

**INSTITUTE OF DEVELOPMENT
AND ECONOMIC ALTERNATIVES**

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED JUNE 30, 2015**



AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Institute of Development and Economic Alternatives ("the Institute") as at June 30, 2015 and the related income and expenditure account, cash flow statement and statement of changes in accumulated funds together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Institute's management to establish and maintain a system of internal control, and prepare and present the above said statement 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 financial 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 account have been kept by the Institute 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 account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Institute's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Institute;


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- (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, cash flow statement, statement of changes in accumulated funds together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give 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 Institute's affairs as at June 30, 2015 and of the excess of expenditure over income, statement of changes in accumulated funds and its cash flows for the year then ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Islamabad,

30 OCT 2015


OMER ADIL & Co.
Chartered Accountants



Engagement Partner: Mr. Omer Adil (FCA)

**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
BALANCE SHEET
AS AT JUNE 30, 2015**

	Notes	2015 Rupees	2014 Rupees
Funds and Reserves			
General fund-unrestricted	3.	-	10,604,039
Endowment fund-restricted	4.	18,066,861	9,418,986
		18,066,861	20,023,025
Current Liabilities			
Creditors, accrued and other liabilities	5.	782,168	4,008,925
Unutilized grants	6.	83,912,106	608,269
		84,694,274	4,617,194
Contingencies and Commitments			
	7.	-	-
		<u>102,761,135</u>	<u>24,640,219</u>

Fixed Assets

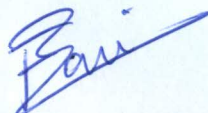
Operating assets

Notes	2015 Rupees	2014 Rupees
8.	2,518,945	1,926,506
Current Assets		
9.	834,699	383,162
10.	1,076,435	-
11.	553,724	282,950
12.	487,089	2,883,130
13.	97,290,243	19,164,471
	100,242,190	22,713,713
	<u>102,761,135</u>	<u>24,640,219</u>

Trade deposits and short term prepayments
Advances-unsecured
Advance income tax
Other receivables-unsecured
Cash and bank balances

The Auditor's report is set out on page 1 and 2.
The annexed notes on pages 7 to 13 form an integral part of these financial statements.

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 INCOME AND EXPENDITURE ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2015**

	Notes	2015 Rupees	2014 Rupees
INCOME			
Grants	14.	60,322,590	48,961,318
		<u>60,322,590</u>	<u>48,961,318</u>
EXPENDITURE			
Operating expense	15.	70,836,629	63,590,877
Other charges	16.	90,000	82,500
		<u>70,926,629</u>	<u>63,673,377</u>
Excess of expenditure over income for the year –		<u>(10,604,039)</u>	<u>(14,712,059)</u>

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CHIEF FINANCIAL OFFICER



DIRECTOR

INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
Cash Flows from Operating Activities		
Excess of expenditure over income for the year	(10,604,039)	(14,712,059)
Adjustments for non-cash items		
Depreciation	8. 795,234	691,178
	<u>(9,808,805)</u>	<u>(14,020,881)</u>
Movement in Working Capital		
Decrease / (increase) in current assets		
Trade deposits and short term prepayments	9. (451,537)	(94,697)
Advances-unsecured	10. (1,076,435)	258,218
Advance tax	11. (270,774)	(102,961)
Other receivables-unsecured	12. 2,396,041	(2,734,574)
	597,295	(2,674,014)
Increase in current liabilities		
Endowment fund-restricted	4. 8,647,875	7,901,871
Creditors, accrued and other liabilities	5. (3,226,757)	253,970
Unutilized grants	6. 83,303,837	(571,031)
	88,724,955	7,584,810
	<u>89,322,250</u>	<u>4,910,797</u>
Movement in working capital		
Net cash generated from / (used in) operating activities	79,513,445	(9,110,084)
Cash Flows from Investing Activities		
Payment for capital expenditure	8. (1,387,673)	(1,021,762)
Cash Flows from Financing Activities		
	-	-
Net (decrease) / increase in cash and cash equivalents	78,125,772	(10,131,846)
Cash and cash equivalents as at July 1	19,164,471	29,296,317
Cash and cash equivalents as at June 30	<u>97,290,243</u>	<u>19,164,471</u>

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CHIEF EXECUTIVE

G. J. M.

CHIEF FINANCIAL OFFICER

M. S. P.

DIRECTOR

**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT JUNE 30, 2015**

	General fund- unrestricted Rupees	Endowment fund- restricted Rupees	Total Rupees
Balance as on June 30, 2013	25,316,098	1,517,115	26,833,213
Excess of expenditure over income for the year ended June 30, 2014	(14,712,059)	-	(14,712,059)
Endowment fund-restricted	-	7,901,871	7,901,871
Balance as on June 30, 2014	10,604,039	9,418,986	20,023,025
Excess of expenditure over income for the year ended June 30, 2015	(10,604,039)	-	(10,604,039)
Endowment fund-restricted	-	8,647,875	8,647,875
Balance as on June 30, 2015	-	18,066,861	18,066,861

The Auditor's report is set out on page 1 and 2.

The annexed notes on pages 7 to 13 form an integral part of these financial statements.

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CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1. Status and Nature of Business

- 1.1 Institute of Development and Economic Alternatives ("the Institute") was registered in Pakistan on June 06, 2012 under section 42 of the Companies Ordinance, 1984, with its registered office at 19-A, FCC, Gulberg IV, Lahore.
- 1.2 The objectives of the Institute are to promote, assist, support, simulate, undertake and manage policy research and advocacy for the socio-economic development and economic alternatives and participate in local, regional and international research initiatives. Accordingly, the Institute intends to apply its profits and income towards the said objectives and the payment of dividend or any profit to its members is prohibited.

2. Summary of Significant Accounting Policies

2.1 Accounting convention

These accounts have been prepared under the historical cost convention on accrual basis of accounting.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard 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 directive of the Companies Ordinance, 1984 shall prevail. Moreover, these financials are also in compliance with Guideline for Accounting and Financial Reporting Framework By Non Government Organizations (NGOs) / Non-Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.3 Management responsibility for financial statements

The management of the Institute is responsible for the preparation and presentation of these financial statements. These financial statements of the Institute have been prepared for the period commencing from July 01, 2014 to June 30, 2015.

2.4 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises acquisition and other directly attributable cost.

Depreciation is calculated on a straight line method and charge to income and expenditure account to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 8.

Depreciation on addition in operating fixed assets is charged from the date of addition till the date of disposal.

Renewals and replacements are recognized in the carrying amount of the operating fixed assets if it is probable that future embodied economic benefits will flow to the Institute. Other maintenance and repairs are charged to the income and expenditure account. Gain or loss on disposal is taken to the income and expenditure account.

2.5 Receivables

These are stated at cost less provision for impairment. Known impaired receivables are written off, when identified. However, doubtful receivables or doubtful recoveries are fully provided for.

2.6 Foreign currency transactions and translations

Transactions denominated in foreign currencies are translated to Pak Rupees at the foreign exchange rate (average rate) ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates prevailing at the balance sheet date and the resultant exchange gains and losses are charged to income and expenditure account in the year in which they arise.

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**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

2.7 Off setting

Financial assets and liabilities are set off in the balance sheet, only when the Institute has a legally enforceable right to set off the recognized amounts and intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

2.8 Cash and cash equivalent

Cash comprises of cash in hand and demand deposits maintained with banks in current accounts.

2.9 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Institute's functional currency.

2.10 Taxation

The Institute's income representing donations, voluntary contributions from members/subscribers and profit on bank deposits if any, is exempt from income tax under Clause 58 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001.

2.11 Trade and other payables

Trade and other payables are stated at their cost.

2.12 Revenue Recognition

2.12.1 Restricted Grants

Restricted grants are accounted for as income when the institute complies with the conditions attaching thereon and the amount is receivable.

2.12.2 Unrestricted Grants

Unrestricted grants and consultancy income are recognized when they are received.

2.13 Endowment fund-restricted

Endowment Fund is held for the benefit of the organization as a capital fund. The income earned from such funds should be utilized for restricted or other purposes of the organization. Expenses incurred related to the endowment fund will be charged to income and expenditure account and equal portion from the fund shall be charged to income & expenditure account as well. Any surplus amount and income generated from bank deposits will be accumulated to the Endowment Fund.

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**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

	Notes	2015 Rupees	2014 Rupees
3. General fund-unrestricted			
Opening balance		10,604,039	25,316,098
Surplus / (deficit) for the year		(10,604,039)	(14,712,059)
Closing balance		-	10,604,039
4. Endowment fund-restricted			
Opening Balance	4.1	9,418,986	1,517,115
TEP Project-AlifAilaan	4.2	-	656,100
EDC USAID Project	4.3	-	2,709,048
Social Audit training project	4.4	-	821,223
DAI ILM Ideas	4.5	3,268,315	-
UNDP	4.6	1,371,306	-
Auto Sector - World Bank	4.7	2,121,000	-
Exchange gain		1,240,892	2,854,373
Profit on bank deposits		646,363	861,128
		8,647,875	7,901,872
		18,066,861	9,418,986
4.1	It is established with the aim to make IDEAS self-sustainable and give it greater financial autonomy. The Fund's mission is to build a substantial asset base for future, the income from which will ensure seamless running of IDEAS affairs for achieving its stated goals.		
4.2	It represent the institutional overheads from TEP Project-AlifAilaan.		
4.3	It represent the institutional overheads from EDC USAID Project.		
4.4	It represent the institutional overheads from Social Audit training project.		
4.5	It represent the institutional overheads from DAI ILM Ideas Project.		
4.6	It represent the institutional overheads from UNDP Project.		
4.7	It represent the institutional overheads from Auto Sector - World Bank Project.		
5. Creditors accrued and other liabilities			
Accrued liabilities		-	842,464
Auditor's remuneration		81,000	82,500
Other liabilities		701,168	3,083,961
		782,168	4,008,925
6. Unutilized grants			
Unutilized grants OSI		74,432,081	608,269
Unutilized grants UNDP		-	-
Unutilized grants IGC		1,973,968	-
Unutilized grants DAI ILM		3,755,711	-
Unutilized grants Auto Sector		3,750,346	-
		83,912,106	608,269
7. Contingencies and Commitments			
Contingencies and Commitments	7.1.	-	-
		-	-
7.1	There were no contingencies and commitments for the year ended June 30, 2015 (2014: NIL)		

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INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED JUNE 30, 2015

8. OPERATING FIXED ASSETS

PARTICULARS	COST					DEPRECIATION				WDV	
	As at 01-07-2014	Additions	(Deletions)	As at 30-06-2015	Rate %	As at 01-07-2014	for the year	(Deletions)	As at 30-06-2015	As at 30-06-2015	
Furniture, Fixture & Furnishing	1,383,394	856,223	-	2,239,617	20%	454,232	286,932	-	741,164	1,498,453	
Office Equipment	295,849	113,490	-	409,339	20%	125,204	77,142	-	202,346	206,993	
Computer equipment	1,132,507	74,880	72,400	1,134,987	33%	592,131	310,850	72,400	830,581	304,406	
Mobile Phones	118,144	120,000	-	238,144	50%	32,464	69,251	-	101,715	136,429	
Air Conditioner	137,275	223,080	-	360,355	20%	20,073	28,555	-	48,628	311,727	
Telephone & fax Exchange	44,525	-	-	44,525	20%	15,298	8,905	-	24,203	20,322	
Vehicles	68,000	-	-	68,000	20%	13,786	13,600	-	27,386	40,614	
June 30, 2015	3,179,694	1,387,673	72,400	4,494,967		1,253,188	795,234	72,400	1,976,022	2,518,945	
June 30, 2014	2,157,932	1,021,762	-	3,179,694		562,010	691,178	-	1,253,188	1,926,506	

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INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
9. Trade deposits and short term prepayments			
Security deposit		200,000	200,000
Short term prepayments		634,699	183,162
		<u>834,699</u>	<u>383,162</u>
10. Advances-unsecured			
Advance to employees		-	-
Advance to suppliers		1,076,435	-
		<u>1,076,435</u>	<u>-</u>
11. Advance Income Tax			
Advance tax-Cash withdrawal		12,840	12,122
Advance tax-profits		223,668	112,751
Advance tax-grants		304,224	150,000
Advance tax-telephone bill		12,992	8,077
		<u>553,724</u>	<u>282,950</u>
12. Other receivables-unsecured			
Receivable from CERP-BCURE		255,000	312,730
Receivable from SAHE		232,089	-
Receivable from FOSIP		-	2,570,400
		<u>487,089</u>	<u>2,883,130</u>
13. Cash & Bank Balances			
Cash with banks - deposit accounts			
Local currency		11,574,896	6,442,137
Foreign currency		85,715,347	12,722,334
		<u>97,290,243</u>	<u>19,164,471</u>
14. Income			
Grant-restricted	14.1	31,430,724	25,251,988
Grant-unrestricted	14.2	28,891,866	23,709,329
		<u>60,322,590</u>	<u>48,961,318</u>
14.1 Grant-restricted			
EDC USAID Project		-	3,187,452
Grant received from OSI		7,791,172	22,064,536
Grants received from Auto Sector		1,859,654	-
Grants received from DAI-ILM		19,918,044	-
Grants received from UNDP		1,861,854	-
		<u>31,430,724</u>	<u>25,251,988</u>
14.2 Grant-unrestricted			
Grant received from OSI		28,891,866	23,709,329
		<u>28,891,866</u>	<u>23,709,329</u>

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INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

15. OPERATING EXPENSES

PARTICULARS	UN- RESTRICTED	RESTRICTED							TOTAL RESTRICTED	2015 CONSOLIDATED	2014 CONSOLIDATED
	GENERAL	CRIME MAPPING	DYNASTIC POLITICS	Ph.D CANDIDATE ENGAGEMENT PROGRAM	SKILLS PROJECT	AUTO SECTOR	DAI - ILM	UNDP			
Boarding and lodging charges	80,142	-	-	-	-	65,000	449,233	-	514,233	594,375	1,663,914
Communication charges	39,000	-	-	-	-	-	-	-	-	39,000	620,460
Consultancy charges	-	-	-	-	-	1,600,000	8,107,170	1,320,000	11,027,170	11,027,170	618,040
Depreciation charge	795,234	-	-	-	-	-	-	-	-	795,234	691,178
Outreach / Seminar Expenses	120,572	-	-	-	-	-	696,737	-	696,737	817,309	-
Field expense	-	-	-	1,322,182	12,879	-	-	-	1,335,061	1,335,061	10,408,507
Insurance expense	193,695	-	-	-	-	-	-	-	-	193,695	218,489
Legal charges	449,865	-	-	-	-	-	-	-	-	449,865	402,050
Office supplies	141,778	-	-	-	-	-	-	-	-	141,778	37,607
Other charges	795,377	-	-	-	12,250	-	203	-	12,453	807,830	3,493,665
Postage and courier charges	20,807	-	603	-	-	-	9,342	-	9,945	30,752	33,712
Printing & stationery charges	134,773	1,962	35,400	-	-	930	25,205	-	63,497	198,270	141,010
Professional fees	1,286,918	-	-	-	-	-	-	-	-	1,286,918	4,103,300
Rent, rates and taxes	1,658,150	-	-	-	-	-	-	-	-	1,658,150	1,673,433
Repair and maintenance charges	382,978	-	-	-	-	-	-	-	-	382,978	115,335
Salaries and benefits	31,305,109	5,108,657	1,203,560	-	-	-	9,415,657	540,000	16,267,874	47,572,983	37,566,000
Travelling and conveyance	818,525	22,731	70,948	-	-	193,723	1,214,497	1,854	1,503,753	2,322,278	1,415,427
Utilities	1,182,983	-	-	-	-	-	-	-	-	1,182,983	388,750
	39,405,906	5,133,350	1,310,511	1,322,182	25,129	1,859,653	19,918,044	1,861,854	31,430,723	70,836,629	63,590,877

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**INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Note	<u>2015 Rupees</u>	<u>2014 Rupees</u>
16. Other charges			
Auditor's remuneration		90,000	82,500
		<u>90,000</u>	<u>82,500</u>
17. Number of Employees		<u>26</u>	<u>18</u>

18. Date of authorization

These financial statements were authorized for issue by Board of Directors on 30 OCT 2015. The financial statements are issued by the express approval of the under-signed for the purpose of approval by the Board of Directors who shall ratify or amend the same, as may be prescribed.

19. General

19.1 Figures have been rounded off to the nearest rupee.

19.2 Comparison figures have been re-stated, whenever necessary, for the purpose of comparison.

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR