

**INSTITUTE OF DEVELOPMENT  
AND ECONOMIC ALTERNATIVES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR  
ENDED JUNE 30, 2020**

## 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, 2020, 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, 2020 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)<sup>iv</sup> 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 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.

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*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, 2020

		Amounts in PKR	
	Note	June 30, 2020	June 30, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,242,917	713,975
Intangibles	4	200,779	360,171
		<b>2,443,696</b>	<b>1,074,146</b>
<b>Current Assets</b>			
Trade deposits and short-term prepayments	5	2,662,088	2,210,007
Other receivables	6	419,359	771,676
Advance income tax	7	2,389,847	1,992,373
Cash and bank balances	8	317,457,847	332,154,290
		<b>322,929,141</b>	<b>337,128,346</b>
<b>Total Assets</b>		<b>325,372,837</b>	<b>338,202,492</b>
<b>EQUITY AND LIABILITIES</b>			
General fund	9	-	-
Endowment fund	10	287,019,963	323,037,973
		<b>287,019,963</b>	<b>323,037,973</b>
<b>Non-current liabilities</b>			
Unutilized grant	11	36,500,185	13,655,123
<b>Current liabilities</b>			
Trade and other payables	12	1,852,689	1,509,396
Contingencies and commitments	13	-	-
<b>Total equity and liabilities</b>		<b>325,372,837</b>	<b>338,202,492</b>

The Auditor's report is set out on pages 1 to 3.  
 The annexed notes 1 to 30 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

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 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

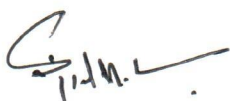
Institute of Development and Economic Alternatives  
 (A company licensed under section 42 of the Companies Act, 2017)  
**Statement of Income and Expenditure**  
 For the year ended June 30, 2020

		Amounts in PKR	
	Note	For the year ended June 30, 2020	For the year ended June 30, 2019
<b>Income</b>			
Restricted grant			
<i>for funded projects</i>	14	48,008,577	39,038,578
<i>for research projects</i>	14	36,018,010	-
<i>for operations</i>		-	11,334,374
Un restricted grant			
<i>for Institutional overheads</i>	14	24,121,308	35,439,049
		<b>108,147,895</b>	<b>85,812,001</b>
<b>Expenses</b>			
Program	15	(104,674,742)	(91,218,948)
Operating	15	(14,065,554)	(12,651,106)
		<b>(118,740,296)</b>	<b>(103,870,054)</b>
Other income	16	10,592,401	87,935,748
<b>Surplus for the year</b>		<b>-</b>	<b>69,877,695</b>

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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)  
 Statement of Other Comprehensive Income  
 For the year ended June 30, 2020

		Amounts in PKR	
	Note	For the year ended June 30, 2020	For the year ended June 30, 2019
Surplus for the year		-	69,877,695
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		-	69,877,695

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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)  
 Statement of Changes in Accumulated Funds  
 For the year ended June 30, 2020

Amounts in PKR

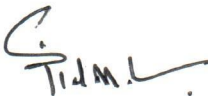
	General fund	Endowment fund	Total
<b>Balance as at July 01, 2018</b>	-	57,141,078	57,141,078
Surplus for the year	69,877,695	-	69,877,695
Grant from Open Society Foundations (OSF)	-	196,019,200	196,019,200
Transferred to endowment fund	(69,877,695)	69,877,695	-
<b>Balance as at June 30, 2019</b>	-	323,037,973	323,037,973
Surplus for the year	-	-	-
Transferred to revenue	-	(36,018,010)	(36,018,010)
Transferred to endowment fund	-	-	-
<b>Balance as at June 30, 2020</b>	-	287,019,963	287,019,963

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 CHIEF EXECUTIVE

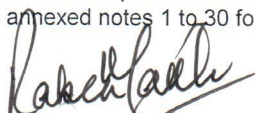
  
 CHIEF FINANCIAL OFFICER

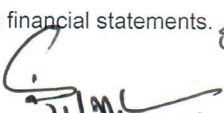
  
 DIRECTOR

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 June 30, 2020

	Note	For the year ended June 30, 2020	Amounts in PKR For the year ended June 30, 2019
<b>Cash Generated from operations</b>	25	<b>(2,204,716)</b>	157,040,769
Tax paid		(397,474)	(324,610)
<b>Net cash (used in) / generated from operating activities</b>		<b>(2,602,190)</b>	156,716,159
<b>Cash Flows from Investing Activities</b>			
Payments for capital expenditure	3.1	(2,475,289)	(803,180)
Proceeds of disposal of assets		117,280	-
<b>Net cash (used in) investing activities</b>		<b>(2,358,009)</b>	(803,180)
<b>Cash Flows from Financing Activities</b>			
Contribution from Open Society Foundations			196,019,200
Unutilized grants		22,845,062	(7,760,886)
Transfer from endowment fund		(36,018,010)	-
<b>Net cash generated from financing activities</b>	-	<b>13,172,948</b>	188,258,314
Net increase in cash and cash equivalents	-	18,133,146	344,171,293
<b>Cash and cash equivalents at the beginning of the year</b>		<b>332,154,290</b>	73,788,633
Effect of exchange gain/(loss)		3,436,703	(85,805,636)
<b>Cash and Cash Equivalents as at June 30, 2020</b>		<b>317,457,847</b>	332,154,290

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

  
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 June 30, 2020

**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 (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, simulates, 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 period.

- Grants received during the year amounting Rs.94,974,946
- Assets purchased of amount Rs.2,475,289 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, 2019 to June 30, 2020.

**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 statement of financial position 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  
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Notes to the Financial Statements  
For the year ended June 30, 2020

**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 statement of financial position 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.

**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  
(A company licensed under section 42 of the Companies Act, 2017)  
Notes to the Financial Statements  
For the year ended June 30, 2020

**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 Provisions**

A provision is recognized in the statement of financial position 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.

**2.13 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

**2.14 Revenue recognition**

**2.14.1 Restricted Grants**

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

**2.14.2 Unrestricted Grants**

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

**2.14.3 Interest**

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

**2.15 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.

**2.16 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.

**2.17 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 rate 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.

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 June 30, 2020

**2.18 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.

**2.19 Endowment fund**

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  
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Notes to the Financial Statements  
For the year ended June 30, 2020

										Amounts in PKR		
										Note	As at June 30, 2020	As at June 30, 2019
<b>3 Property, plant and equipment</b>										3.1	<b>2,242,917</b>	<b>713,975</b>
3.1 Following is the statement of property, plant and equipment:												
Particulars	Cost				Rate %	Depreciation			As at June 30, 2020	Written Down Value As at June 30, 2020		
	As at 1st July, 2019	Additions during the period	Deletions during the period	As at June 30, 2020		As at 1st July, 2019	Charge for the Period	Deletions during Period				
Furniture, fixtures and fittings	2,361,290	1,552,143	(63,480)	3,849,953	20	2,103,109	425,485	(1,058)	2,527,536	1,322,417		
Office equipment	386,440	25,250	-	411,690	20	338,679	29,564	-	368,244	43,446		
Computer equipment	1,457,665	483,100	(373,965)	1,566,800	33	1,290,267	200,239	(373,965)	1,116,539	450,261		
Mobile Phones	186,500	-	-	186,500	50	84,001	72,499	-	156,500	30,000		
Air Conditioner	627,535	344,752	-	972,287	20	489,399	144,464	-	633,865	338,422		
Telephone & fax exchange	44,525	70,044	-	114,569	20	44,525	11,674	-	56,198	58,371		
Vehicles	68,000	-	-	68,000	20	68,000	-	-	68,000	-		
<b>June 30, 2020</b>	<b>5,131,955</b>	<b>2,475,289</b>	<b>(437,445)</b>	<b>7,169,799</b>		<b>4,417,980</b>	<b>883,925</b>	<b>(375,023)</b>	<b>4,926,882</b>	<b>2,242,917</b>		
June 30, 2019	5,002,675	320,180	190,900	5,131,955	-	4,057,885	550,995	(190,900)	4,417,980	713,975		
<b>4 Intangible Asset</b>										29.1	<b>200,779</b>	<b>360,171</b>

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

Particulars	Cost				Rate %	Depreciation			As at June 30, 2020	Written Down Value As at June 30, 2020
	As at 1st July, 2019	Additions during the period	Deletions during the period	As at June 30, 2020		As at 1st July, 2019	Amortization for the Period	Deletions during Period		
Website	483,000	-	-	483,000	33	122,829	159,392	-	282,221	200,779
<b>June 30,2020</b>	<b>483,000</b>	<b>-</b>	<b>-</b>	<b>483,000</b>		<b>122,829</b>	<b>159,392</b>	<b>-</b>	<b>282,221</b>	<b>200,779</b>
June 30,2019	-	483,000	-	483,000	-	-	122,829	-	122,829	360,171

Institute of Development and Economic Alternatives  
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Notes to the Financial Statements  
For the year ended June 30, 2020

		Amounts in PKR	
		As at June 30, 2020	As at June 30, 2019
		Note	
<b>5</b>	<b>Trade deposits and short-term prepayments</b>		
	Security deposit - office	900,000	900,000
	Security deposit - UNDP	500,000	-
	Short-term prepayments		
	- Rent	1,098,000	1,098,000
	- Insurance	164,088	143,999
	- Domain Hosting	-	18,375
	- Other	-	49,633
		1,262,088	1,310,007
		<b>2,662,088</b>	<b>2,210,007</b>
<b>6</b>	<b>Other receivables</b>		
	<b>Considered good</b>		
	Receivables from implementing partners	6.1	419,359
			771,676
6.1	CERP	-	-
	CDPR	198,139	431,942
	Receivable from IDS(P2 WVP)	-	23,333
	IDS - General	-	107,110
	IRD	221,220	-
	IGC RTI	-	209,291
		419,359	771,676
		<b>419,359</b>	<b>771,676</b>
<b>7</b>	<b>Advance income tax</b>		
	Cash withdrawal	107,731	107,731
	Profits on banks	982,331	653,052
	Grants	1,003,666	1,003,666
	Others	279,842	211,647
	Telephone	16,277	16,277
		<b>2,389,847</b>	<b>1,992,373</b>
<b>8</b>	<b>Cash and bank balances</b>		
	Cash with banks - local currency		
	- saving account	13,633,095	10,742,558
	Cash with banks - foreign currency		
	- saving account	303,810,898	321,372,902
	Cash in hand - PKR	13,854	38,830
		<b>317,457,847</b>	<b>332,154,290</b>
<b>9</b>	<b>General Fund</b>		
	Opening balance	-	-
	Surplus for the year	-	69,877,695
	Transferred to endowment fund	-	(69,877,695)
	Closing balance	-	-

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Institute of Development and Economic Alternatives  
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For the year ended June 30, 2020

		Amounts in PKR	
	Note	As at June 30, 2020	As at June 30, 2019
<b>14.1</b>	<b>Restricted grant</b>		
	For funded projects		
	For research projects- transferred from Endowment Fund	48,008,577	39,038,578
	For operations	36,018,010	-
		-	11,334,374
		<b>84,026,587</b>	<b>50,372,952</b>
<b>14.2</b>	<b>Un restricted grant</b>		
	Institutional overheads	24,121,308	35,439,049
<b>14.2.1</b>	<b>Overheads from projects</b>		
	-University of Cambridge (ESRC)	-	2,329,708
	-USIP-PASS	-	86,184
	-OPM's PESP 2	6,598,523	9,358,401
	-IDS Women voting	250,000	5,921,158
	-SAHE	-	743,800
	-USIP Women voting	-	3,116,690
	- Survey: USIP Women voting	-	4,795,453
	- Survey: IDS Women Voting	-	4,828,547
	- Survey: NYUAD	-	3,051,062
	- Survey: IGC RTI	-	878,500
	- Survey: MT RTI	-	329,545
	-IGC LGC	-	-
	-IGC RTI	164,606	-
	-MIT LGC (JPAL)	685,789	-
	-OPM SNG II	1,122,544	-
	-Media Matters for Democracy	262,241	-
	-MIT RTI	21,915	-
	-UN Women	496,273	-
	-Idara e Taleem o Agaahi	933,582	-
	-IDS Women voting Phase 2	95,000	-
	-CVI	1,683,986	-
	- Survey: OPERA	1,087,879	-
	- Survey: CVI (PO2 survey)	647,058	-
	- Survey: EGAP (PO3 survey)	615,979	-
	- Survey: Lums survey on Air Pollution	561,200	-
	- Survey: Lums survey on Fake news	3,776,027	-
	- Survey: EGAP	1,672,364	-
		<b>3,446,342</b>	<b>-</b>
		<b>24,121,308</b>	<b>35,439,048</b>

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PARTICULARS	Operating Expenses	Project Expenses																			TOTAL Project Expenses	June 30, 2020 Consolidated	June 30, 2019 Consolidated	
		Research	IGC-RTI	IGC LGC	MIT RTI	LUMS-Fakewats	LUMS AirPol	MIT (JPAL-USI)	IDS WVP	IDS P2 W/P	IDS T&G	PESP II	CVI	EGAP	SNG CDIP	Pristan University	OPERA	OPM SNG II	MMFD	UN Women				Idara e Taleem O Agahi
Amortisation expense	159,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,392	122,829
Boarding and lodging charges	82,599	-	-	-	-	-	-	-	9,679	-	-	-	-	-	-	-	-	-	-	-	-	9,679	92,278	423,104
Communication charges	29,834	8,762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,762	38,596	244,339
Consultancy charges	-	-	-	-	-	-	-	-	-	-	2,084,670	-	-	-	-	-	-	-	-	-	-	2,084,670	2,084,670	5,187,110
Depreciation charge	883,925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	883,925	550,995
Disbursement Expense	-	-	-	-	-	-	-	-	-	-	96,700	-	-	-	100,000	-	-	-	-	-	-	196,700	196,700	-
Outreach / Seminar expenses	25,303	-	-	-	-	-	-	-	2,296	-	-	-	-	-	-	-	-	11,513	-	-	-	39,112	39,112	143,437
Field /Survey expenses	-	-	-	-	-	858,124	-	-	124,615	-	-	147,231	-	-	-	284,747	-	-	-	-	-	1,414,717	1,414,717	5,445,698
Insurance expense	106,133	252,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,836	358,969	311,121
Legal Fees	600,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000	600,000
Office supplies	111,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,901	100,474
Post charges	133,654	942,235	-	-	-	-	-	-	19,892	-	19,609	-	-	-	-	-	-	-	-	-	-	961,736	1,115,390	1,269,370
Postage and courier charges	10,418	510	-	-	-	-	-	-	-	-	1,750	-	-	-	-	-	-	-	780	-	-	3,040	13,458	20,790
Printing & stationery charges	72,373	23,850	-	-	-	-	-	-	56,160	-	-	-	-	-	-	-	-	-	-	-	-	80,010	152,383	827,625
Professional fees	669,750	2,314,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,314,675	2,984,425	2,442,639
Rent, rates and taxes	1,317,600	3,952,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,952,800	5,270,400	3,375,220
Repair and maintenance charges	128,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,386	151,890
Salaries and other benefits-Staff	8,437,752	47,191,300	-	-	33,096	-	117,333	596,289	8,474,767	1,174,800	7,109,846	1,155,000	2,349,240	265,200	-	-	1,149,828	-	2,608,431	402,816	72,627,948	81,065,700	65,542,090	
Salaries -Field Staff	-	-	-	715,500	-	242,625	961,200	-	23,000	-	173,695	-	1,030,525	-	-	197,000	-	-	-	-	-	3,343,545	3,343,545	-
Salaries and other benefits-Survey	-	-	-	-	1,209,000	2,615,526	-	-	-	-	451,437	8,950,648	-	-	456,225	-	-	-	-	-	-	13,662,836	13,662,836	11,250,638
Travelling and conveyance	348,245	324,348	140,575	10,753	61,450	-	-	6,128	728,386	107,110	34,662	381,116	53,072	36,201	-	-	-	-	-	2,182	1,865,983	2,234,229	2,200,211	
Training expense	-	-	-	-	-	-	-	-	-	-	-	166,147	-	-	-	-	-	-	-	-	-	166,147	166,147	1,097,564
15.1 Auditor's remuneration	145,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145,000	132,000
Security Expense	416,556	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,556	370,160
Utilities	412,035	1,629,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,629,546	2,041,581	2,060,750
<b>Total</b>	<b>14,065,554</b>	<b>56,666,165</b>	<b>140,575</b>	<b>726,253</b>	<b>94,546</b>	<b>1,451,625</b>	<b>4,434,850</b>	<b>123,461</b>	<b>652,449</b>	<b>9,382,635</b>	<b>1,281,910</b>	<b>9,499,573</b>	<b>2,175,059</b>	<b>12,530,716</b>	<b>301,401</b>	<b>100,000</b>	<b>937,972</b>	<b>1,149,828</b>	<b>11,513</b>	<b>2,609,211</b>	<b>405,000</b>	<b>104,674,742</b>	<b>118,740,296</b>	<b>103,870,054</b>

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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 June 30, 2020

		Amounts in PKR	
		As at June 30, 2020	As at June 30, 2019
		Note	
<b>15.1</b>	<b>Auditor's remuneration</b>		
	<b>Audit services</b>		
	Annual audit fee	145,000	132,000
	Other services	-	-
		<b>145,000</b>	<b>132,000</b>
<b>16</b>	<b>Other income</b>		
	Gain on sale of fixed assets	53,800	13,500
	Exchange gain	3,436,703	85,805,636
	Profit on bank deposits	7,101,898	2,116,612
		<b>10,592,401</b>	<b>87,935,748</b>

**17 Taxation**

17.1 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, 2020.

17.2 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.

	2019	2018	2017
Income tax provisions for the year - accounts	-	-	-
Income tax provisions as per tax assessment	-	-	-

**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, company secretary and directors are also disclosed separately in the note 18.1.

**18.1 Remuneration to chief executive, directors and executives**

The aggregate amount charged in the accounts for remuneration including all benefits to chief executive, directors and executives of the Company are as follows:

	June 30, 2020		June 30, 2019	
	Chief Executive	Executives	Chief Executive	Executives
(Rupees)				
Managerial remuneration	13,792,597	54,349,204	14,838,782	39,782,308
Allowances	13,792,597	54,349,204	14,838,782	39,782,308
Number of persons	1	9	1	6

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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 June 30, 2020

		Amounts in PKR	
		As at June,30 2020	As at June,30 2019
		Note	
<b>19</b>	<b>Fair value of financial assets and liabilities</b>		
	The carrying amounts of the financial assets and financial liabilities approximate their fair values.		
	Financial assets	319,277,206	333,825,966
	Financial liabilities	1,852,689	1,509,396
	<b>Net financial assets / (liabilities)</b>	<b>317,424,517</b>	<b>332,316,570</b>

**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 June 30, 2020

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	
<b>Financial assets</b>								
Trade deposits		-	-	-	500,000	900,000	1,400,000	1,400,000
Other receivables		-	-	-	419,359	-	419,359	419,359
Cash and bank balances	5-6 %	317,457,847	-	317,457,847	-	-	-	317,457,847
		<u>317,457,847</u>	<u>-</u>	<u>317,457,847</u>	<u>919,359</u>	<u>900,000</u>	<u>1,819,359</u>	<u>319,277,206</u>
<b>Financial liabilities</b>								
Trade and other payables		-	-	-	1,852,689	-	1,852,689	1,852,689
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852,689</u>	<u>-</u>	<u>1,852,689</u>	<u>1,852,689</u>
<b>Net financial assets / (liabilities) - Jun. 30, 2020</b>		<u>317,457,847</u>	<u>-</u>	<u>317,457,847</u>	<u>(933,330)</u>	<u>900,000</u>	<u>(33,330)</u>	<u>317,424,517</u>
Net financial assets / (liabilities) - Jun. 30, 2019		332,154,290	-	332,154,290	(737,720)	900,000	162,280	332,316,570

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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 June 30, 2020

		Amounts in PKR	
	Note	As at June,30 2020	As at June,30 2019
<b>22</b>	<b>Foreign currency risk</b>		
	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.		
<b>23</b>	<b>Credit risk</b>		
	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.		
<b>24</b>	<b>Liquidity risk</b>		
	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.		
<b>25</b>	<b>Cash flows from operating activities</b>		
	Surplus for the year		69,877,695
	Adjustments for;		
	Depreciation	883,925	550,995
	Amortization	159,392	122,829
	Exchange (loss)/gain	(3,436,703)	85,805,636
	Effect of wrongly depreciation charged previously	(1,058)	-
	Gain on disposal	(53,800)	-
	<b>Movement in Working Capital</b>	<b>(2,448,244)</b>	<b>86,479,460</b>
	<b>Decrease / (increase) in current assets</b>		
	Other receivables	352,317	4,197,853
	Trade deposits and short-term prepayments	(452,081)	(703,953)
	<b>(Decrease) / increase in current liabilities</b>	<b>(99,764)</b>	<b>3,493,900</b>
	Creditors, accrued and other liabilities	343,292	(2,810,286)
		<b>(2,204,716)</b>	<b>157,040,769</b>

**26 Covid-19 impact**

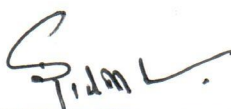
The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has no effect on imports and sale volumes of the Company. Management has also assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on the financial statements. Further, as per relaxation given by Authorities, the Company have resumed its operations with all precautionary measures aimed at preventing pandemic spread."

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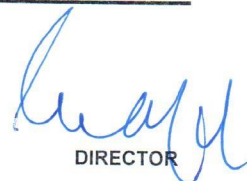
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 Notes to the Financial Statements  
 For the year ended June 30, 2020

		Amounts in PKR	
	Note	As at June 30 2020	As at June 30 2019
<b>27</b>	<b>Cash and cash equivalents at the end of the year</b>		
	Cash and bank balances	8	317,457,847
			332,154,290
<b>28</b>	<b>Number of employees</b>		
	The number of employees as of statement of financial position date		37
			35
	Average number of employees during the year		36
			33
<b>29</b>	<b>Date of authorization</b>		
	These financial statements were authorized by Board of Directors on <b>02 OCT 2020</b> these financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.		
<b>30</b>	<b>General</b>		
	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

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 DIRECTOR