

**INSTITUTE OF DEVELOPMENT
AND
ECONOMIC ALTERNATIVES**

FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED JUNE 30, 2018**



INDEPENDENT AUDITOR'S REPORT

To the members of Institute of Development and Economic Alternatives

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Institute of Development and Economic Alternatives** ("the Company"), which comprise the statement of financial position as at June 30, 2018, and income and expenditure statement, and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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, statement of profit or loss and other comprehensive income or the income or expenditure statement, the statement of changes in equity 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 Company's affairs as at June 30, 2018 and of the surplus and other comprehensive income, the changes in equity 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 Company 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 / Institute of Cost and management Accountants (the Code)^{iv} 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.

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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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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 Company'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

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or conditions that may cast significant doubt on the Company'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 Company 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 account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement and other comprehensive income, the statement of changes in equity 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 account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company'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 Mr. Omer Adil, FCA.

Omer Adil

Islamabad

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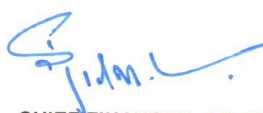
Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Statement of Financial Position
As at June 30, 2018

		Amounts in PKR	
	Note	June 30, 2018	June 30, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	944,790	1,379,544 ✓
Current Assets			
Trade Deposits and short-term prepayments	4	1,506,054	1,443,117 ✓
Advance income tax	5	1,667,763	817,533 ✓
Other receivables	6	4,969,529	2,310,963 ✓
Cash and bank balances	7	73,788,633	115,346,856 ✓
		81,931,979	119,918,469 ✓
Total Assets		82,876,769	121,298,013
EQUITY AND LIABILITIES			
General fund	8	-	-
Endowment fund	9	57,141,078	37,685,958
		57,141,078	37,685,958
Non-current liabilities			
Unutilized grant	10	21,416,009	81,855,663
Current liabilities			
Trade and other payables	11	4,319,682	1,756,392
Contingencies and commitments	12	-	-
Total equity and liabilities		82,876,769	121,298,013

The Auditor's report is set out on pages 1 to 3.
The annexed notes 1 to 28 form an integral part of these financial statements.


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CHIEF FINANCIAL OFFICER


DIRECTOR

Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Income and Expenditure Statement
For the Year Ended on June 30, 2018

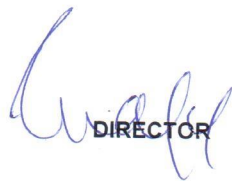
		Amounts in PKR	
	Note	For the year ended June 30, 2018	For the year ended June 30, 2017
Income			
Restricted grant			
<i>for projects</i>	13	87,448,714	76,743,157
<i>for operations</i>	13	11,801,339	10,902,788
Un restricted grant	13	8,178,151	7,673,078
Other income	14	11,276,969	2,922,766
		118,705,173	98,241,789
Expenses			
Project expenses	15	(87,448,714)	(76,743,157)
Operating expenses	15	(11,801,339)	(10,902,788)
		(99,250,053)	(87,645,945)
Surplus for the year		19,455,120	10,595,844

The Auditor's report is set out on pages 1 to 3.
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Institute of Development and Economic Alternatives
 (A company licensed under section 42 of the Companies Act, 2017)
 Statement of Other Comprehensive Income
 For the Year Ended on June 30, 2018

	Note	For the year ended June 30, 2018	Amounts in PKR For the year ended June 30, 2017
Surplus for the yaer		19,455,120	10,595,844
Other comprehensive income		-	-
Total comprehensive income for the year		19,455,120	10,595,844

The Auditor's report is set out on pages 1 to 3.
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 DIRECTOR

Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Statement of Cash Flow
For the Year Ended on June 30, 2018

		Amounts in PKR	
	Note	For the year ended June 30, 2018	For the year ended June 30, 2017
Cash flows from operating activities			
Surplus for the year		19,455,120	10,595,844
Adjustments for:			
Depreciation	3.1	648,754	803,286
Exchange gain		10,587,991	2,150,824
Disposal of assets		-	4,620
		30,691,865	13,554,574
Movement in Working Capital			
<i>(Increase) / decrease in current assets</i>			
Trade deposits and short-term prepayments		(62,937)	(622,737)
Other receivables		(2,658,566)	1,454,866
		(2,721,503)	832,129
<i>Increase / (decrease) in current liabilities</i>			
Creditors, accrued and other liabilities		2,563,290	(2,429,225)
Tax paid		(850,230)	(132,519)
Net cash generated from operating activities		29,683,422	11,824,959
Cash Flows from Investing Activities			
Payments for capital expenditure	3.1	(214,000)	(383,828)
Net cash (used in) investing activities		(214,000)	(383,828)
Cash Flows from Financing Activities			
Grant received		(60,439,654)	64,471,895
Net cash generated from / (used in) financing activities		(60,439,654)	64,471,895
Net (decrease) / increase in cash and cash equivalents		(30,970,232)	75,913,026
Cash and cash equivalents at the beginning of the year		115,346,856	41,584,654
Effect of foreign currency gain		(10,587,991)	(2,150,824)
Cash and Cash Equivalents as at June 30, 2018		73,788,633	115,346,856

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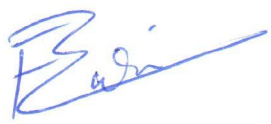
Institute of Development and Economic Alternatives
 (A company licensed under section 42 of the Companies Act, 2017)
 Statement of Changes in Equity
 For the Year Ended on June 30, 2018

Amounts in PKR

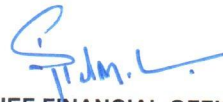
	General fund	Endowment fund	Total
Balance as at July 01, 2016	-	27,090,114	27,090,114
Excess of income over expenditure for the year	10,595,844		10,595,844
Transferred to endowment fund	(10,595,844)	10,595,844	-
Balance as at June 30, 2017	-	37,685,958	37,685,958
Excess of income over expenditure for the year	19,455,120		19,455,120
Transferred to endowment fund	(19,455,120)	19,455,120	-
Balance as at June 30, 2018	-	57,141,078	57,141,078

The Auditor's report is set out on pages 1 to 3.
 The annexed notes 1 to 28 form an integral part of these financial statements.

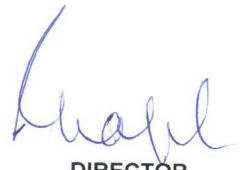
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CHIEF FINANCIAL OFFICER



DIRECTOR

Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

1 Status and Nature of Business

Institute of Development and Economic Alternatives ("the Company") was registered in Pakistan on June 06, 2012 under section 42 of the Companies Ordinance, 1984 (deemed to be registered under Companies Act, 2017) 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.

1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was affected by any events and transactions during the reporting

- Grants received during the year amounting Rs. 46,988,550.

- Assets purchased of amount Rs. 214,000 during the year.

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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organization (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017;
- 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 for SMEs, or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 period from July 01, 2017 to June 30, 2018.

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.

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

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.

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 economics 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.

Deferred

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that 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.

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

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.

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.

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

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.

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
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

	Note	As at June 30, 2018	As at June 30, 2017
3 Property, plant and equipment			
3.1 Following is the statement of property, plant and equipment:	3.1	944,790	1,379,544

Particulars	Cost				Rate %	Depreciation			Written Down Value As at June 30, 2018	
	As at 1st July, 2017	Additions during the period	Deletions during the period	As at June 30, 2018		As at 1st July, 2017	Charge for the Period	Deletions during Period		As at June 30, 2018
Furniture, fixtures and fittings	2,297,810	-	-	2,297,810	20	1,542,811	331,246	-	1,874,057	423,753
Office equipment	373,690	-	-	373,690	20	244,400	48,988	-	293,390	80,300
Computer equipment	1,358,995	174,000	74,880	1,458,115	33	1,232,927	89,139	74,880	1,247,186	210,929
Mobile Phones	145,500	40,000	-	185,500	50	45,812	70,939	-	116,751	68,749
Air Conditioner	575,035	-	-	575,035	20	321,464	92,514	-	413,978	161,057
Telephone & fax exchange	44,525	-	-	44,525	20	42,011	2,514	-	44,525	-
Vehicles	68,000	-	-	68,000	20	54,586	13,414	-	68,000	-
June 30, 2018	4,863,555	214,000	74,880	5,002,675		3,484,011	648,754	74,880	4,057,887	944,790
	As at July 01, 2016	Additions during the year	Deletions during the year	As at June 30, 2017	Rate %	As at July 01, 2016	Charge for the year	Deletions during the year	As at June 30, 2017	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

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
	Note	As at June 30, 2018	As at June 30, 2017
4	Trade deposits and short-term prepayments		
	Security deposit - office	600,000	600,000
	Short-term prepayments		
	- Rent	665,500	605,000
	- Insurance	111,304	122,617
	- Domain hosting	91,750	78,000
	- Other	37,500	37,500
		906,054	843,117
		1,506,054	1,443,117
5	Advance income tax		
	Cash withdrawal	70,681	25,877
	Profits on banks	441,392	375,086
	Grants	1,003,666	304,224
	Others	135,747	96,069
	Telephone	16,277	16,277
		1,667,763	817,533
6	Other receivables		
	Considered good		
	Receivables from implementing partners	6.1	4,969,529
			2,310,963
6.1	CERP	10,893	46,230
	ESRC	-	466,616
	CDPR	203,615	124,837
	JPAL USI	-	460,585
	World bank	-	62,760
	ADB	-	75,925
	Cambridge	-	219,521
	IDS - Women Voting Project	1,538,025	43,500
	IDS - General	-	114,700
	IDS MAVC	-	295,367
	British Council	-	400,922
	New York University Abu Dhabi	174,282	-
	USIP- Women Voting Project	3,012,509	-
	LUMS	30,205	-
	Considered doubtful	-	-
		4,969,529	2,310,963
7	Cash and bank balances		
	Cash with banks - local currency		
	- saving account	8,556,594	10,035,067
	Cash with banks - foreign currency		
	- saving account	65,232,039	105,311,789
	Cash in hand	-	-
		73,788,633	115,346,856

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
		As at June 30, 2018	As at June 30, 2017
		Note	
8	General Fund		
	Opening balance	-	-
	Surplus for the year	19,455,120	10,595,844
	Transferred to endowment fund	(19,455,120)	(10,595,844)
	Closing balance	-	-
9	Endowment fund-restricted		
	Opening balance	37,685,958	27,090,114
	Transfer from general reserve	9.1 19,455,120	10,595,844
		57,141,078	37,685,958
9.1	Overheads from projects		
	- CUTS-University of Cambridge	-	40,499
	- ESRC Impact Fund	-	425,607
	- IDS E & A program	-	888,392
	- IDS-MAVC	-	719,975
	- IGC-local govt	-	2,230,308
	- IRD Deworming	-	796,439
	- World Bank SABER	-	408,291
	- USIP	-	2,163,567
	- World Bank -NSB	424,213	-
	- Media Matters for Democracy	1,763,719	-
	- EGAP	70,154	-
	- IDS Women voting (Historical case studies)	5,222,236	-
		697,829	-
	Gain on sale of fixed assets	14 8,178,151	7,673,078
	Exchange gain	14 25,000	-
	Profit on bank deposits	14 10,587,991	2,150,824
		14 663,978	771,942
		19,455,120	10,595,844
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	81,855,663	17,383,768
	Funds received during the year	46,988,550	158,636,475
	Charged to grant revenue	(99,250,053)	(86,917,110)
	Transferred to endowment fund (Institutional Overheads)	(8,178,151)	(7,247,470)
	Closing balance	10.1 21,416,009	81,855,663
10.1	OSF	11,334,374	72,377,254
	British Council	393,898	-
	Crime Mapping	689,312	3,615,352
	Ph.D. Candidate Engagement Program	995,300	995,300
	IGC- teacher hiring	-	4,342,757
	EGAP	1,545,047	-
	USIP	-	525,000
	ESRC Cambridge	887,404	-
	Harvard University	2,089,070	-
	MIT JPAL USI	544,454	-
	PESP II	2,937,150	-
		21,416,009	81,855,663

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Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
		As at June 30, 2018	As at June 30, 2017
		Note	
11	Trade and other payables		
	Accrued liabilities	11.1	3,879,273
	Other liabilities		187,568
			440,409
			4,319,682
11.1	It includes remuneration payable of Rs. 1,874,625 to chief executive & company secretary.		
12	Contingencies and commitments		
	Contingencies and commitments	12.1	-
12.1	There were no contingencies and commitments for the year end. (2017:NIL)		
13	Revenue		
	Restricted grant	13.1	99,250,053
	Un - restricted grant	13.2	87,645,945
			8,178,151
			107,428,204
13.1	Restricted grant		
	For projects		87,448,714
	For operations		76,743,157
		15	11,801,339
			99,250,053
13.2	Un-restricted grant		
	Institutional overheads		8,178,151
			7,673,078
			8,178,151
14	Other income		
	Gain on sale of fixed assets		25,000
	Exchange gain		-
	Profit on bank deposits		10,587,991
			2,150,824
			663,978
			11,276,969
			2,922,766

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PARTICULARS	Operating Expenses	Project Expenses														TOTAL Project Expenses	June 30, 2018 Consolidated	June 30, 2017 Consolidated	
		OSF	LWYT Project	CRIME MAPPING	British Council	MIT (JPAL-USI)	IDS Women Voting Project	PESP II	EGAP	USIP	WOLD Bank-NSB	ESRC	New York University Abu Dhabi	USIP Women Voting Project	MMFD				
Boarding and lodging charges	22,615	12,000	-	-	-	-	-	-	5,250	-	-	-	-	-	-	-	17,250.0	39,865	182,766
Communication charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	-	-	-	-	315,000	-	-	-	-	-	-	-	-	-	-
Depreciation charge	648,754	-	-	-	-	-	-	-	-	-	-	2,320,897	-	3,012,509	-	-	5,648,406.0	5,648,406	3,182,979
Outreach / Seminar Expenses	101,350	-	-	-	7,565	-	251,395	-	-	30,587	-	-	-	-	-	-	-	648,754	803,286
Field Expenses	-	-	-	-	-	114,613	2,592,536	-	1,173,746	-	-	-	-	-	35,196	-	324,743.0	426,093	183,070
Insurance expense	112,752	181,092	-	-	-	-	-	-	-	-	-	-	2,338,451	-	-	-	6,219,346.0	6,219,346	15,468,149
Legal Fees	549,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,092.0	293,844	210,192
Office supplies	67,026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	549,000	528,925
Other charges	216,659	996,071	11,023	17,007	-	-	-	47,460	-	-	-	-	-	-	-	-	-	67,026	67,593
Postage and courier charges	22,537	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,073,561.0	1,290,220	1,220,676
Printing & stationery charges	165,123	64,501	-	-	432	-	73,213	-	-	70,200	-	-	-	-	-	-	-	22,537	31,280
Professional fees	650,964	1,472,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	208,346.0	373,469	186,561
Rates and taxes	729,025	2,187,075	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,472,812.0	2,123,796	1,551,971
Repair and maintenance charges	165,856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,187,075.0	2,916,100	2,651,000
Salaries and other benefits-Staff	7,553,524	40,246,681	-	2,909,033	-	1,660,000	5,120,211	4,268,025	2,020,400	-	2,927,800	1,717,333	-	-	-	-	-	165,856	230,112
Salaries and other benefits-Survey	-	2,100,000	-	-	-	-	1,280,344	-	3,056,939	-	-	-	-	-	-	-	60,869,483.0	68,423,007	57,318,413
Travelling and conveyance	339,095	667,696	3,840	-	7,183	191,657	430,819	44,870	147,721	-	18,761	-	-	-	-	-	6,437,283.0	6,437,283	-
Auditor's remuneration	130,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,532,769.0	1,671,864	2,299,256
Utilities	327,039	1,276,548	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,000	109,000
Total	11,801,339	49,226,678	14,863	2,926,040	15,180	1,966,270	9,748,518	4,360,355	6,719,056	100,787	2,946,581	4,038,230	2,338,451	3,012,509	35,196	87,448,714	99,250,053	87,645,945	

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
	Note	As at June 30, 2018	As at June 30, 2017
15.1 Auditor's remuneration			
Audit services			
Annual audit fee		120,000	109,000
Out of pocket expenses		-	-
Other Services		120,000	109,000
Advisory		10,000	-
		130,000	109,000

16 Taxation

16.1 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, 2018.

16.2 No provision for taxation has been created as 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.

	2017	2016	2015
Income tax provisions for the year - accounts	-	-	-
Income tax provisions as per tax assessment	-	-	-

17 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.

Balances to the related parties are shown in the notes 11.1 to the financial statements. Remuneration of chief executive and company secretary are also disclosed separately in the note 18.

18 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 persons:1)	11,362,204	9,600,000
Remuneration to company secretary (No. of persons:1)	6,186,825	5,636,800
	17,549,029	15,236,800

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
		As at June 30, 2018	As at June 30, 2017
		Note	
19	Fair value of financial assets and liabilities		
	The carrying amounts of the financial assets and financial liabilities approximate their fair values.		
	Financial assets	79,358,162	118,257,819
	Financial liabilities	4,319,682	1,757,392
	Net financial assets / (liabilities)	75,038,480	116,500,427

20 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 21 to 24 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
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

Amounts in PKR

21 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 .

21.1 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		-	-	-	4,969,529	-	4,969,529	4,969,529
Cash and bank balances	2-3%	73,788,633	-	73,788,633	-	-	-	73,788,633
		<u>73,788,633</u>	<u>-</u>	<u>73,788,633</u>	<u>4,969,529</u>	<u>600,000</u>	<u>5,569,529</u>	<u>79,358,162</u>
Financial liabilities								
Trade and other payables		-	-	-	4,319,682	-	4,319,682	4,319,682
		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,319,682</u>	<u>-</u>	<u>4,319,682</u>	<u>4,319,682</u>
Net financial assets / (liabilities) - Jun. 30, 2018		73,788,633	-	73,788,633	649,847	600,000	1,249,847	75,038,480
Net financial assets / (liabilities) - Jun. 30, 2017		115,346,856	-	115,346,856	554,571	600,000	1,154,571	116,501,427

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Institute of Development and Economic Alternatives
(A company licensed under section 42 of the Companies Act, 2017)
Notes to the Financial Statements
For the Year Ended on June 30, 2018

		Amounts in PKR	
	Note	As at June 30, 2018	As at June 30, 2017
22	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.		
23	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 high credit. Due to the high credit worthiness of counter parties the credit risk is considered minimal.		
24	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.		
25	Cash and cash equivalents at the end of the year		
	Cash and bank balances	7	73,788,633
			115,346,856
26	Number of employees		
	The number of employees as of balance sheet date		31
			29
	Average number of employees during the year		30
			29

27 Date of authorization

These financial statements were authorized by Board of Directors on 25 SEP 2018. These financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.


28 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