

**INSTITUTE OF DEVELOPMENT
AND ECONOMIC ALTERNATIVES**

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED JUNE 30, 2017**



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, 2017 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, 2017 and of the excess of expenditure over income, its cash flows and changes in accumulated funds for the year then ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Islamabad,

05 OCT 2017

OMER ADIL & Co.
Chartered Accountants

Engagement Partner: Mr. Omer Adil (FCA)

Institute of Development and Economic Alternatives
 Balance Sheet
 As at June 30, 2017

Amounts in PKR

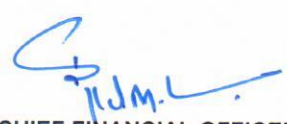
	Note	June 30, 2017	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,379,544	1,803,622
Current assets			
Trade deposits and short-term prepayments	4	1,443,117	820,380
Advance income tax	5	817,533	685,014
Other receivables	6	2,310,963	3,765,829
Cash and bank balances	7	115,346,856	41,584,654
		119,918,469	46,855,877
Total assets		121,298,013	48,659,499
EQUITY AND LIABILITIES			
General fund	8	-	-
Endowment fund	9	37,685,958	27,090,114
Non-current liabilities			
Unutilized grant	10	81,855,663	17,383,768
Current liabilities			
Trade and other payables	11	1,756,392	4,185,617
Contingencies and commitments	12	-	-
Total equity and liabilities		121,298,013	48,659,499

The Auditor's report is set out on pages 1 and 2.
 The annexed notes 1 to 29 form an integral part of these financial statements.

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Institute of Development and Economic Alternatives
Statement of Income and Expenditure
For the year ended June 30, 2017

		Amounts in PKR	
	Note	For the year ended June 30, 2017	For the year ended June 30, 2016
Income			
Restricted grant			
<i>for projects</i>	13	76,743,157	36,030,289
<i>for operations</i>	13	10,902,788	-
Un restricted grant	13	7,673,078	60,764,829
Other income	14	2,922,766	2,980,710
		98,241,789	99,775,828
Expenses			
Project expenses	15	(76,743,157)	(36,030,289)
Operating expenses	15	(10,793,788)	(54,623,286)
Other charges	16	(109,000)	(99,000)
		(87,645,945)	(90,752,575)
Excess / (deficit) of income over expenditure for the year		10,595,844	9,023,253

The Auditor's report is set out on pages 1 and 2.
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CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Institute of Development and Economic Alternatives
 Statement of Other Comprehensive Income
 For the year ended June 30, 2017

	Note	For the year ended June 30, 2017	Amounts in PKR For the year ended June 30, 2016
Excess / (deficit) of income over expenditure for the year		10,595,844	9,023,253
Other comprehensive income		-	-
Total comprehensive income for the year		10,595,844	9,023,253

The Auditor's report is set out on pages 1 and 2.
 The annexed notes 1 to 29 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Institute of Development and Economic Alternatives
Cash Flow Statement
For the year ended June 30, 2017

		Amounts in PKR	
	Note	For the year ended June 30, 2017	For the year ended June 30, 2016
Cash flows from operating activities			
Excess / (deficit) of income over expenditure for the year		10,595,844	9,023,253
Adjustments for;			
Depreciation	3.1	803,286	1,023,022
Exchange gain	16	2,150,824	2,022,864
Difference of cost of deletion and related accumulated depreciation		4,620	11,789
		13,554,574	12,080,928
Movement in Working Capital			
Decrease / (Increase) in current assets			
Other receivables		1,454,866	(3,278,740)
Advances		-	1,076,435
Trade deposits and short-term prepayments		(622,737)	(131,290)
Advance income tax		(132,519)	14,319
		-	-
		699,610	(2,319,276)
(Decrease) / Increase in current liabilities			
Creditors, accrued and other liabilities		(2,429,225)	3,403,449
Net cash generated from operating activities		11,824,959	13,165,102
Cash Flows from Investing Activities			
Payments for capital expenditure	3.1	(383,828)	(319,489)
Net cash (used in) investing activities		(383,828)	(319,489)
Cash Flows from Financing Activities			
Unutilized grants		64,471,895	(66,528,338)
Net cash generated from / (used in) financing activities		64,471,895	(66,528,338)
Net increase / (decrease) in cash and cash equivalents		75,913,026	(53,682,725)
Cash and cash equivalents at the beginning of the year		41,584,654	97,290,243
Effect of foreign currency gain		(2,150,824)	(2,022,864)
Cash and Cash Equivalents as at June 30		115,346,856	41,584,654

The Auditor's report is set out on pages 1 and 2.
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CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Institute of Development and Economic Alternatives
 Statement of Changes in Accumulated Funds
 For the year ended June 30, 2017

Amounts in PKR

	General fund	Endowment fund	Total
Balance as at June 30, 2015	-	18,066,861	18,066,861
Excess / (deficit) of income over expenditure for the year	9,023,253		9,023,253
Transferred to endowment fund	(9,023,253)	9,023,253	-
Balance as at June 30, 2016	-	27,090,115	27,090,115
Excess / (deficit) of income over expenditure for the year	10,595,844		10,595,844
Transferred to endowment fund	(10,595,844)	10,595,844	-
Balance as at June 30, 2017	-	37,685,958	37,685,958

The Auditor's report is set out on pages 1 and 2.
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 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

1 Status and Nature of Business

Institute of Development and Economic Alternatives ("the Institute") was registered in Pakistan on June 06, 2012 under section 42 of the Companies Ordinance, 1984 as an association for not for profit. 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.

The registered office of the Company is situated at 19-A, FCC, Gulberg IV, Lahore.

These financial statements cover only the individual activities of Institute of Development and Economic Alternatives.

2 Summary of Significant Accounting Policies

Following are the details of significant accounting policies applied:

2.1 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 Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under Companies Ordinance, 1984. In case requirements differ, the provisions or directive of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

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

The preparation of financial statements in conformity with approved accounting standards requires management make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and based on historic experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

2.3 Management responsibility for financial statements

The Management of the Company is responsible for the preparation and presentation of financial statements. These financial statements of the Company have been prepared for the year from July 01, 2016 to June 30, 2017.

2.4 Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2.5 Foreign currency translations

Transactions denominated in foreign currencies are translated to Pak Rupees at the foreign exchange rate (average rate) ruling at the last day of the preceding month. Monetary assets and liabilities in foreign currencies are re-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 statement of income and expenditure in the year in which they arise.

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

2.6 Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Depreciation charge is based on straight-line method at the rates mentioned in the note 3 of these financial statements, whereby the cost of an asset is written off to statement of income and expenditure over its estimated useful life without taking into account any residual value, if material. Depreciation on additions is charged from the month in which the asset is available for use and on disposal up to the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the assets are reviewed at each balance sheet date and adjusted, if appropriate.

Normal repairs, maintenance, renewals and improvements are charged to statement of income and expenditure as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of property, plant and equipment are taken to the statement of income and expenditure in the year of disposal.

2.7 Trade debts and other receivables

Trade debts and other receivable are recognized at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

2.8 Taxation

Current

The Company is eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Company on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001.

2.9 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and current and deposit accounts held with banks.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.10 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in statement of income and expenditure and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of income and expenditure.

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset 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. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs 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 assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of income and expenditure.

Impairment losses recognized in prior periods are 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.

2.11 Trade and other payables

Trade and other payables are recognized initially at fair value net of directly attributable cost, if any.

2.12 Borrowings and their cost

Borrowings are recognized initially at fair value, net of transaction cost incurred. All types of borrowing costs are charged to statement of income and expenditure as and when incurred.

2.13 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, reliable estimate can be made of obligation. The amount recognized as a provision reflect the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.14 Financial assets and liabilities

All financial assets and liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost

2.15 Revenue recognition

2.15.1 Restricted Grants

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

2.15.2 Unrestricted Grants

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

2.15.3 Interest

Interest income on bank accounts and investment is recognized on a time apportionment basis that takes into account the effective yield on the respective bank balances and investments.

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

2.16 Related party relationships and transactions

All known related party relationships are disclosed in these financial statements. Transactions with related parties, if any, are entered into and recorded on an arm's length basis at fair value.

2.17 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These are derecognized when the Company ceases to be party to contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at fair value. These financial assets and financial liabilities are subsequently measured at amortized cost.

2.18 Financial expense and financial income

Financial expenses comprise foreign currency losses and markup/interest expense on borrowings. Markup / interest expense on borrowings is recognized as it accrues in the statement of income and expenditure, using the effective interest method. Financial income comprises interest income on funds invested. Markup / interest income is recognized as it accrues in statement of income and expenditure, using the effective interest rate method.

2.19 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is, legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.20 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 purposes of the organization with approval of Board of Directors. 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 will be accumulated to the Endowment Fund.

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
		As at June 30, 2017	As at June 30, 2016
		Note	
3	Property, plant and equipment	3.1	1,379,544
			1,803,622

3.1 Following is the statement of property, plant and equipment:

Particulars	Cost				Rate %	Depreciation			Written Down Value As at June 30, 2017	
	As at July 01, 2016	Additions during the year	Deletions during the year	As at June 30, 2017		As at July 01, 2016	Charge for the year	Deletions during the year		As at June 30, 2017
Furniture, fixtures and fittings	2,275,570	22,240	-	2,297,810	20	1,148,711	394,100	-	1,542,811	754,999
Office equipment	323,190	50,500	-	373,690	20	182,970	61,428	-	244,400	129,290
Computer equipment	1,274,387	84,608	-	1,358,995	33	1,095,981	136,946	-	1,232,927	126,068
Mobile Phones	166,500	119,000	(140,000)	145,500	50	103,604	77,588	(135,380)	45,812	99,688
Air Conditioner	467,555	107,480	-	575,035	20	210,744	110,720	-	321,464	253,571
Telephone & fax exchange	44,525	-	-	44,525	20	33,107	8,904	-	42,011	2,514
Vehicles	68,000	-	-	68,000	20	40,986	13,600	-	54,586	13,414
June 30, 2017	4,619,727	383,828	(140,000)	4,863,555		2,816,103	803,286	(135,380)	3,484,011	1,379,544
June 30, 2016	4,494,967	319,489	194,729	4,619,727		1,976,022	1,023,022	182,940	2,816,103	1,803,622

3.2 The depreciation charge for the year has been allocated as follows

Expenditure - note 15	803,286	1,023,022
	803,286	1,023,022

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
	Note	As at June 30, 2017	As at June 30, 2016
4	Trade deposits and short-term prepayments		
	Security deposit - office	600,000	600,000
	Short-term prepayments		
	- rent	605,000	-
	- insurance	238,117	220,380
		843,117	220,380
		1,443,117	820,380
5	Advance income tax		
	Cash withdrawal	25,877	25,630
	Profits on banks	375,086	297,892
	Grants	304,224	304,224
	Others	96,069	41,761
	Telephone	16,277	15,507
		817,533	685,014
6	Other receivables		
	Considered good		
	Receivables from implementing partners	6.1	
		2,310,963	3,765,829
6.1	Receivable from CERP	46,230	201,885
	Receivable from ESRC	466,616	3,466,788
	Receivable from CDPR	124,837	97,156
	Receivable from JPAL USI	460,585	-
	Receivable from World Bank	62,760	-
	Receivable from ADB	75,925	-
	Receivable from Cambridge	219,521	-
	Receivable from IDS - Women Elect. Account	43,500	-
	Receivable from IDS- General	114,700	-
	Receivable from IDS- MAVC	295,367	-
	Receivable from British Council	400,922	-
	Considered doubtful	-	-
		2,310,963	3,765,829
7	Cash and bank balances		
	Cash with banks - local currency		
	- saving account	10,035,067	15,768,338
	Cash with banks - foreign currency		
	- saving account	105,311,789	25,816,316
	Cash in hand - PKR	-	-
		115,346,856	41,584,654
8	General Fund		
	Opening balance	-	-
	Excess / (deficit) of income over expenditure for the year	10,595,844	9,023,253
	Transferred to endowment fund	(10,595,844)	(9,023,253)
	Closing balance	-	-

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
	Note	As at June 30, 2017	As at June 30, 2016
9	Endowment fund-restricted		
		27,090,114	18,066,861
		10,595,844	9,023,253
		37,685,958	27,090,114
9.1	Overheads from projects		
	- DAI ILM Ideas	-	257,951
	- UNDP	-	753,264
	- Auto Sector-World Bank Project	-	3,231,895
	- RPA Education commission	-	409,276
	- ESRC-Cambridge University Project	-	1,390,157
	- CUTS-University of Cambridge	40,499	-
	- ESRC Impact Fund	425,607	-
	- IDS E&A program	888,392	-
	- IDS-Sussex MAVC	719,975	-
	- IGC-Local Govt	2,230,308	-
	- IRD Deworming	796,439	-
	- World Bank SABER	408,291	-
	- USIP	2,163,567	-
	Profit on sale of assets	-	60,711
	Exchange gain	2,150,824	2,022,864
	Profit on bank deposits	771,942	897,135
		10,595,844	9,023,253
9.2	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.		
10	Unutilized grant		
	Opening balance	17,383,768	83,912,106
	Funds received during the year	158,636,475	30,266,780
	Charged to grant revenue	(86,917,110)	(90,752,575)
	Charged to endowment fund	(7,247,470)	(6,042,543)
	Closing balance	81,855,663	17,383,768
10.1	Unutilized grants OSF	72,377,254	-
	Unutilized grants Dynastic Politics	-	1,459,432
	Unutilized grants Crime Mapping	3,615,352	7,396,224
	Unutilized grants Ph.D. Candidate Engagement Program	995,300	995,300
	Unutilized grants IGC-Teacher hiring	4,342,757	1,631,657
	Unutilized grants USIP	525,000	5,901,155
		81,855,663	17,383,768
11	Trade and other payables		
	Accrued liabilities	187,568	209,000
	Other liabilities	1,568,824	3,976,617
		1,756,392	4,185,617
12	Contingencies and commitments		
	Contingencies and commitments	12.1	-
12.1	There were no contingencies and commitments for the year end. (2016:NIL)		

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
		As at June 30, 2017	As at June 30, 2016
		Note	
13	Revenue		
	Restricted grant	13.1	87,645,945
	Un - restricted grant	13.2	36,030,289
			7,673,078
			95,319,023
13.1	Restricted grant		
	For projects		76,743,157
	For operations		36,030,289
			10,902,788
		15	87,645,945
13.2	Un restricted grant		
	Grant received from OSI		-
	Institutional overheads		54,722,286
			7,673,078
			7,673,078
14	Other income		
	Profit on sale of assets		-
	Exchange gain		60,711
	Profit on bank deposits		2,022,864
			771,942
			2,922,766

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15 Expenditure

PARTICULARS	Operating Expenses	Project Expenses																	TOTAL Project Expenses	30th June, 2017 CONSOLIDATED	30th June, 2016 CONSOLIDATED			
		OSF	LWYT Project	CRIME MAPPING	DYNASTIC POLITICS	IDS-MAVC Project	IGC Local Govt.	British Council	JPAL-USI	USIP	CUTS-Cambridge	ESRC Impact	CERP BCURE	IDS Women Elec Project	IDS E&A program-Inception phase	World Bank Saber Project	IRD Project	ADB				ESRC		
Advertising Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,490
Boarding and lodging charges	19,500	-	-	3,485	-	10,450	-	-	-	-	-	142,421	-	-	-	-	-	-	-	6,910	163,266	182,766	773,413	
Communication charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	680,950	-	-	-	-	-	-	-	636,525	-	-	-	-	-	-	-	-	1,865,504	3,182,979	3,182,979	12,413,170	
Depreciation charge	803,286	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	803,286	1,023,022	
Outreach / Seminar Expenses	-	-	-	-	-	-	-	-	-	-	-	107,145	-	-	-	-	-	75,925	-	183,070	183,070	1,164,546		
Field Expenses	-	-	-	1,450,000	-	470,442	-	950,000	-	6,221,500	-	-	-	-	-	-	-	-	6,376,207	15,468,149	15,468,149	7,855,246		
Insurance expense	59,081	151,111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,111	210,192	165,681		
Legal Fees	528,925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	528,925	782,405		
Office supplies	67,593	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,593	103,659		
Other charges	144,068	1,060,808	4,675	11,125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,076,608	1,220,676	1,200,537		
Postage and courier charges	28,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,140	3,140	31,280	89,126		
Printing & stationery charges	25,337	71,075	2,000	-	-	3,350	-	-	-	-	-	-	-	-	-	-	-	150	83,649	160,224	186,561	1,143,072		
Professional fees	334,880	1,217,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,217,091	1,551,971	1,209,142		
Rent, rates and taxes	662,750	1,988,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,988,250	2,651,000	2,411,980		
Repair and maintenance charges	230,112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,112	748,612		
Salaries and benefits	7,315,532	38,219,472	-	2,200,107	1,459,432	1,545,773	365,761	87,000	440,000	1,835,500	-	-	810,000	-	644,891	-	648,945	-	1,746,000	50,002,881	57,318,413	55,625,269		
Travelling and conveyance	218,378	797,654	266,288	116,155	-	20,446	-	23,922	20,585	-	-	63,920	-	43,500	-	14,319	-	-	714,089	2,080,878	2,299,256	2,563,619		
Utilities	355,206	1,065,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,065,510	1,420,716	1,315,586		
Total	10,793,788	44,570,971	953,913	3,780,872	1,459,432	2,050,461	365,761	1,060,922	460,585	8,057,000	636,525	313,486	810,000	43,500	644,891	14,469	648,945	75,925	10,795,499	76,743,157	87,536,945	90,653,575		

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
	Note	As at June 30, 2017	As at June 30, 2016
16	Other charges		
	Auditor's remuneration - statutory audit fee	109,000	99,000

17 Taxation

As per sub-section 2 of section 100C, non-profit organizations, trust or welfare organization shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provision of Income Tax Ordinance, 2001, subject to the following conditions, namely:

- a) return has been filed;
- b) tax required to be deducted or collected has been deducted or collected and paid; and
- c) withholding tax statements for the immediately preceding tax year have been filed.
- d) the administrative and management expenditure does not exceed 15% of the total receipt.

The operations for the Company fall within the purview of clause (a) & (e) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001 and the Institute intends to comply with the above-mentioned requirements, hence the Company will be eligible to claim tax credit equal to one hundred percent of the tax payable on donations and interest income on investments by the Company. Tax credit of one hundred percent is allowed under Section 100C of Income Tax Ordinance, 2001 in respect of tax payable including final taxes payable and consequently no charge has been recognized in these financial statement for the period ended June 30, 2017.

18 Related party relationships and transactions

The related parties comprise of directors, key management personnel and entities over the which the directors are able to exercise influence.

Remuneration of chief executive and company secretary are also disclosed separately in the note 18.

19 Remuneration to Chief Executive & Company Secretary

The aggregate amount charged in these financial statements in respect of remuneration to the chief executive and company secretary as given below.

Remuneration to chief executive (No of person:1)	9,600,000	8,310,000
Remuneration to company secretary (No of person:1)	5,636,800	5,284,800
	15,236,800	13,594,800

20 Fair value of financial assets and liabilities

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

Financial assets	118,257,819	45,950,483
Financial liabilities	1,756,392	4,185,617
Net financial assets / (liabilities)	116,501,427	41,764,866

21 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk associated with various financial assets and liabilities respectively, as referred to in notes 22 to 25 below. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

Amounts in PKR

22 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk .

22.1 Interest / Mark up Rate Risk Management

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income bearing financial assets and interest / mark-up bearing financial liabilities, the following table indicates their effective interest / mark-up rates at the balance sheet date and the periods in which they will re-price or mature:

	Effective mark up rates (%)	Interest / Mark-up bearing			Non-Interest / Mark-up bearing			Total
		Maturity up to one year	Maturity one to five years	Sub-total	Maturity up to one year	Maturity one to five years	Sub-total	
Financial assets								
Trade deposits		-	-	-	-	600,000	600,000	600,000
Other receivables		-	-	-	2,310,963	-	2,310,963	2,310,963
Cash and bank balances	3 - 4	115,346,856	-	115,346,856	-	-	-	115,346,856
		<u>115,346,856</u>	<u>-</u>	<u>115,346,856</u>	<u>2,310,963</u>	<u>600,000</u>	<u>2,910,963</u>	<u>118,257,819</u>
Financial liabilities								
Trade and other payables		-	-	-	1,756,392	-	1,756,392	1,756,392
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,756,392</u>	<u>-</u>	<u>1,756,392</u>	<u>1,756,392</u>
Net financial assets / (liabilities) - Jun. 30, 2017		<u>115,346,856</u>	<u>-</u>	<u>115,346,856</u>	<u>554,571</u>	<u>600,000</u>	<u>1,154,571</u>	<u>116,501,427</u>
Net financial assets / (liabilities) - Jun. 30, 2016		<u>41,584,654</u>	<u>-</u>	<u>41,584,654</u>	<u>(419,788)</u>	<u>600,000</u>	<u>180,212</u>	<u>41,764,866</u>

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Institute of Development and Economic Alternatives
Notes to the Financial Statements
For the year ended June 30, 2017

		Amounts in PKR	
		As at June 30, 2017	As at June 30, 2016
		Note	
23	Foreign currency risk		
	Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. The Company considered the foreign currency risk to be immaterial currently.		
24	Credit risk		
	Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed completely to perform as contracted.		
	The Company's credit risk is primarily attributable to its placements with banks. The Company's placements are with banks having credit rating of A and above. Due to the high credit worthiness of counter parties the credit risk is considered minimal.		
25	Liquidity risk		
	Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for meeting new commitments and requirements. As a result the Company saw a significantly improved cash flows from all the operations and hence liquidity risk is considered minimal.		
26	Cash and cash equivalents at the end of the year		
	Cash and bank balances	7	115,346,856
			41,584,654
27	Number of employees		
	The number of employees as of balance sheet date		29
			27
	Average number of employees during the year		29
			27

28 Date of authorization

These financial statements were authorized by Board of Directors on 05 OCT 2017. These financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.

29 General

Figures have been rounded off to the nearest rupee.

Comparative figures have been re-stated, wherever necessary, for the purposes of comparison.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR