Directors' Report

Introduction

Moawin Foundation is a non-profit organization that works to improve the quality of education in Pakistan and to equip young people in underserved communities with practical skills for life and livelihoods. The Foundation was established by Admiral Asif Sandila (HI, NI), former Chief of the Naval Staff, who currently serves as its Chairman.

The Foundation currently supports 341 government schools across Pakistan, benefiting more than 46,874 students. Most of these schools are located in rural and underserved communities, where access to quality education remains a challenge. Its work focuses on improving learning outcomes through teacher and school leadership development, strengthening science and technology education, improving school infrastructure and water, sanitation and hygiene (WASH) facilities, and supporting vulnerable communities through targeted educational initiatives.

The Foundation also operates 13 Vocational Training Institutes (VTIs), mainly in rural areas, which provide young people with market-relevant technical and vocational skills to improve their employment prospects and support sustainable livelihoods.

Financial Highlights

The financial results for the year, with comparative figures for 2025, are summarized below ie. Statement of Income & Expenditure.

	Note	2026 Rupees	2025 Rupees
INCOME			
Income recognized from restricted grant	13	**737,777,947**	691,799,963
Income recognized from zakat	14	**42,245,073**	9,706,588
Amortization of deferred capital grant	12	**1,293,634**	1,254,277
General donations	18	**6,100,067**	7,567,382
Other income	19	**28,347,375**	39,241,488
		815,764,096	749,569,698
EXPENDITURE			
Program expenses	20	**(833,343,267)**	(711,242,622)
Administrative expenses	21	**(14,689,863)**	(16,341,820)
Finance cost	22	**(1,179,049)**	(328,333)
		(849,212,179)	(727,912,775)
(Deficit)/surplus before taxation		**(33,448,083)**	21,656,923
Taxation	4.13.1	-	-
(Deficit)/surplus after taxation	13.2	**(33,448,083)**	21,656,923

Expansion of the School Portfolio

Over the past two years the Foundation has expanded its operations considerably, with the number of schools rising from 137 to 341. The additional schools were adopted under the Public Schools Reorganization Program (PSRP) of the Punjab Education Foundation (PEF) and the Public Schools

Support Program (PSSP) of the Punjab Education Initiatives Management Authority (PEIMA). They are located predominantly in underserved and economically disadvantaged areas of the Chakwal and Attock districts of Punjab. During the year under review, 30 schools were adopted under PSRP Phase-II in August 2025 and a further 24 under PSSP in September 2025. The one remaining Phase-I school was adopted in September 2026, after the year end. The current portfolio therefore comprises 150 PSRP Phase-I schools, 30 PSRP Phase-II schools and 24 PSSP schools.

At the time of adoption, many of these schools lacked basic infrastructure and essential facilities. Several buildings were in poor condition and required repair and rehabilitation, while a number of schools had inadequate furniture, clean drinking water, functional toilets and essential supplies. These deficiencies affected the learning environment and were among the factors contributing to low enrolment.

Expenditure during the Expansion Phase

As the project was in its initial expansion and consolidation phase, the Foundation incurred significant expenditure to address these deficiencies and to establish the operational capacity required across the enlarged portfolio. As a result, expenditure for the year exceeded the subsidy received under the project by approximately Rs. 33.448 million. The principal items of expenditure are set out in Table 1.

Table 1: Principal Items of Expenditure

Item	Amount (Rs.)
School supplies	5,282,149
School repair and maintenance	24,755,325
Training and development	1,128,538
Eco-friendly room	1,211,250

These costs were incurred mainly to bring the schools to an acceptable operational and learning standard and to build the capacity needed to manage a larger portfolio. During the year, approximately 30 schools were repaired and rehabilitated, 7 eco-friendly classrooms were added, 10 new rooms were constructed, and reverse osmosis (RO) water filtration plants were installed at three schools. Further investments were made in classroom facilities, furniture, WASH facilities and other essential requirements. The Foundation also recruited and trained qualified teachers, strengthened the capacity of Cluster Coordinators and Regional Teams, carried out school improvement activities, and conducted enrolment campaigns and community mobilization. Together with a continued focus on teaching and learning, these efforts contributed to a 38% increase in student enrolment during the year.

Outlook for Subsidy Realization

Management expects that these improvements, together with continued strengthening of teaching quality, teacher training, capacity building and community engagement, will support further growth in student enrolment and retention. At present, the PEF and PEIMA schools have an actual enrolment of approximately 8,300 students, whereas subsidy is being realized for approximately 5,100 students. This indicates significant scope to improve subsidy realization through the completion and regularization of student documentation, better attendance, enrolment growth, timely verification

and reconciliation of student records, and the other measures required under the respective programme frameworks.

Management therefore expects that improved subsidy realization, together with continued enrolment growth and operational efficiencies, will progressively strengthen the financial position of the PSRP and PSSP operations. The expenditure incurred during the expansion and consolidation phase has established the operational base of the enlarged portfolio, and management will continue to focus on converting this investment into better educational outcomes, higher eligible enrolment and improved subsidy realization, in support of the long-term sustainability of the programmes.

Programme Highlights

The Foundation's school network expanded during the year and now spans 23 districts, with approximately 46,874 students enrolled. More than 60% of the students are girls, with around 27,500 girls enrolled across the network.

The Foundation established 12 additional e-learning classrooms during the year, supported through its partnerships with Sabaq Foundation and Taleemabad. Three new Early Childhood Care and Education (ECCE) centers were also opened, bringing the total number of ECCE centers to 73.

The vocational training programme was also expanded, and the Foundation now operates 13 VTIs. These institutes offer training in a range of trades to help beneficiaries build sustainable livelihoods. Table 2 shows the number of beneficiaries by trade, and Table 3 summarizes the outcomes for trainees.

Table 2: Beneficiaries by Trade

S. No.	Trade	No. of Beneficiaries	Percentage
1	Beautician	831	22.45%
2	Stitching and Dress Making	1,381	37.30%
3	Motor Mechanic	405	10.94%
4	Electrical	251	6.78%
5	Shoe Making (Siddiq Leather and Urban Sole)	40	1.08%
6	Fruit Drying	410	11.08%
7	IT and Freelancing	312	8.43%
8	Tourism and Hotel Management	27	0.73%
9	Sui Dhaga	45	1.22%
	Total	3,702	100.00%

Table 3: Trainee Outcomes

Total Trainees	Self-Employed / Entrepreneurs	Employed	Loan Availed	Breakthrough / Success / Income Increased at Household Level
3,702	75.00%	9.90%	19.50%	85.90%

Governance and Internal Controls

The Board continued to strengthen the Foundation's governance arrangements and met once in each quarter of the year. The internal financial controls were reviewed by the external auditors, and no matters of significant concern or serious consequence were reported to the Board.

Board of Directors

S. No.	Name	Designation
1	Mohammad Asif Sandila	Chairman
2	Shahid Iqbal	Director
3	Hamid Ali Khan	Director
4	Syed Naser Ali Hamadani	Director
5	Sabina Mehtab Khatri	Director
6	Umbreen Arif	Director
7	Muhammad Musaddiq	Director

Principal Risks and Uncertainties

During the year, the Board mobilized donations of Rs. 814 million, which were sufficient to support the ongoing operations of the Foundation. The deficit of Rs. 33.448 million arose primarily from significant one-off expenditure on the improvement and rehabilitation of the infrastructure of the recently adopted 204 schools, as discussed under Financial Highlights. This expenditure was incurred as part of the Foundation's expansion and development plans and is expected to provide a sound base for the sustained growth and long-term viability of the schools.

Management is also pursuing a strategy to diversify the Foundation's resource base by broadening its donor base and developing additional sources of funding. This includes fundraising events in other countries and engagement with local philanthropists within Pakistan. These efforts are intended to strengthen the Foundation's financial sustainability and to reduce its reliance on a limited number of funding sources.

Based on management's assessment, there are currently no significant risks or uncertainties that are expected to have a material adverse impact on the operations or financial sustainability of the Foundation.

Auditors

The present statutory auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants, have completed the audit for the year ended June 30, 2026 and will retire at the conclusion of the 12th Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Audit Committee considered the matter and recommended their re-appointment for the financial year ending June 30, 2027, and the Board has endorsed that recommendation.

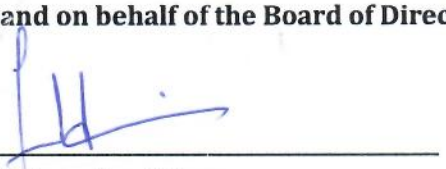
Conclusion

The year under review was one of significant expansion for Moawin Foundation. The school network now spans 23 districts, student enrolment rose by 38%, and the Foundation continued to extend its early childhood, e-learning and vocational programmes.

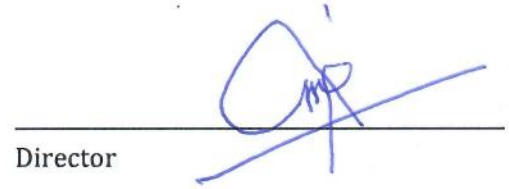
The deficit for the year reflects the decision to invest early in the condition of the newly adopted schools and in the capacity to manage them. This expenditure was largely one-off in nature, and the donations of Rs. 814 million mobilized during the year were sufficient to sustain the Foundation's operations. With the schools now brought to an acceptable standard, the Board's priorities for the coming year are to convert this investment into higher eligible enrolment and better subsidy realization, to keep improving learning outcomes, and to widen the donor base so that the Foundation's funding does not rest on a small number of sources.

The Board is grateful to the Foundation's donors and partners, including the Punjab Education Foundation, PEIMA, Sabaq Foundation and Taleemabad, and to the management and staff, whose work made these results possible. The Board remains confident that the Foundation is well placed to sustain its growth and to reach a larger number of children and young people in the years ahead.

For and on behalf of the Board of Directors



Chief Executive Officer



Director

Islamabad
Dated: September 30, 2026.