

**INSTITUTE OF DEVELOPMENT
AND ECONOMIC
ALTERNATIVES**

FOR THE YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES *(A Company Licensed under Section 42 of the Companies Act, 2017)*

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Institute of Development and Economic Alternatives (the Institute)**, which comprise the statement of financial position as at June 30, 2021, and the statement of income and expenditure, statement of comprehensive income, the statement of changes in accumulated funds, 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 income and expenditure, statement of comprehensive income, the statement of changes in accumulated funds 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 Institute's affairs as at June 30, 2021 and of the surplus and comprehensive income, the changes in accumulated funds 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 Institute 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Board of directors are responsible for overseeing the Institute'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 Institute'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 Institute'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 Institute 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 Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in accumulated funds 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 Institute's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

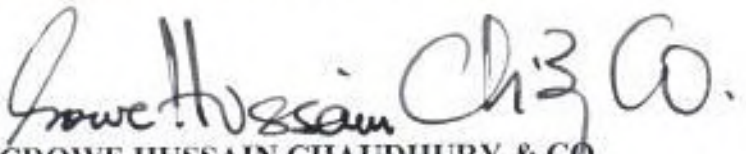
Other Matter

The financial statements of the Institute for the year ended June 30, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on October 2, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Amin Ali.

Lahore

Dated: 07 OCT 2021


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

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, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non Current Assets			
Property and equipment	4	1,544,655	2,242,917
Intangible assets	5	41,387	200,779
Long term deposits - office premises (2020: Restated)		-	300,000
		1,586,042	2,743,696
Current Assets			
Trade deposits and prepayments (2020: Restated)	6	2,290,621	2,362,088
Other receivables	7	17,112,022	419,359
Advance income tax	8	2,143,760	2,389,847
Cash and bank balances	9	283,610,784	317,457,847
		305,157,187	322,629,141
Total Assets		<u>306,743,229</u>	<u>325,372,837</u>
FUNDS AND LIABILITIES			
Endowment fund	10	268,606,844	287,019,963
Non Current Liabilities			
Unutilized grant	11	33,606,454	36,500,185
Current Liabilities			
Trade and other payables	12	4,529,931	1,852,689
TOTAL FUNDS AND LIABILITIES		<u>306,743,229</u>	<u>325,372,837</u>
Contingencies and commitments	13	-	-

The annexed notes from 1 to 22 form an integral part of these financial statements.


Chief Executive Officer


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, 2021

	Note	2021	2020
		Rupees	Rupees
INCOME			
Restricted income for funded projects	14	55,438,333	48,008,577
Un restricted grant for institutional overheads	14	60,208,192	24,121,308
		<u>115,646,525</u>	<u>72,129,885</u>
EXPENDITURE			
Program expenses	14	107,998,881	104,674,742
Operating expenses	15	11,641,378	14,065,554
Exchange loss		15,495,063	-
		<u>(135,135,322)</u>	<u>(118,740,296)</u>
		(19,488,797)	(46,610,411)
Other income	16	1,075,678	10,592,401
Deficit for the Year		(18,413,119)	(36,018,010)
Transferred from Endowment Fund	10	18,413,119	36,018,010
(Deficit) / Surplus for the Year before Taxation		-	-
Taxation	17	-	-
Net (Deficit) / Surplus for the Year		<u>-</u>	<u>-</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES

A Company Licensed under Section 42 of the Companies Act, 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees
(Deficit) / Surplus for the year	-	-
Other comprehensive income for the year	-	-
Total Comprehensive (Loss) / Income for the Year	<u>-</u>	<u>-</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


Chief Executive Officer


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, 2021

Particulars	Endowment Fund
	Rupees
Balance as at June 30, 2019	323,037,973
Transferred to statement of income and expenditure	<u>(36,018,010)</u>
Balance as at June 30, 2020	287,019,963
Transferred to statement of income and expenditure	<u>(18,413,119)</u>
Balance as at June 30, 2021	<u><u>268,606,844</u></u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
A Company Licensed under Section 42 of the Companies Act, 2017
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / Surplus for the Year before Taxation:	-	-
Adjustments for:		
- Depreciation	701,597	883,925
- Amortization	159,392	159,392
- Advance income tax written off	282,950	-
- Transferred from Endowment Fund	(18,413,119)	(36,018,010)
- Effect of wrongly depreciation charged previously	-	(1,058)
- Gain on disposal of property and equipment	(7,800)	(53,800)
	<u>(17,276,980)</u>	<u>(35,029,551)</u>
Operating Deficit before Working Capital Changes	<u>(17,276,980)</u>	<u>(35,029,551)</u>
(Increase) / Decrease in current assets:		
- Other receivables	(16,692,663)	352,317
- Trade deposits and prepayments (2020: Restated)	371,467	(452,081)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	2,677,242	343,292
	<u>(13,643,954)</u>	<u>243,528</u>
Cash Used in Operations	<u>(30,920,934)</u>	<u>(34,786,023)</u>
Income tax paid	(36,863)	(397,473)
Net Cash Used in Operating Activities	<u>(30,957,797)</u>	<u>(35,183,496)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital expenditure	(80,000)	(2,475,289)
Proceeds of disposal of assets	84,465	117,280
Net Cash Generated from / (Used in) Investing Activities	4,465	(2,358,009)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unutilized grants	(2,893,731)	22,845,062
Net Cash Used in Financing Activities	<u>(2,893,731)</u>	<u>22,845,062</u>
Net Decrease in Cash and Cash Equivalents	<u>(33,847,063)</u>	<u>(14,696,443)</u>
Cash and cash equivalents at the beginning of the year	317,457,847	332,154,290
Cash and Cash Equivalents at the End of the Year	<u><u>283,610,784</u></u>	<u><u>317,457,847</u></u>

The annexed notes from 1 to 22 form an integral part of these financial statements.


Chief Executive Officer


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, 2021

Note 1

Legal Status and Operations

Institute of Development and Economic Alternatives ("the Institute") is a company not for profit incorporated in Pakistan on June 06, 2012 under section 42 of the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017).

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 Institute is domiciled in Pakistan having its registered office at 19-A, FCC, Gulberg IV, Lahore.

Note 2

Basis of Preparation

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; and
- 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 and Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Institute's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Note 2, Basis of Preparation - Continued...

- Useful lives, residual values and depreciation method of property and equipment – Note 4
- Estimation of contingent liabilities – Note 13

2.4 Functional and presentation currency

These financial statements are prepared and presented in Pakistan Rupee which is the Institute's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest Pakistani Rupee, unless otherwise stated.

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 reporting date and the resultant exchange gains and losses are charged to statement of income and expenditure in the year in which they arise.

Note 3

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless stated otherwise.

3.1 Property and equipment*Initial recognition*

All items of property and equipment are initially recorded at cost.

Subsequent measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method at rates specified in note 4 to the financial statements. 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.

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of income and expenditure.

*Note 3, Significant Accounting Policies - Continued...**Judgment and estimates*

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.2 Intangible assets*Measurement*

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 5 to the financial statements. Full month amortization is charged in the month of purchase and no amortization is charged in the month of disposal.

Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.3 Impairment of non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of income and expenditure.

An impairment loss is reversed only to the extent that the asset 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. The Institute recognizes the reversal immediately in the statement of income and expenditure.

3.4 Project and other receivables*Measurement*

Receivables are recognized and carried at transaction price less an allowance for impairment. Project receivables are recognized when the Institute's right to receive is established and it is certain that the amount will be received.

Impairment

A provision for impairment of receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of income and expenditure. Bad debts are written-off in the statement of income and expenditure on identification.

*Note 3, Significant Accounting Policies - Continued...**Judgments and estimates*

The allowance for doubtful receivables of the Institute is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each party.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances. Statement of cash flows is prepared using indirect amount.

3.6 Impairment of financial assets other than project receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of income and expenditure and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3.7 Leases

At its inception, a lease is classified as either a finance lease or an operating lease. Finance leases transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

Finance leases

Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position.

Operating leases

Rentals payable under operating leases are charged to income or expenditure on a straight-line basis over the term of the relevant lease.

3.8 Grants

Grants are recognized at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognized in income when the grant proceeds are receivable. A grant that imposes specified future performance conditions is recognized in income when all those conditions are met and there is a reasonable assurance that the grant will be received.

Note 3, Significant Accounting Policies - Continued...

Grants are presented separately from the assets to which they relate. Grants received before the income recognition criteria are satisfied are presented as a separate liability in the statement of financial position.

3.9 Trade and other payables

Trade payables are obligations under normal short-term credit terms. These are measured at the undiscounted amount of cash to be paid.

3.10 Taxation

The tax liability of the Institute does not arise since it is entitled to tax credit equal to 100% of tax payable including minimum tax and final taxes payable under section 100C of the Income Tax Ordinance, 2001.

Deferred tax has not been recognized in these financial statements as the Institute's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the Institute is eligible for hundred percent (100%) tax credit on taxes payable by the Institute.

3.11 Provisions

Provisions are recognized when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institute will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.12 Contingent liabilities

A contingent liability is disclosed when the Institute has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Institute; or the Institute has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Financial instruments

The Institute accounts for its financial instruments as per International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SMEs) issued by the International Accounting Standards Board (IASB). The management determines the classification of its financial instruments at the time of initial recognition and classifies its financial assets as basic financial instruments initially measured at transaction price. Subsequently, these financial instruments are measured at undiscounted transaction price less any impairment. Financial assets are derecognized when rights to cash flows from financial assets are settled or expired and financial liabilities are derecognized when these are extinguished.

Financial assets and financial liabilities are recognized when the Institute becomes a party to the contractual provisions of the instrument. These are derecognized when the Institute 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.

*Note 3, Significant Accounting Policies - Continued...***3.14 Off-setting of financial assets and liabilities**

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Institute has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.15 Revenue recognition

The Institute accounts for its revenue as under:

3.15.1 Restricted grants

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

3.15.2 Unrestricted grants

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

3.15.3 Interest

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

3.16 Expenses

Expenses are recognized in the statement of income and expenditure when incurred.

3.17 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 statement of income and expenditure and equal portion from the fund shall be charged to statement of income and expenditure. Any surplus amount will be accumulated to the Endowment Fund.

3.18 Related party transactions

Transactions with related parties are entered into and recorded on an arm's length basis at fair value.

3.19 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.

Note 4
Property and Equipment

Year ended June 30, 2021

Particulars	Cost				Rate %	Depreciation				Book Value as at June 30, 2021
	As at July 01, 2020	Additions	Deletion	Total as at June 30, 2021		As at July 01, 2020	For the year	Deletion	Total as at June 30, 2021	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
Furniture, fixtures and fittings	3,849,953	-	-	3,849,953	20	2,527,536	322,800	-	2,850,336	999,617
Office equipment	411,690	-	-	411,690	20	368,243	19,811	-	388,054	23,636
Computer equipment	1,566,800	-	(165,100)	1,401,700	33	1,116,541	197,365	(98,435)	1,215,471	186,229
Mobile Phones	186,500	80,000	(80,000)	186,500	50	156,500	46,666	(70,000)	133,166	53,334
Air Conditioner	972,287	-	-	972,287	20	633,863	100,946	-	734,809	237,478
Telephone & fax exchange	114,569	-	-	114,569	20	56,199	14,009	-	70,208	44,361
Vehicles	68,000	-	-	68,000	20	68,000	-	-	68,000	-
	<u>7,169,799</u>	<u>80,000</u>	<u>(245,100)</u>	<u>7,004,699</u>		<u>4,926,882</u>	<u>701,597</u>	<u>(168,435)</u>	<u>5,460,044</u>	<u>1,544,655</u>

Year ended June 30, 2020

Particulars	Cost				Rate %	Depreciation				Book Value as at June 30, 2020
	As at July 01, 2019	Additions	Deletion	Total as at June 30, 2020		As at July 01, 2019	For the year	Deletion	Total as at June 30, 2020	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
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	-	368,243	43,447
Computer equipment	1,457,665	483,100	(373,965)	1,566,800	33	1,290,267	200,239	(373,965)	1,116,541	450,259
Mobile phones	186,500	-	-	186,500	50	84,001	72,499	-	156,500	30,000
Air conditioners	627,535	344,752	-	972,287	20	489,399	144,464	-	633,863	338,424
Telephone and fax exchange	44,525	70,044	-	114,569	20	44,525	11,674	-	56,199	58,370
Vehicles	68,000	-	-	68,000	20	68,000	-	-	68,000	-
	<u>5,131,955</u>	<u>2,475,289</u>	<u>(437,445)</u>	<u>7,169,799</u>		<u>4,417,980</u>	<u>883,925</u>	<u>(375,023)</u>	<u>4,926,882</u>	<u>2,242,917</u>

4.1 Depreciation has been charged to operating expenses (note 15).

Note 5
Intangible Assets

Website:	Cost				Rate %	Amortization				Book Value as at June 30, 2021
	As at July 01, 2020	Additions	Deletion	Total as at June 30, 2021		As at July 01, 2020	For the year	Deletion	Total as at June 30, 2021	
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
Total Rupees 2021	<u>483,000</u>	<u>-</u>	<u>-</u>	<u>483,000</u>	33	<u>282,221</u>	<u>159,392</u>	<u>-</u>	<u>441,613</u>	<u>41,387</u>
Total Rupees 2020	<u>483,000</u>	<u>-</u>	<u>-</u>	<u>483,000</u>	33	<u>122,829</u>	<u>159,392</u>	<u>-</u>	<u>282,221</u>	<u>200,779</u>

5.1 Amortization has been charged to operating expenses (note 15).

Note 6

Trade Deposits and Prepayments

	2021	2020
	Rupees	Rupees
Security deposit - UNDP	-	500,000
Current portion of long term deposits - office premises	900,000	600,000
Prepayments:		
- Rent	1,207,800	1,098,000
- Insurance	158,496	164,088
- Generator rental	24,325	-
	<u>1,390,621</u>	<u>1,262,088</u>
	<u>2,290,621</u>	<u>2,362,088</u>

Note 7

Other Receivables

		2021	2020
	Note	Rupees	Rupees
Receivables from implementing partners	11.1	15,921,657	-
Other receivables	7.1	1,140,365	419,359
Receivables from employees		50,000	-
		<u>17,112,022</u>	<u>419,359</u>

7.1 Breakup is as follows:

	Opening	Receivable	Received	Closing
	Rupees	Rupees	Rupees	Rupees
IRD	221,220	-	-	221,220
Agha Ali	-	515,800	-	515,800
Consortium for Development Policy Research (CDPR)	198,139	717,702	710,246	205,595
LUMS	-	162,750	-	162,750
Cory Smith	-	35,000	-	35,000
	<u>419,359</u>	<u>1,431,252</u>	<u>710,246</u>	<u>1,140,365</u>

Note 8

Advance Income Tax

	2021	2020
	Rupees	Rupees
Cash withdrawals	105,471	107,731
Profits on banks	887,279	982,331
Grants	853,666	1,003,666
Others	289,144	279,842
Telephone	8,200	16,277
	<u>2,143,760</u>	<u>2,389,847</u>

Note 9

Cash and Bank Balances

		2021	2020
	Note	Rupees	Rupees
Cash in hand		-	13,854
Balance at banks:			
Savings accounts:	9.1		
- Local currency		7,902,296	13,633,095
- Foreign currency		275,708,488	303,810,898
		<u>283,610,784</u>	<u>317,457,847</u>

9.1 The banks carry a markup rate of 5% to 5.5% (2020: 5% to 6%).

Note 10

Endowment Fund

	2021	2020
	Rupees	Rupees
Opening balance	287,019,963	323,037,973
Less: Transfer to statement of income and expenditure	(18,413,119)	(36,018,010)
	<u>268,606,844</u>	<u>287,019,963</u>

10.1 It is established with the aim to make the Institute 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 the Institute's affairs for achieving its stated goals.

Note 11

Unutilized Grant

	Note	2021 Rupees	2020 Rupees
Opening balance		36,500,185	13,655,123
Funds received during the year		96,831,137	94,974,946
Grant receivable recognized as income		15,921,657	-
Charged to grant revenue - restricted		(55,438,333)	(48,008,577)
Charged to grant revenue - un restricted		(60,208,192)	(24,121,308)
Closing balance	11.1	<u>33,606,454</u>	<u>36,500,185</u>

11.1 Breakup of Unutilized grant

	Opening Rupees	Received during the Year Rupees	Recognized during the Year		Closing	
			Restricted Rupees	Unrestricted Rupees	Receivable Rupees	Unutilized Rupees
British Council	393,898	-	-	-	-	393,898
Cory Smith	-	99,127	-	-	-	99,127
CVI Endline	113,044	1,006,896	2,396,100	10,851,120	12,127,280	-
EdinBurgh-NTG	-	-	3,578,477	-	3,578,477	-
EGAP	2,911,021	-	962,000	1,949,021	-	-
Harvard University	2,089,070	-	-	-	-	2,089,070
IDS P2 WVP	85,489	13,360,466	9,562,073	3,461,882	-	422,000
IDS SUPWR	-	3,099,629	1,358,960	459,510	-	1,281,159
IDS T&G	14,765,693	11,556,559	4,644,360	3,982,376	-	17,695,516
IDS Women Voting Project	1,173,167	-	-	1,173,167	-	-
LUMS survey on Fake News	-	1,099,810	804,378	295,432	-	-
LUMS-SUPPER ABBU	-	927,756	-	-	-	927,756
MIT CVI 1474	-	7,457,132	5,057,871	2,399,261	-	-
New York University Abu Dhabi	-	3,425,170	1,830,808	882,406	-	711,956
Oxford: DeliverEd	-	31,873,311	5,808,279	17,074,360	-	8,990,672
PESP II	-	1,724,305	675,835	1,048,470	-	-
PhD Candidate Engagement Program	995,300	-	-	-	-	995,300
Princeton University	-	514,300	730,200	-	215,900	-
SCI - save the children	-	1,855,258	895,194	960,064	-	-
SNG CDIP	69,879	-	100	69,779	-	-
The Asia Foundation	1,192,500	3,577,500	3,278,747	1,491,253	-	-
UN Women 2020	12,711,124	15,253,918	13,854,951	14,110,091	-	-
	<u>36,500,185</u>	<u>96,831,137</u>	<u>55,438,333</u>	<u>60,208,192</u>	<u>15,921,657</u>	<u>33,606,453</u>

Note 12

Trade and Other Payables

	2021	2020
	Rupees	Rupees
Accrued liabilities	1,689,269	299,377
Tax deducted at source	2,840,662	1,553,312
	<u>4,529,931</u>	<u>1,852,689</u>

Note 13

Contingencies and Commitments

13.1 Contingencies

Assistant / Deputy Commissioner Inland Revenue raised demand amounting to Rs. 2.66 million against the Institute u/s 122(1) read with section 122(5) of the Income Tax Ordinance, 2001 pertaining to tax year 2014. The Institute being aggrieved filed an appeal before Commissioner Inland Revenue (Appeals) who vide order dated March 2, 2020 allowed partial relief pertaining to certain expenses; and remanded back the case to the department on the issue of exempt income. The Institute being aggrieved by partial relief on certain expenses and remanding the case on issue of exempt income filed an appeal before Appellate Tribunal Inland Revenue on October 9, 2020 which is pending adjudication. The Institute is hopeful for favorable decision, therefore, no provision has been made in these financial statements.

13.2 Commitments

There are no material commitment to be disclosed as at the reporting date (2020: Nil).

INSTITUTE OF DEVELOPMENT AND ECONOMIC ALTERNATIVES
A Company Licensed under Section 42, of the Companies Act, 2017
Notes to and forming part of the Financial Statements

Note 14

Program Activities

PARTICULARS	2021														TOTAL - Restricted Rupees	June 30, 2021 Consolidated Rupees				
	Restricted																			
	Unrestricted Research Rupees	Save the Children Rupees	University of Edinburgh Rupees	Delivered Rupees	IDS P2 WVP Rupees	IDS SUPWR Rupees	IDS T&G Rupees	PESP II Rupees	The Asia Foundation (TAF) Rupees	CVI Endline Rupees	EGAP Rupees	SNG CDP Rupees	Princeton University Rupees	New York University Abu Dhabi (NYUADU) Rupees			LUMS Survey on Fake News Rupees	UN Women Rupees	MIT CVI 1474 Rupees	
Income recognized during the year	60,208,192	895,194	3,578,477	5,808,279	9,562,073	1,358,960	4,644,360	675,835	3,278,747	2,396,100	962,000	100	730,200	1,830,808	804,378	13,854,951	5,057,871	55,438,333	115,646,525	
(note 14.1)																				
Expenses:																				
Communication charges	54,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,363
Consultancy charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,664,000	-	1,664,000	-	1,664,000
Disbursement Expense	-	-	-	-	-	-	-	-	-	-	-	-	730,200	-	-	-	-	-	-	730,200
Field /Survey expenses	384,680	-	-	-	225,352	-	-	55,200	130,099	-	-	-	-	185,860	167,658	42,060	91,371	897,600	1,282,580	250,424
Insurance expense	250,424	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,424
Other charges	185,802	-	-	-	21,247	-	-	-	32,736	-	-	-	-	-	-	-	-	53,983	239,785	450
Postage and courier charges	-	-	-	-	-	-	-	-	350	-	-	100	-	-	-	-	-	450	450	450
Printing & stationery charges	2,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,975	-	9,975	12,240	12,240
Professional fees	1,616,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,616,000
Rent, rates and taxes	4,166,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,166,910
Salaries and other benefits-Staff	44,807,630	895,194	3,578,477	5,808,279	6,099,976	1,358,960	4,602,360	675,835	2,124,637	527,100	962,000	-	-	-	-	5,713,719	-	32,346,537	77,154,167	147,910
Salaries -Field Staff	-	-	-	-	526,000	-	42,000	-	198,360	914,260	-	-	-	366,060	147,910	1,622,630	1,043,590	4,860,810	4,860,810	4,860,810
Salaries and other benefits-Survey	-	-	-	-	2,689,498	-	-	-	900,550	768,024	-	-	-	1,278,888	488,810	4,802,567	3,922,910	14,851,247	14,851,247	23,531
Travelling and conveyance	-	-	-	-	-	-	-	-	23,531	-	-	-	-	-	-	-	-	23,531	23,531	23,531
Utilities	1,092,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,092,174
Total Expenses	52,560,548	895,194	3,578,477	5,808,279	9,562,073	1,358,960	4,644,360	675,835	3,278,747	2,396,100	962,000	100	730,200	1,830,808	804,378	13,854,951	5,057,871	55,438,333	107,998,881	

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 Writer to and forming part of the Financial Statements

Note 14. Program Activities. Continued.....

PARTICULARS	2020														TOTAL - Restricted Rupees	June 30, 2021 Consolidated Rupees					
	Unrestricted - Research Rupees							Restricted Rupees													
	MIT JPAL-USI	IGC LGC	IGC RTI	IDS Women Voting Project	LUMS Alumni	Seminars: MHFD	IDS P2 WVP	MIT RTI	IDS TAG	PESP II	OPERA	CVI Endline	EGAP	SMG CSDP			Princeton University	Taara e Talena O Agale (ITA)	LUMS Survey on Fake News	UN Women	OPM SHG II
Income recognized during the year	123,461	726,253	146,575	652,449	4,434,850	11,513	9,382,635	94,546	1,281,910	9,499,573	937,972	2,175,059	12,530,716	301,401	100,000	405,000	1,451,625	2,609,211	1,149,828	48,008,577	72,129,885
(note 14.1)																					
Expenses:																					
Communication charges	8,762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,762
Outreach / seminar expenses	25,303	-	-	-	-	11,513	2,296	-	-	-	-	-	-	-	-	-	-	-	-	-	39,112
Boarding and lodging charges	-	-	-	-	-	-	9,679	-	-	-	-	-	-	-	-	-	-	-	-	-	9,679
Consultancy charges	-	-	-	-	-	-	-	-	-	2,084,670	-	-	-	-	-	-	-	-	-	-	2,084,670
Disbursement expenses	-	-	-	-	-	-	-	-	-	96,700	-	-	-	-	100,000	-	-	-	-	-	196,700
Field / Survey expenses	-	-	-	-	858,124	-	114,615	-	-	-	284,747	-	147,231	-	-	-	-	-	-	-	1,414,717
Insurance expense	252,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,836
Other charges	942,235	-	-	-	-	-	19,892	-	-	-	19,689	-	-	-	-	-	-	-	-	38,501	981,736
Postage and courier charges	510	-	-	-	-	-	-	-	-	-	1,750	-	-	-	-	-	-	780	-	2,530	3,040
Printing & stationery charges	21,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,166	86,016
Professional fees	2,314,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,314,675
Rent, rates and taxes	3,952,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,952,800
Salaries and other benefits - staff	47,191,300	117,353	-	596,289	-	-	8,474,767	33,096	1,174,800	7,109,846	-	1,155,000	7,349,240	265,200	-	402,818	-	2,608,431	1,149,828	25,436,648	72,627,948
Salaries - field staff	-	-	715,500	-	961,200	-	23,000	-	-	173,695	197,000	-	1,030,525	-	-	-	242,625	-	-	3,343,545	3,343,545
Salaries and other benefits - survey	-	-	-	-	2,615,326	-	-	-	-	-	656,225	451,437	8,950,648	-	-	-	1,209,000	-	-	13,683,836	13,683,836
Traveling and conveyance	324,348	6,128	10,753	146,575	-	-	728,386	61,490	107,110	34,662	-	381,116	53,072	36,201	-	2,182	-	-	-	1,561,635	1,885,983
Training expenses	-	-	-	-	-	-	-	-	-	-	-	165,147	-	-	-	-	-	-	-	166,147	166,147
Utilities	1,625,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,625,546
Total Expenses	56,666,165	123,461	726,253	140,575	4,434,850	11,513	9,382,635	94,546	1,281,910	9,499,573	937,972	2,175,059	12,530,716	301,401	100,000	405,000	1,451,625	2,609,211	1,149,828	48,008,577	104,674,742

Note 14, Program Activities, Continued.....

	2021	2020
	Rupees	Rupees
14.1 Institutional overheads		
-OPM's PESP 2	1,048,470	6,598,523
-IDS Women voting	1,173,167	250,000
-UN Women	9,880,294	933,582
-IDS Women voting Phase 2	2,695,347	1,683,986
-The Asia Foundation	1,139,022	1,087,879
-EGAP	1,949,021	-
-Save the Children	960,064	-
-DeliverEd	17,074,360	-
-IDS T&G	3,982,376	-
-IDS SuPWR	459,510	-
-SNG CDIP	69,779	-
-MIT CVI (COVID)	1,349,537	-
-Idara e Taleem o Agaahi	-	95,000
-IGC LGC	-	164,606
-IGC RTI	-	685,789
-MIT LGC (JPAL)	-	1,122,544
-OPM SNG II	-	262,241
-Media Matters for Democracy	-	21,915
-MIT RTI	-	496,273
-Survey: The Asia Foundation	352,231	-
-Survey: UN Women	4,229,797	-
-Survey: MIT CVI 1474	1,049,724	-
-Survey: NYUADC	882,406	-
-Survey: IDS P2 WVP	766,535	-
-Survey: CVI Endline	10,851,120	-
-Survey: LUMS survey on Fake news	295,432	1,672,364
-Survey: OPERA	-	647,058
-Survey: CVI (PO2 survey)	-	615,979
-Survey: EGAP (PO3 survey)	-	561,200
-Survey: LUMS survey on Air Pollution	-	3,776,027
-Survey: EGAP	-	3,446,342
	<u>60,208,192</u>	<u>24,121,308</u>

Note 15

Operating Expenses

		2021	2020
	Note	Rupees	Rupees
Salaries and other benefits		6,127,638	8,437,752
Rent, rates and taxes		1,388,970	1,317,600
Professional fees		834,500	669,750
Legal fees		600,000	600,000
Security expenses		438,480	416,556
Utilities		338,767	412,035
Auditor's remuneration		183,750	145,000
Insurance expense		105,385	106,133
Boarding and lodging charges		88,803	82,599
Communication charges		83,528	29,834
Repairs and maintenance charges		75,100	128,386
Printing and stationery charges		54,442	72,373
Office supplies		101,061	111,901
Travelling and conveyance		34,518	348,246
Postage and courier charges		7,846	10,418
Other charges		34,651	133,654
Advance income tax written off		282,950	-
Depreciation charge	4	701,597	883,925
Amortization expense	5	159,392	159,392
		<u>11,641,378</u>	<u>14,065,554</u>

Note 16

Other Income

	2021	2020
	Rupees	Rupees
Gain on disposal of property and equipment	7,800	53,800
Exchange gain	-	3,436,703
Profit on bank deposits	1,067,878	7,101,898
	<u>1,075,678</u>	<u>10,592,401</u>

Note 17

Taxation

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

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

The operations for the Institute 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 Institute 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 Institute. 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 statements.

Note 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 officer, directors and executives are also disclosed separately in the note 18.1

18.1 Remuneration to chief executive officer, directors and executives

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

	June 30, 2021		June 30, 2020	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	(Rupees)			
Managerial remuneration	9,023,760	60,609,447	13,792,597	54,349,204
Number of persons	1	9	1	9

An executive is defined as an employee, other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 19

Basic Financial Instruments by Categories

		Amortized Cost	Fair value through income and expenditure	Total
	Note	Rupees	Rupees	Rupees
Financial Assets as at June 30, 2021				
- Long term deposits		-	-	-
- Other receivables	7	17,112,022	-	17,112,022
- Cash and bank balances	9	283,610,784	-	283,610,784
		<u>300,722,806</u>	<u>-</u>	<u>300,722,806</u>

Financial Assets as at June 30, 2020

- Long term deposits		300,000	-	300,000
- Short term deposit to UNDP	6	500,000	-	500,000
- Other receivables	7	419,359	-	419,359
- Cash and bank balances	9	317,457,847	-	317,457,847
		<u>318,677,206</u>	<u>-</u>	<u>318,677,206</u>

Financial Liabilities as at June 30,

	2021	2020
	Rupees	Rupees
	Amortized Cost	
- Trade and other payables	<u>1,689,269</u>	<u>299,377</u>

Note 20

Number of Employees

	2021	2020
	Numbers	Numbers
Number of employees as at June 30,	<u>36</u>	<u>37</u>
Average number of employees during the year	<u>37</u>	<u>37</u>

Note 21

Authorization of Financial Statements

These financial statements have been approved and authorized by the Board of Directors of the Institute for issuance on 07 OCT 2021.

Note 22

General

Corresponding figures have been rearranged / reclassified, wherever considered necessary, to facilitate comparison. Following material rearrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	2020 Rupees
Security deposit - office Premises	Trade deposits and short term prepayments (note 6)	Long term deposits - office premises (face of statement of financial position)	300,000
Other receivables	Receivables from implementing partners (note 7)	Other receivables (note 7)	419,359
Transfer from endowment fund	Restricted income for research projects (face of income and expenditure account)	Transferred from endowment fund (face of income and expenditure account)	36,018,010
Transfer from endowment fund	Cash flows from financing activities	Cash flows from operating activities	36,018,010


Chief Executive Officer


Chief Financial Officer


Director