720,754
<b>Excess of income over expenditure</b>		<b>2,963,651</b>	<b>11,251,259</b>

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**CHIEF EXECUTIVE**

  
**DIRECTOR**

**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
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**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Jul 1, 2015 to Jun 30, 2016 (Rupees)</u>	<u>Oct 23, 2014 to Jun 30, 2015 (Rupees)</u>
Balance at beginning of the year/period	11,251,259	-
Excess of income over expenditure for the year/period	<u>2,963,651</u>	<u>11,251,259</u>
<b>Balance at end of the year/period</b>	<b><u>14,214,910</u></b>	<b><u>11,251,259</u></b>

The annexed notes from 1 to 16 form an integral part of these financial statements.

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CHIEF EXECUTIVE

  
DIRECTOR

**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Jul 1, 2015 to Jun 30, 2016 (Rupees)	Oct 23, 2014 to Jun 30, 2015 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure	2,963,651	11,251,259
<b>Adjustment for non-cash items:</b>		
Depreciation	406,338	-
	3,369,989	11,251,259
<b>Working Capital Changes</b>		
Increase in advance tax	(130,129)	(15,123)
Increase in payable to Chief Executive	300,000	1,000,000
Increase in trade and other payables	75,000	30,000
	244,871	1,014,877
<b>Net cash flow from operating activities</b>	3,614,860	12,266,136
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(3,695,775)	(1,836,000)
<b>Net cash flow from investing activities</b>	(3,695,775)	(1,836,000)
Increase in cash and cash equivalents during the year/period	(80,915)	10,430,136
Cash and cash equivalents at the beginning of the year/period	10,430,136	-
<b>Cash and cash equivalents at the end of the year/period</b>	<b>10,349,221</b>	<b>10,430,136</b>

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

*DMCO.*

**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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**1 THE FOUNDATION AND ITS OPERATIONS**

Moawin Foundation (the Association) was incorporated on October 23, 2014, as an association not for profit under section 42 of the Companies Ordinance, 1984. The registered office of the Association is situated at House No. B-9, Navy Housing Scheme, F-11/1, Islamabad. The main objective of the Association is to improve standard of education/training at government schools and to employ good teachers, train them and make them teach well.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of the Accounting and Financial Reporting Standard (AFRS) for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

**3 BASIS OF PREPARATION**

These financial statements are prepared under the historical cost convention and by following accrual basis of accounting. Further, the financial statements are prepared on a going concern basis, which assumes that the Association will continue in operational existence for the foreseeable future.

Since, the Association was incorporated on October 23, 2014, therefore, the first set of financial statements covered the period from October 23, 2014 to June 30, 2015. Whereas, this set of financial statements is prepared for the year ended June 30, 2016. Hence the current year results are not entirely comparable to the amounts and disclosures presented under the period ended June 30, 2015.

**4 SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Overall considerations**

The significant accounting policies summarised below have been used in the preparation of these financial statements and are consistent with those used in the previous year.

These financial statements are prepared using the measurement bases specified by AFRS for SSEs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

**4.2 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Association operates. These financial statements are presented in Pak Rupees, which is the Association's functional and presentation currency.

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**FOR THE YEAR ENDED JUNE 30, 2016**

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**4.3 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances.

**4.4 Investments**

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortised cost, using the effective interest rate method less impairment losses, if so determined.

**4.4 Property & Equipment**

These are stated at cost less accumulated depreciation. Non current assets are depreciated by applying straight line method. Full month's depreciation is charged on additions while no depreciation is charged for the month in which the item is derecognized.

Normal repair and maintenance is charged to expenses as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of non current assets are taken to income & expenditure account.

**4.5 Donation Income**

Income from donations is recognised where there is reasonable assurance that the donation will be received and all attached conditions, if any, will be complied with.

**4.6 Taxation**

The Association is a non-profit organization and is exempt under section 100(C) of the Income Tax Ordinance, 2001.

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**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
**FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**5 PROPERTY & EQUIPMENT**

Description	Land	Solar System	Computers	Total
	Rupees	Rupees	Rupees	Rupees
<b>2015</b>				
<b>Cost</b>				
Balance at Oct 23, 2014	-	-	-	-
Additions/deletions	1,836,000	-	-	1,836,000
Balance at June 30, 2015	1,836,000	-	-	1,836,000
<b>Accumulated depreciation</b>				
Balance at Oct 23, 2014	-	-	-	-
Charge for the year	-	-	-	-
Balance at June 30, 2015	-	-	-	-
<b>Net book value</b>	<b>1,836,000</b>	<b>-</b>	<b>-</b>	<b>1,836,000</b>
<b>2016</b>				
<b>Cost</b>				
Balance at Jul 1, 2015	1,836,000	-	-	1,836,000
Additions/deletions	-	3,131,475	564,300	3,695,775
Balance at June 30, 2016	1,836,000	3,131,475	564,300	5,531,775
<b>Accumulated depreciation</b>				
Balance at Jul 1, 2015	-	-	-	-
Charge for the year	-	(390,662)	(15,676)	(406,338)
Balance at June 30, 2016	-	(390,662)	(15,676)	(406,338)
<b>Net book value</b>	<b>1,836,000</b>	<b>2,740,813</b>	<b>548,624</b>	<b>5,125,437</b>
Depreciation rates	0%	10% and 33%	33%	

	Note	2016 (Rupees)	2015 (Rupees)
<b>6 CASH AND BANK BALANCES</b>			
Cash in hand		81,805	83,018
Cash at bank - Current Account		267,416	347,118
- Fixed Deposit		10,000,000	10,000,000
		<u>10,349,221</u>	<u>10,430,136</u>
<b>7 PAYABLE TO CHIEF EXECUTIVE</b>			
Payable to Chief Executive - unsecured	7.1	<u>1,300,000</u>	<u>1,000,000</u>

7.1 This does not carry any interest and is repayable on demand.

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**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984**  
**FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Note	2016 (Rupees)	2015 (Rupees)
<b>8</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Accrued expenses	105,000	30,000

**9** **CONTINGENCIES AND COMMITMENTS**

The Prime Minister of Pakistan approved an amount of Rs. 50 million as financial assistance for the Association. During 2015 an amount of Rs. 10 million was released for financial year 2014-15. The management of the Association is in coordination with the Ministry of Finance and is optimistic that the remaining amount of Rs. 40 million will be released to the Association.

**10** **DONATION/GRANTS**

The donations are received from various individuals and institutions without any condition.

	Note	Jul 01, 2015 to Jun 30, 2016 (Rupees)	Oct 23, 2014 to Jun 30, 2015 (Rupees)
<b>11</b>	<b>PROGRAM ACTIVITIES - SCHOOLS</b>		
	Salaries and benefits	1,253,252	466,090
	Repair and maintenance	78,230	35,000
	School supplies	28,651	-
	Electric Supplies	6,960	22,000
	Telephone and petrol charges	32,000	-
	Printing and stationery	13,293	-
	Postage and communication	1,460	-
	Entertainment	43,990	-
	Shoes for students	119,368	85,040
	Uniform for students	215,582	78,694
	Construction activities	223,428	-
	Sewing machine for students	8,000	-
	Depreciation	406,338	-
		<u>2,430,552</u>	<u>686,824</u>

**12** **OPERATING EXPENSES**

	Printing & Stationery	-	318
	Web Hosting	-	2,000
	Auditor's remuneration	30,000	30,000
		<u>30,000</u>	<u>32,318</u>

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**MOAWIN FOUNDATION - Incorporated under Section 42 of the Companies Ordinance, 1984  
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Note	Jul 01, 2015 to Jun 30, 2016 (Rupees)	Oct 23, 2014 to Jun 30, 2015 (Rupees)
<b>13 FINANCIAL CHARGES</b>			
Bank service charges		816	1,612
		<u>816</u>	<u>1,612</u>

**14 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE**

No remuneration was paid to the Directors and Chief Executive of the Association during the year.

**15 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors in their meeting held on October 09, 2016

**16 GENERAL**

Figures have been rounded off to the nearest rupee.

*DMC*

  
CHIEF EXECUTIVE

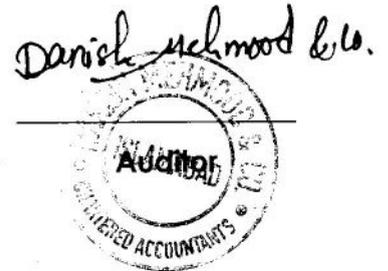
  
DIRECTOR

## ***Compliance Report with the Licensing Conditions***

This is to certify that M/s. Moawin Foundation has obtained necessary licence from Company Law Division - Securities and Exchange Commission of Pakistan to undertake the business activities as authorized in its memorandum of association and that the company is compliant with the conditions contained in licence to carry activities imposed by Company Law Division - Securities and Exchange Commission of Pakistan for the year ended June 30, 2016.



**Chief Executive**



**Auditor**

Date:

Place: Islamabad