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**TRUST FOR DEMOCRATIC EDUCATION AND
ACCOUNTABILITY**

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

EY Ford Rhodes
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Trust for Democratic Education and Accountability

Opinion

We have audited the financial statements of **Trust for Democratic Education and Accountability (the Trust)**, which comprise the statement of financial position as at 30 June 2018, statement of income and expenditure, statement of comprehensive income, Statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Trust as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standard as applicable in Pakistan.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust 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 (the Code), 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.

Responsibilities of Management and the Board of Trustees for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Trust's financial reporting process.

Auditors' 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 auditors' 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.





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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 Trust'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 auditors' report. However, future events or conditions may cause the Trust 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 Trustees 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.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants
Islamabad, Pakistan
Date: 19 February 2019

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 -----Rupees-----	2017
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	6	16,263,398	15,509,168
Intangible assets	7	396,914	22,436
		<u>16,660,312</u>	<u>15,531,604</u>
CURRENT ASSETS			
Advances	8	4,940,378	7,647,713
Deposits and short-term prepayments	9	14,652,332	12,833,616
Receivable from gratuity fund	10	1,410,640	1,365,640
Other receivables	11	67,888,237	2,051,046
Tax refund due from the Government	12	156,023	104,851
Cash and bank balances	13	124,475,993	49,672,194
		<u>213,523,603</u>	<u>73,675,060</u>
TOTAL ASSETS		<u><u>230,183,915</u></u>	<u><u>89,206,664</u></u>
RESERVES AND LIABILITY			
RESERVES / FUNDS			
Endowment fund	14	11,566,020	11,047,069
Restricted reserve fund	15	22,525,080	12,177,895
Accumulated surplus		1,201,007	2,684,785
		<u>35,292,107</u>	<u>25,909,749</u>
NON-CURRENT LIABILITIES			
Deferred capital grant	16	12,927,487	10,365,089
Restricted grant	17	89,073,000	38,421,945
		<u>102,000,487</u>	<u>48,787,034</u>
CURRENT LIABILITIES			
Trade and other payables	18	92,891,321	14,509,881
		<u>230,183,915</u>	<u>89,206,664</u>
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes, from 1 to 30, form an integral part of these financial statements.

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CHAIRPERSON



CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 -----Rupees-----	2017
INCOME			
Grant	17	829,749,127	505,684,515
Amortization of deferred capital grant	16	7,109,642	8,990,734
Other income	20	50,688,137	19,788,596
		<u>887,546,906</u>	<u>534,463,845</u>
EXPENDITURE			
Projects' expenses	21	(829,749,127)	(505,684,515)
Administrative expenses	22	(46,681,571)	(27,918,069)
		<u>(876,430,698)</u>	<u>(533,602,584)</u>
Surplus before tax		11,116,208	861,261
Taxation	23	(1,733,850)	(2,671,144)
Surplus / (deficit) for the year		<u>9,382,358</u>	<u>(1,809,883)</u>

The annexed notes, from 1 to 30, form an integral part of these financial statements.

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 CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	-----Rupees-----	
Surplus / (deficit) for the year	9,382,358	(1,809,883)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>9,382,358</u></u>	<u><u>(1,809,883)</u></u>

The annexed notes, from 1 to 30, form an integral part of these financial statements.

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 CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	RESTRICTED		UNRESTRICTED	
	ENDOWMENT FUND	RESTRICTED RESERVE FUND	ACCUMULATED SURPLUS	TOTAL
	-----Rupees-----			
Balance as at 01 July 2016	10,376,731	15,487,742	1,855,159	27,719,632
Total comprehensive income for the year				
Deficit for the year	-	-	(1,809,883)	(1,809,883)
Transfers	670,338	(3,309,847)	2,639,509	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	670,338	(3,309,847)	829,626	(1,809,883)
Balance as at 30 June 2017	11,047,069	12,177,895	2,684,785	25,909,749
Total comprehensive income for the year				
Surplus for the year	-	-	9,382,358	9,382,358
Transfers	518,951	10,347,185	(10,866,136)	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	518,951	10,347,185	(1,483,778)	9,382,358
Balance as at 30 June 2018	11,566,020	22,525,080	1,201,007	35,292,107

The annexed notes, from 1 to 30, form an integral part of these financial statements.


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 CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 -----Rupees-----	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		11,116,208	861,261
Adjustment for:			
Depreciation		9,053,318	10,550,739
Amortization		115,114	11,050
Grant income		(829,749,127)	(505,684,515)
Amortization of deferred capital grant		(7,109,642)	(8,990,734)
Interest / return on bank balances		(747,439)	(896,357)
Interest on short-term investment		(45,000)	(45,123)
Gain from disposal of equipment		-	(2,157,162)
		(828,482,776)	(507,212,102)
		(817,366,568)	(506,350,841)
Operating deficit before working capital changes			
Changes in working capital cycle:			
(Increase) / decrease in current assets			
Advances		2,707,335	(5,057,445)
Deposits and short-term prepayments		(1,818,716)	(764,906)
Other receivables		(3,316,696)	(960,335)
(Decrease) / increase in current liabilities			
Trade and other payables		78,742,296	(8,737,996)
		76,314,219	(15,520,682)
Restricted grant received	17	827,190,871	546,130,530
Income taxes		(1,785,022)	(1,233,455)
Net cash generated from operating activities		84,353,500	23,025,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets		(9,807,548)	(6,733,865)
Additions to intangible assets		(489,592)	-
Profit on deposit accounts received		747,439	896,357
Proceeds from disposal of fixed assets		-	3,708,036
Net cash used in investing activities		(9,549,701)	(2,129,472)
NET INCREASE IN CASH AND CASH EQUIVALENTS		74,803,799	20,896,080
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		49,672,194	28,776,114
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	124,475,993	49,672,194

The annexed notes, from 1 to 30, form an integral part of these financial statements.


CHAIRPERSON


CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. LEGAL STATUS AND OPERATIONS

The Trust for Democratic Education and Accountability ("TDEA" or the "Trust") was established in October 2008 under the Trust Act, 1882, after a spin-off of the Free and Fair Election Network (FAFEN). The Trustees of TDEA consult the General Council comprising representatives of all FAFEN member organizations on programmatic matters. TDEA is situated at Building No. 1, Street No. 5 (off) Jasmine Road, G-7/2, Islamabad.

The objectives of TDEA are as follows:

- To educate people of all ages, gender, race, ethnicity, creed and religion about their democratic rights and responsibilities;
- To educate people of all ages, gender, race, ethnicity, creed and religion about the significance of engaging in all forms of democratic accountabilities for democratic governance;
- To educate and engage people and non-political civil society groups in carrying out democratic accountabilities such as election observation, oversight of legislatures and legislators, monitoring of government functioning and any other as may be decided by the board; and
- To undertake research and bring out periodic print and online publication in areas it deems fit to inform its work and for education of public.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such international Financial Reporting Standards (IFRS), issued by international Accounting Standard Board (IASB), as notified by Securities and Exchange Commission of Pakistan and the Accounting Standard for Not for Profit Organizations (NPOs) issued by the institute of Chartered Accountants of Pakistan.

3. BASIS OF PREPARATION

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

3.2 Items included in the financial statements are measured using the currency of the primary economic environment in which TDEA operates. These financial statements are presented in Pakistani Rupees which is the functional and presentation currency of TDEA.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying TDEA's accounting policies. The estimates / judgments and associated assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

	Note
a) Useful lives of assets, residual value and methods of depreciation and amortization;	5.2 & 5.3
b) Taxation; and	5.7
c) Provisions	5.8

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5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, interpretations and amendments with respect to the approved accounting standards, as applicable in Pakistan, will be effective from the dates mentioned below against the respective standard or interpretation:

Standards interpretations and amendments to the accounting standards		Effective date (annual periods beginning on or after)
IFRS 2 -	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 -	Insurance Contracts: Applying IFRS 9 Financial Instruments with 4 insurance Contracts - (Amendments)	01 January 2018 01 July 2018
IFRS 9 -	Financial Instruments: Classification and Measurement	
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized 01 July 2018
IFRS 15 -	Revenue from Contracts with Customers	01 January 2019
IFRS 16 -	Leases	
IAS 7 -	Statement of Cash Flows (Amendments) - Disclosure initiative, liability arising from financing activities	01 January 2017
IAS 40 -	Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 -	Uncertainty over Income Tax Treatments	01 January 2019

TDEA expects that the adoption of the above amendments to the standards will not affect TDEA's financial statements, in the period of initial application.

In addition to the above, improvements to various accounting standards have also been issued by the International Accounting Standards Board (IASB) in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019, respectively. TDEA expects that such improvements to the standards will not have any impact on TDEA's financial statements in the period of initial application, except for IFRS 15 and 16, for which management is in the process of assessing the impact.

Further, the following new standards have been issued by the International Accounting Standards Board, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	01 January, 2016
IFRS 17 - Insurance Contracts	01 January, 2021

The above standards are not expected to have any material impact on the Trust's financial statements in the period of their initial application.



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5.2 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost in relation to fixed assets comprises of acquisition and other directly attributable costs.

Depreciation is charged on reducing balance basis at rates specified in note 6 to the financial statements to write off the cost of operating fixed assets over their estimated useful lives. Full month's depreciation is charged in the month of purchase while no depreciation is charged in the month of disposal.

Subsequent costs are included in the assets carrying amount when it is probable that future economic benefits associated with the item will flow to TDEA and the cost of the item can be measured reliably.

Carrying amount of the replaced part is derecognized. All other repair and maintenance expenses are charged to income and expenditure account during the year.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amounts of operating fixed assets and are recognized within other income in the income and expenditure account.

5.3 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to TDEA and that the cost of such an asset can be measured reliably. These are stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets comprise of computer software. Intangible assets are amortized on a reducing balance basis over their estimated useful lives at the rate specified in note 7 to the financial statements.

5.4 Foreign currency translation

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rate of exchange ruling on the balance sheet date and exchange differences, if any. Are charged to income and expenditure account for the year.

5.5 Impairment

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. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, 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 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 or CGUs.

TDEA's assets do not generate separate cash inflows. If there is an indication that an asset may be impaired, then the recoverable amount is determined for the CGU to which the 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 income and expenditure account.

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Impairment loss 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.

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.

An impairment loss in respect of a financial asset measured at amortize-d 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 income or expense and reflected in an allowance account. 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 income and expenditure account.

Impairment test for each cash generating unit is performed when there is an indication of impairment. At each year end, an assessment is made to determine whether there are any indications of impairment. TDEA conducts annually an internal review of asset values which is used as a source of information to assess any indications of impairment. If any such indication exists, an estimate of the asset's recoverable amount is calculated being the higher of the fair value of the asset less cost to sell and the assets value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to the Income and Expenditure Statement so as to reduce the carrying amount of assets to its recoverable amount.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed to the income and Expenditure Statement net of any depreciation that would have been charged since the impairment.

5.6 Grant

(a) Restricted grants

Grants received for specific purposes are classified as restricted grants. Such grants are transferred to the income and expenditure account as grant income, to the extent of actual expenditure incurred there against. Expenditure incurred against committed grants, but which are yet to be received, is accrued and recognized in income and reflected as a grant receivable, only if the conditions of agreement are met. The unspent portion of such grants are reflected as restricted grants in the balance sheet.

(b) Unrestricted grants

Unconditional grants are recognized as income upon receipt.

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(c) Deferred capital grants

i) Grants related to assets

Monetary grants received for capital expenditure, are accounted for as deferred capital grants, amounts equal to the annual charge for depreciation and amortization on assets so acquired, are recognized as income in the income and expenditure account.

ii) Non-monetary grants

Donations received in the form of non-monetary assets are recognized at fair value and included in the income and expenditure account when the related conditions are fulfilled.

5.7 Taxation

Provision for current income tax is calculated based on the prevailing income tax laws.

TDEA is in the process of obtaining the status of a "nonprofit organization" under section 2(36) of the Income Tax Ordinance, 2001. Management is confident of such approval being granted before the filing of its tax return for the current tax year. TDEA meets the criteria of a non-profit organization as defined in the Ordinance, and accordingly, management considers that a 100% tax credit under Section 100C of the Ordinance is available to TDEA in respect of incomes specified in the said section.

5.8 Provisions

Provisions are recognized when TDEA has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle such obligations and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

5.9 Endowment fund

The endowment fund is established to ensure long-term sustainability of TDEA, and it is funded by income from membership fees, donations, profit on endowment fund's deposit accounts, and the return on investments, if any. The fund is utilized for acquisition of assets for the Trust, capacity building of FAFEN Member organizations, and shortfalls in restricted reserves up to 20% of the endowment fund (excluding interest and investment income).

5.10 Restricted reserve fund

The restricted reserve fund is established to ensure sustainability of TDEA operational activities and it is funded by management fees, the related profit on the restricted reserve fund's deposit accounts, net receipts from fixed price contracts, and cost recovery from projects through implementing office cost and administrative cost. The fund is utilized for operational expenses (non-recoverable) not chargeable to any donor, bridge financing of operational expenses (recoverable), tax expenses and disallowances and logistical expenses of the Board of Trustees/Executive Council meetings.

5.11 Staff retirement benefits

Gratuity fund

TDEA maintains a separate contribution fund for all its regular eligible employees. The scheme entitles the members to a lump sum payment at the time of retirement, resignation or death. Gratuity is payable to employees who have completed at least six months of service. The annual provision for gratuity is made based on the last drawn salary and that amount is submitted into the fund. A provision is made annually to cover obligations under the scheme by way of a charge to the income and expenditure account. No actuarial valuation is carried out to determine the annual defined benefit obligation, since the difference in valuation, under the current method and the actuarial valuation methods, is immaterial.

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Provident Fund

The TDEA maintains a funded contributory provident fund for all regular eligible employees. The employees contribute a monthly amount at the rate of 4.17% of their basic salary. TDEA's corresponding contributions also (at the rate of 4.17% of basic salary) is charged to the income and expenditure account.

5.12 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise of cash in hand and at banks.

5.13 Financial instruments

Non-derivative financial assets

These are initially recognized on the date that they are originated i.e. on the trade date, which is the date that TDEA becomes a party to the contractual provisions of the instrument. Investments are recognized on settlement date.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when TDEA transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by TDEA is recognized as a separate asset or liability.

TDEA classifies non-derivative financial assets into the following categories: held to maturity and loans and receivables:

Held-to-maturity

If TDEA has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less impairment loss, if any. Held-to-maturity financial assets comprise term deposit receipt.

Loans and receivables

Loans and receivables comprise deposits, other receivables and cash and cash equivalents.

Deposits and other receivable are stated initially at the fair value, subsequent to initial recognition these are stated at their amortized cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The provision for doubtful accounts is based on TDEA's assessment of the collectability of counterparty accounts. TDEA regularly reviews its receivables that remain outstanding past their applicable payment terms and establishes provision and potential write-offs by considering factors such as historical experience, credit quality, age of the receivable balances, and current economic conditions that may affect a customer's ability to pay.

Cash and cash equivalents comprise cash balances and are subject to an insignificant risk of changes in their fair value and are used by TDEA in the management of its short-term commitments.

Non-derivative financial liabilities

TDEA initially recognizes non-derivative financial liabilities on the date that they are originated or the date that TDEA becomes a party to the contractual provisions of the instrument. TDEA derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

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TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY

These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities comprise trade and other payables.

5.14 Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if TDEA 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.

5.15 NPO Guideline

TDEA has adopted deferral method of accounting instead of fund accounting.

5.16 Income recognition

Grants and donations

Grants and donations are recognized as income as and when received and when the related conditions are fulfilled.

Membership and management fees

Membership fees are recognized when they become due, while management fees are recognized as and when the related conditions are fulfilled.

Administration fees

TDEA recognizes administration fees, if any, on accrual basis.

Interest income on bank deposits and investments

Interest on bank deposits and investments is recognized using the effective interest rate method.

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by TDEA. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

TDEA uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

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- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the TDEA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

TDEA's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For fair value disclosures, TDEA determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

TDEA does not have such financial assets which are required to be classified in above given hierarchies.



6 OPERATING FIXED ASSETS

	Note	Cost				Accumulated Depreciation				Net Book Value	
		At 01 July	Additions	Disposals	At 30 June	Rate per annum	At 01 July	Charge for the year	On Disposals	At 30 June	At 30 June
		Rupees				%	Rupees				Rupees
2018											
Lease hold improvements:		9,742,798	321,039	-	10,063,837	35	3,771,223	2,116,786	-	5,888,009	4,175,828
Furniture and fixtures		5,459,968	977,040	-	6,437,008	45	4,238,747	700,765	-	4,939,502	1,497,506
Office equipment		13,670,192	464,761	-	14,134,953	45	10,333,665	1,422,762	-	11,756,427	2,378,526
Computer equipment		22,292,900	8,044,708	-	30,337,608	65	20,694,951	3,291,274	-	23,986,225	6,351,383
Mobile phones		3,711,151	-	-	3,711,151	75	3,710,901	-	-	3,710,901	250
Vehicles		8,935,141	-	-	8,935,141	45	5,553,495	1,521,741	-	7,075,236	1,859,905
		63,812,150	9,807,548	-	73,619,698		48,302,982	5,053,318	-	57,356,300	16,263,398

2017

Lease hold improvements		7,461,427	2,281,371	-	9,742,798	35	954,516	2,818,707	-	3,771,223	5,971,575
Furniture and fixtures		5,459,968	-	-	5,459,968	45	3,239,567	999,180	-	4,238,747	1,221,221
Office equipment		15,687,120	503,992	(2,520,920)	13,670,192	45	9,845,311	2,463,254	(1,974,900)	10,333,665	3,336,527
Computer equipment		20,902,052	1,390,848	-	22,292,900	65	18,481,363	2,213,588	-	20,694,951	1,597,949
Mobile phones		3,711,151	-	-	3,711,151	75	3,710,901	-	-	3,710,901	250
Vehicles		10,913,253	2,557,654	(4,535,766)	8,935,141	45	7,026,397	2,058,010	(3,530,912)	5,553,495	3,381,646
		64,134,971	6,733,865	(7,056,686)	63,812,150		43,258,055	10,550,739	(5,505,812)	48,302,982	15,509,168

6.1 Depreciation charge has been allocated as follows:

Projects' expenses
Administrative expenses

6.2 This depreciation charge includes:

Depreciation on owned assets
Deferred capital grant

6.3 Operating fixed assets include the cost of assets amounting to PKR 62,348,626 (2017: PKR 53,166,178) having a net book value of PKR 12,473,544 (2017: PKR 10,385,089) purchased from the deferred capital grants received from the United States Agency for International Development (USAID), the European Union (EU), Royal Netherlands Embassy (RNE), The Asia Foundation (TAF), the Development Alternatives Incorporation (DAI), the British Council (BC), and the United Nation Development Programme (UNDP). Upon completion of relevant projects, these assets will be disposed off / transferred as per the instructions of the Donors.

7 INTANGIBLE ASSETS

INTANGIBLE ASSETS										
	Cost				Accumulated Depreciation				Net Book Value	
	At 01 July	Additions	Disposals	At 30 June	Rate per annum	At 01 July	Charge for the year	On Disposals	At 30 June	
	Rupees				%	Rupees				At 30 June Rupees
2018										
Computer software	2,484,322	489,592	-	2,973,914	33	2,461,886	115,114	-	2,577,000	396,914
2017										
Computer software	2,484,322	-	-	2,484,322	33	2,450,836	11,050	-	2,461,886	22,436

7.1 This mainly represents intangible assets purchased from deferred capital grants received from USAID, the European Union, The Asia Foundation and the British Council and United Nation Development Programme (UNDP). Upon completion of relevant projects, these assets will be disposed off / transferred as per the instructions of the Donors.

7.2 Amortization charge has been allocated as follows:

	2018	2017
Note	-----Rupees-----	
15	4,311	6,435
16	110,802	4,615
	<u>115,113</u>	<u>11,050</u>

8 ADVANCES - considered good

Advances to employees	2,199,400	2,731,934
Advances to implementing partners	2,740,978	4,915,779
	<u>4,940,378</u>	<u>7,647,713</u>

9 DEPOSITS AND SHORT-TERM PREPAYMENTS

Security deposits	2,103,000	1,878,000
Prepayments	9.1 12,549,332	10,955,616
	<u>14,652,332</u>	<u>12,833,616</u>

9.1 This includes prepaid rent amounting to PKR 12,523,500 (2017: PKR 10,926,300) relating to the office building on rent.

10 RECEIVABLE FROM GRATUITY FUND

Term Deposit Receipt (TDR)	10.1 1,000,000	1,000,000
Accrued interest	10.2 410,640	365,640
	<u>1,410,640</u>	<u>1,365,640</u>

10.1 This represents investment in TDR made with Habib Bank Limited, through TDEA's related party, the TDEA Employees Gratuity Fund, carrying interest at rates ranging from 4.51% to 5.00% (2017: 4.51% to 5.00%) per annum, with a maturity of up to one year.

10.2 Movement in accrued interest

Opening balance	365,640	320,517
Accrued during the year	45,000	45,123
Received during the year	10.3 -	-
Closing balance	<u>410,640</u>	<u>365,640</u>

10.3 The interest is received by gratuity fund upon maturity of the TDR. However, TDEA has not yet received the interest from the gratuity fund.

11 OTHER RECEIVABLES

Receivable from donors	17 62,884,779	364,284
Membership fees receivable	624,591	387,091
Others	11.1 4,378,867	1,299,671
	<u>67,888,237</u>	<u>2,051,046</u>

11.1 This includes PKR 1,226,500 (2017 : PKR 1,149,500) receivable from Palladium Pakistan (Private) Limited (the Palladium) against the Capacity Development and Technical Assistance Services provided to the Palladium.

12 TAX REFUND DUE FROM THE GOVERNMENT

Advance income tax paid	1,889,873	2,775,995
Provision for current tax	(1,733,850)	(2,671,144)
	<u>156,023</u>	<u>104,851</u>

Signature

		2018	2017
	Note	-----Rupees-----	
13 CASH AND BANK BALANCES			
Cash in hand		37,162	65,245
Cash at bank			
- Current accounts	13.1	39,331,820	148,438
- Savings accounts		85,107,011	49,458,511
		124,438,831	49,606,949
		124,475,993	49,672,194
13.1	These carry interest at rates ranging from 3.2% to 5.5% (2017: 3.2% to 5.5%) per annum.		
14 ENDOWMENT FUND			
Opening balance		11,047,069	10,376,731
Transferred to Endowment Fund during the year			
Income			
Membership fees		427,500	595,000
Profit on deposit accounts		48,905	37,059
Return on short term investment		45,000	45,123
Expenses			
Bank charges		(2,454)	(6,844)
		518,951	670,338
Closing balance		11,566,020	11,047,069
15 RESTRICTED RESERVE FUND			
Opening balance		12,177,895	15,487,742
Transferred to / (from) Restricted Reserve Fund during the year			
Income			
Profit on deposit accounts		448,461	859,298
Administrative fees	20	1,385,242	-
Management fees	20	24,767,116	12,602,166
Consultancy fees	20	20,138,800	3,332,760
Gain on disposal of operating fixed assets	20	-	31,058
Others	20	3,177,040	160,028
Expenses			
Administrative expenses	22	(39,368,316)	(18,254,588)
Depreciation on owned assets	6.2	(196,847)	(2,034,134)
Amortization on owned assets	7.2	(4,311)	(6,435)
		10,347,185	(3,309,847)
Closing balance		22,525,080	12,177,895
16 DEFERRED CAPITAL GRANTS			
Opening balance		10,365,089	15,443,865
Assets purchased from restricted grants	17	9,672,040	3,911,958
Depreciation on items of operating fixed assets	6.2	(6,998,840)	(7,611,453)
Amortization of intangible assets	7.2	(110,802)	(4,615)
Net book value of operating fixed assets disposed off		-	(1,374,666)
		(7,109,642)	(8,990,734)
Closing balance		12,927,487	10,365,089

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17 RESTRICTED GRANT / RECEIVABLE FROM DONAR / PAYABLE TO DONOR

Project	Donor	Opening balance		Grant received during the year	Profit on deposit accounts	Exchange gain/(loss)	TDEA Contribution	TDEA-FAFEN Contribution	Amount returned to the donor	Project expenses deferred capital grant	Closing balance		
		Restricted grant	Receivable from donor								Restricted grant	Receivable from donor	
Rupees													
2018													
ILM-Possible	British Council	-	-	24,076,330	-	-	-	-	(360,856)	(2,630,731)	(350,418)	-	
WABW	RNE	9,745,011	-	31,107,154	570,271	-	2,689,784	-	-	(53,755,681)	21,075,181	-	
ALARM	EU	-	-	29,963,500	-	-	451,424	-	-	(9,028,482)	-	(9,683,461)	
CLDP	Trocaire	2,491,269	-	22,531,042	406,025	-	-	-	-	(22,356,479)	21,196,152	-	
SELP	UNDP	-	-	297,018,483	2,112,401	-	-	-	-	(261,944,360)	3,071,857	-	
ALPF	UNDP	-	(364,284)	364,284	-	-	-	-	-	-	35,447,432	-	
CVP	USAID	26,185,665	-	451,833,413	-	-	-	-	(98,341,391)	(410,832,314)	-	-	
DRL	USAID	-	-	19,166,630	-	203,342	-	-	-	(11,087,594)	8,282,378	-	
AFGP	USAID	-	-	41,878,300	-	1,520,735	-	-	-	(58,053,486)	-	-	
		38,421,945	(364,284)	917,939,136	3,088,697	1,724,077	3,141,208	-	(98,702,247)	(829,748,127)	89,073,000	(62,884,779)	
2017													
ILM-Possible	British Council	-	-	15,456,971	121,767	-	-	-	-	(18,415,981)	-	360,856	
WABW	RNE	3,198,099	-	28,604,500	442,362	-	505,952	87,370	-	(16,467,945)	9,745,011	-	
DESP	DFID	-	-	134,518,860	-	-	-	-	-	(134,518,860)	-	-	
CLDP	Trocaire	-	-	4,523,728	13,853	-	-	-	-	(2,046,312)	2,491,269	-	
ALPF	UNDP	-	-	2,480,954	-	-	-	-	-	(2,845,238)	-	(364,284)	
EVC	Care Int'l	-	-	2,746,333	-	-	-	-	-	(1,668,694)	-	-	
CVP	USAID	-	-	356,627,880	-	-	-	-	-	(329,671,485)	26,185,665	-	
		3,198,099	-	544,959,226	577,982	-	505,952	87,370	-	(505,684,515)	38,421,945	360,856	

		2018	2017
	Note	-----Rupees-----	
18	TRADE AND OTHER PAYABLES		
	Accrued liabilities	36,189,565	3,295,629
	Accounts payable	8,320,785	6,608,896
	Payable to implementing partners	47,529,964	4,160,184
	Payable to gratuity fund	639,733	67,500
	Withholding tax payable	211,274	369,367
	Payable to provident fund	-	8,305
		<u>92,891,321</u>	<u>14,509,881</u>
19	CONTINGENCIES AND COMMITMENTS		
19.1	There are no contingencies at the current and prior year.		
19.2	The following is the commitment at the current and prior year;		
	Operating lease commitment	<u>54,994,500</u>	<u>80,041,500</u>
20	OTHER INCOME		
	Income from financial assets		
	Interest / return on bank balances	747,439	896,357
	Interest on short-term investment	45,000	45,123
		<u>792,439</u>	<u>941,480</u>
	Income from assets other than financial assets		
	Management fees	20.2 & 21.1	24,767,116
	Consultancy fees	20.3	12,602,166
	Others		3,332,760
	Administration fees		3,177,040
	Membership fees	20.1	160,028
	Gain on disposal of operating fixed assets		-
			595,000
			2,157,162
		<u>49,895,698</u>	<u>18,847,116</u>
		<u>50,688,137</u>	<u>19,788,596</u>
20.1	This includes subscriptions of PKR 10,000 received by TDEA from different implementing partners.		
20.2	As advised by the Contracting Officer of USAID, via a letter dated 03 August, 2016, the recovery of the fee was fixed at PKR 1,093,969 per month for the sixth and seventh year of the CVP Project. Further, as per agreement under AFGP project fixed fee amounting to USD 646,847 (PKR 67,918,949) over five year of project.		
20.3	This represents the income from providing the consultancy services to Palladium Pakistan (Private) Limited in respect of the Capacity Development and Technical Assistance Services, including advancing the functionality of the parliamentary institutions of Pakistan.		

		2018	2017
		-----Rupees-----	
21	PROJECTS' EXPENSES	Note	
	Citizen Voice Project (CVP)	21.1	410,832,314 329,671,485
	Strengthening Electoral and Legislative Processes (SELP)	21.2	261,944,360 -
	Ambassador's Fund Frant Program (AFGP)	21.3	58,053,486 -
	Women's Action for Better Workplaces (WABW)	21.4	53,795,681 16,497,945
	Community Leadership and Development Programme (CLDP)	21.5	22,356,479 2,046,312
	State Department of Human Rights and Labour (DRL)	21.6	11,087,594 -
	Advocacy and Legal Aid for Religious Minorities (ALARM)	21.7	9,028,482 -
	Take a child to school - ILMPOSSIBLE II	21.8	2,650,731 -
	Deepening Democracy and Election Support Project (DESP)	21.9	- 134,518,860
	Take a child to school -ILMPOSSIBLE	21.10	- 18,415,981
	Every Voice Counts (EVC)	21.11	- 1,688,694
	Assessing the Legislative and Policy Framework in Khyber Pakhtunkhwa on Sustainable Development Goal 4 (Quality Education)-UNDP	21.12	- 2,845,238
			<u>829,749,127 505,684,515</u>
21.1	Citizen voice project (CVP)		
	Personnel cost	21.1.1	154,394,172 156,138,076
	Professional services		3,105,630 260,554
	Management fee		15,737,736 12,602,166
	Activity costs	21.1.2	187,469,876 119,013,148
	Office supplies and equipment		4,139,170 2,578,686
	Repairs and maintenance		1,850,402 1,950,427
	Communication charges		683,215 481,260
	Office rent		14,106,844 16,000,225
	Security charges		1,326,037 1,241,772
	Vehicle rental and fuel costs		482,434 696,234
	Utilities		1,476,705 1,164,394
	Audit fee	21.1.3	880,000 1,100,000
	Advertisement and printing costs		120,256 1,040,130
	Webhosting/I-services		738,004 636,873
	Depreciation		415,315 44,695
	Insurance costs		3,112,194 3,326,194
	Travel and accommodation		19,356,745 8,290,710
	Administrative costs		1,437,579 3,105,941
		21.1.4	<u>410,832,314 329,671,485</u>
21.1.1	This includes a sum of PKR 2,730,840 (2017: PKR 2,819,344) and PKR 12,109,792 (2017: PKR 11,331,582) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.		
		Note	
		2018	2017
		-----Rupees-----	
21.1.2	Activity costs		
	Capacity building and training of grantees		182,655,695 114,440,875
	Pre-award and post award financial monitoring		4,814,181 4,572,273
			<u>187,469,876 119,013,148</u>

	Note	2018 -----Rupees-----	2017
21.1.3 Auditors' remuneration			
EY Ford Rhodes - 2017 / 2018		880,000	-
EY Ford Rhodes - 2016 / 2017		-	880,000
EY Ford Rhodes - 2015 / 2016		-	50,000
KPMG Taseer Hadi - 2014 / 2015		-	170,000
		<u>880,000</u>	<u>1,100,000</u>

21.1.4 The above project costs include expenses amounting to PKR 179.93 million (2017: PKR 113.85 million) incurred by implementing partners on behalf of TDEA against project activities.

	Note	2018 -----Rupees-----	2017
21.2 Strengthening Electoral and Legislative Processes (SELP)			
Personnel cost	21.2.1	25,525,958	-
Activity costs	21.2.2	216,775,435	-
Professional services		623,477	-
Fuel expenses		5,970	-
Office supplies and equipment		1,082,892	-
Repairs and maintenance		260,451	-
Communication charges		299,559	-
Office rent		1,499,556	-
Security charges		277,349	-
Utilities		342,901	-
Postage, courier and carriage		40,088	-
Advertisement and printing costs		14,543,533	-
Depreciation		436,974	-
Administrative costs		230,217	-
		<u>261,944,360</u>	<u>-</u>

21.2.1 This includes a sum of PKR 482,844 (2017: PKR Nil) and PKR 2,311,415 (2017: PKR Nil) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2018 -----Rupees-----	2017
21.2.2 Activity costs			
Capacity building and training of grantees		1,502,691	-
Pre-award and post award financial monitoring		2,554,977	-
Implementing Agencies Expenses		212,717,767	-
		<u>216,775,435</u>	<u>-</u>
21.3 Ambassador's Fund Grant Program (AFGP)			
Personnel cost	21.3.1	41,754,307	-
Management fee		9,029,380	-
Activity costs	21.3.2	1,281,850	-
Fuel expenses & vehicle rent		419,555	-
Office supplies and equipment		577,427	-
Repairs and maintenance		750,726	-
Communication charges		368,253	-
Office rent		1,547,369	-
Security charges		286,429	-
Utilities		313,265	-
Audit fee		450,000	-
Postage, courier and carriage		9,066	-
Advertisement and printing costs		117,812	-
Webhosting/I-services		35,456	-
Depreciation		500,973	-
Insurance costs		170,712	-
Travel and accommodation		419,987	-
Administrative costs		20,919	-
		<u>58,053,486</u>	<u>-</u>

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- 21.3.1 This includes a sum of PKR 896,528 (2017: PKR NIL) and PKR 3,328,920 (2017: PKR NIL) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2018	2017
	-----Rupees-----	
21.3.2 Activity costs		
Capacity building and training of grantees	1,281,850	-
	<u>1,281,850</u>	<u>-</u>

	Note	2018	2017
		-----Rupees-----	
21.4 Women's Action for Better Workplaces (WABW)			
Personnel cost	21.4.1	13,892,305	7,038,266
Activity costs	21.4.2	35,425,872	5,322,338
Office supplies and communication		1,827,324	1,545,090
Security charges		174,908	33,506
Repairs and maintenance		187,757	24,509
Utilities		195,643	27,630
Equipment and admin cost		187,547	2,189,270
Depreciation		341,043	130,905
Travel cost		1,563,282	186,431
		<u>53,795,681</u>	<u>16,497,945</u>

- 21.4.1 This includes a sum of PKR 248,728 (2017: 148,835) and PKR 953,555 (2017: 490,180) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2018	2017
		-----Rupees-----	
21.4.2 Activity costs			
Research consultants		2,795,434	7,898
Meetings and press briefings		2,556,758	439,377
Printings and publication		262,686	69,745
Implementing agencies	21.4.3	29,810,994	4,805,318
		<u>35,425,872</u>	<u>5,322,338</u>

- 21.4.3 The above project costs include expenses amounting to PKR 29,810,994 (2017: PKR 4,805,318) incurred by implementing partners on behalf of TDEA against project activities.

	Note	2018	2017
		-----Rupees-----	
21.5 Community Leadership and Development Programme (CLDP)			
Personnel cost	21.5.1	7,925,580	1,574,725
Training and capacity building		1,682,200	-
Office rent		726,357	263,288
Utilities		100,889	36,455
Communication		62,915	29,561
Printing and publications		142,061	3,053
Office supplies		319,812	27,585
Depreciation		163,326	31,875
Travel Expense		3,882,385	-
Meals and refreshment		3,800,483	8,777
Fuel Expenses		21,358	-
Repairs and maintenance		40,960	42,774
Insurance costs		7,696	-
Security costs		89,558	28,219
Accommodation and venue expenses		3,390,899	-
		<u>22,356,479</u>	<u>2,046,312</u>

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- 21.5.1** This includes a sum of PKR 87,122 (2017: PKR 33,414) and PKR 291,129 (2017: PKR 115,673) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2018 -----Rupees-----	2017
21.6 State Department of Human Rights and Labour (DRL)			
Personnel cost	21.6.1	5,080,449	-
Activity costs		4,701,097	-
Office supplies and equipment		172,568	-
Communication charges		36,150	-
Utilities		66,894	-
Postage, courier and carriage		7,642	-
Advertisement and printing costs		204,334	-
Administrative costs		818,460	-
		<u>11,087,594</u>	<u>-</u>

- 21.6.1** This includes a sum of PKR 111,246 (2017: PKR Nil) and PKR 387,409 (2017: PKR Nil) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2018 -----Rupees-----	2017
21.7 Advocacy and Legal Aid for Religious Minorities (ALARM)			
Personnel cost	21.7.1	1,786,556	-
Activity costs		6,562,048	-
Office supplies and equipment		20,758	-
Communication charges		14,090	-
Office rent		116,078	-
Security charges		24,096	-
Utilities		26,973	-
Postage, courier and carriage		3,248	-
Travel and accommodation		120,670	-
Administrative costs		353,965	-
		<u>9,028,482</u>	<u>-</u>

- 21.7.1** This includes a sum of PKR 41,621 (2017: PKR Nil) and PKR 130,532 (2017: PKR Nil) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2018 -----Rupees-----	2017
21.8 Take a child to school - ILMPOSSIBLE			
Personnel cost	21.8.1	609,288	-
Activity costs	21.8.2	1,587,994	-
Office supplies		63,869	-
Communication charges		99,865	-
Administrative costs		212,817	-
Office rent		76,898	-
		<u>2,650,731</u>	<u>-</u>

- 21.8.1** This includes a sum of PKR 12,135 (2017: PKR Nil) and PKR 46,709 (2017: PKR Nil) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2018 -----Rupees-----	2017
21.8.2 Activity costs	1,587,994	-
Trainings and Capacity building	<u>1,587,994</u>	<u>-</u>

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	Note	2018 -----Rupees-----	2017
21.9 Deepening Democracy and Election Support Project (DESP)			
Personnel cost	21.9.1	-	32,119,781
Activity costs	21.9.2	-	89,119,006
Communication charges		-	680,658
Stationery, books and periodic and office supplies		-	1,043,406
Repairs and maintenance		-	348,987
Utilities		-	291,292
Office rent		-	3,364,531
Fuel expenses		-	215,743
Equipment and admin cost		-	1,466,954
Depreciation		-	589,467
Security charges		-	312,900
Travel cost		-	4,966,135
		-	<u>134,518,860</u>
21.9.1 This includes a sum of PKR 514,863 and PKR 2,704,157 on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.			
		2018 -----Rupees-----	2017
21.9.2 Activity costs		-	33,884,092
Research consultants		-	7,996,250
Meetings and press briefings		-	986,045
Printings and publication		-	46,252,619
Implementing agencies		-	<u>89,119,006</u>
21.9.3 The above project costs include expenses amounting to PKR 46,252,619 incurred by implementing partners on behalf of TDEA against project activities.			
	Note	2018 -----Rupees-----	2017
21.10 Take a child to school - ILMPOSSIBLE			
Personnel cost	21.10.1	-	3,496,020
Activity costs	21.10.2	-	13,783,462
Office supplies		-	127,402
Travel and accommodation		-	85,851
Communication charges		-	146,338
Administrative costs		-	701,086
Depreciation		-	75,322
Repairs and maintenance		-	500
		-	<u>18,415,981</u>
21.10.1 This includes a sum of PKR 75,768 and PKR 363,663 on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.			
		2018 -----Rupees-----	2017
21.10.2 Activity costs		-	28,980
Meetings and press briefings		-	13,754,482
Implementing agencies		-	<u>13,783,462</u>

21.10.3 The above project costs include expenses amounting to PKR 13,754,482 incurred by implementing partners on behalf of TDEA against project activities.

		2018	2017
	Note	-----Rupees-----	
21.11 Every Voice Counts (EVC)			
Personnel cost	21.11.1	-	1,185,425
Office rent		-	157,163
Administrative costs		-	328,686
Depreciation		-	17,420
		<u>-</u>	<u>1,688,694</u>

21.11.1 This includes a sum of PKR 25,032 and PKR 96,359 on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		2018	2017
		-----Rupees-----	
21.12 Assessing the Legislative and Policy Framework in Khyber Pakhtunkhwa on Sustainable Development Goal 4 (Quality Education)-UNDP			
Personnel cost		-	503,364
Office rent		-	111,947
Utilities		-	10,361
Communication, postage and courier		-	11,586
Printing and publications		-	77,814
Office supplies		-	8,859
Depreciation		-	15,468
Consultants and trainers fee		-	556,102
Meals and refreshment		-	863,856
Repairs and maintenance		-	6,885
Travel and fuel cost		-	652,505
Security costs		-	9,285
Other costs		-	17,206
		<u>-</u>	<u>2,845,238</u>

		2018	2017
	Note	-----Rupees-----	
22 ADMINISTRATIVE EXPENSES		16,741,052	4,480,584
Consultants and trainers fee	22.1	8,872,995	7,052,911
Personnel cost	6.1	7,195,687	9,645,587
Depreciation		6,058,165	1,357,765
Office rent		3,464,876	704,570
Implementing partners		1,575,783	439,374
Travel expenses		1,567,109	3,127,449
Office supplies and other administrative expenses	22.2	440,000	450,000
Auditors' remuneration		193,365	-
Training and capacity building		135,773	80,907
Office security	7	115,114	11,050
Amortization		85,763	64,130
Utilities		67,722	107,087
Repairs and maintenance		55,292	10,490
Insurance costs		47,544	138,094
Others		38,092	110,940
Communication charges		27,239	132,601
Fuel expenses		-	4,530
Expenses disallowed by the Donors	22.3	<u>46,681,571</u>	<u>27,918,069</u>

- 22.1 Included herein is a sum of PKR 135,938 (2017: PKR 120,208) and PKR 416,999 (2017: PKR 408,437) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

2018 2017
-----Rupees-----

- 22.2 Auditors' remuneration

EY Ford Rhodes

	440,000	450,000
	440,000	450,000

- 22.3 Administrative expenses excluding depreciation, amortization and bank charges relating to endowment fund bank account have been transferred to restricted reserve fund.

2018 2017
-----Rupees-----

23 **Taxation**

Current tax

- Current year
- Prior year

	1,733,850	488,996
	-	2,182,148
	1,733,850	2,671,144

24 **FINANCIAL INSTRUMENTS**

TDEA has exposure to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note presents information about TDEA's exposure to each of the above risks, and TDEA's objectives, policies and processes for measuring and managing such risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Trustees has overall responsibility for the establishment and oversight of TDEA's risk management framework. The Board is responsible for developing and monitoring TDEA's risk management policies.

TDEA's risk management policies are established to identify and analyze the risks faced by TDEA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and TDEA's activities. TDEA, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Trustees of TDEA oversee how management monitors compliance with TDEA's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by TDEA.

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(a) Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. TDEA's credit risk is primarily attributable to bank balances, advances to employees, security deposits, grants receivable and other receivables. The management believes that TDEA is not exposed to a major concentration of credit risks as the exposure is spread over a number of counter parties, which are mainly receivables from donors and banks with reasonably high credit ratings. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2018 -----Rupees-----	2017
Security deposits	9	2,103,000	1,878,000
Other receivables	11	67,888,237	2,051,046
Receivable from gratuity fund	10	1,410,640	1,365,640
Bank balances	13	124,475,993	49,606,949
		<u>195,877,870</u>	<u>54,901,635</u>

Concentration of credit risk

Geographically there is no concentration of credit risk. TDEA does not have any trade receivables. Based on past experience, management believes that no impairment allowance is necessary in respect of its financial assets.

The maximum exposure to credit risk for financial assets at the reporting date by type of counter party was:

	Note	2018 -----Rupees-----	2017
Receivable from donors	11	62,884,779	364,284
Banks and financial institutions	10 & 13	125,886,633	50,972,589
Others	9 & 11	7,106,458	3,564,762
		<u>195,877,870</u>	<u>54,901,635</u>

Below table summarizes the maturity profile of financial assets of TDEA's based on contractual undiscounted receipts:

2018	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	<90 days	
Receivable from donors	-	-	62,884,778	-	-	62,884,778
Bank and financial institutions	125,886,633	-	-	-	-	125,886,633
Others	-	-	5,003,458	-	2,103,000	7,106,458
	<u>125,886,633</u>	<u>-</u>	<u>67,888,236</u>	<u>-</u>	<u>2,103,000</u>	<u>195,877,869</u>

2017	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	<90 days	
Receivable from donors	-	-	364,284	-	-	364,284
Bank and financial institutions	50,972,589	-	-	-	-	50,972,589
Others	-	-	1,686,762	-	1,878,000	3,564,762
	<u>50,972,589</u>	<u>-</u>	<u>2,051,046</u>	<u>-</u>	<u>1,878,000</u>	<u>54,901,635</u>

(b) Liquidity risk

Liquidity risk is the risk that TDEA will not be able to meet its financial obligations as they fall due. TDEA's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient funds to meet its liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, applying prudent fund management practices, and the ability to close out market positions favorably. TDEA's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to TDEA's reputation.

Management believes that at the moment there is an insignificant risk of TDEA facing difficulties in meeting its financial obligations, as sufficient funds are available. The carrying amounts of TDEA's financial liabilities approximate the estimated contractual cash outflows, which are due within one year of the balance sheet date.

30/12

Carrying Amount	Contractual cash flows	Maturity up to one year	Maturity up to one year and up to five
Rupees			

2018

Financial liabilities

Trade and other payables

92,891,321	92,891,321	92,891,321	-
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2017

Financial liabilities

Trade and other payables

14,140,514	14,140,514	14,140,514	-
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It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect TDEA's income, or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. TDEA is not significantly exposed to market and interest rate risk.

24.1 Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

Assets carried at amortized cost

Security deposits
Other receivables
Receivable for TDEA Gratuity Fund
Cash and bank balances

2018		2017	
Carrying amount	Fair value	Carrying amount	Fair value
Rupees	Rupees	Rupees	Rupees
2,103,000	2,103,000	1,878,000	1,878,000
67,888,237	67,888,237	2,051,046	2,051,046
1,410,640	1,410,640	1,365,640	1,365,640
124,475,993	124,475,993	49,672,194	49,672,194
195,877,870	195,877,870	54,966,880	54,966,880

Liabilities carried at amortized cost

Trade and other payables

92,891,321	92,891,321	14,140,514	14,140,514
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Determination of fair values

A number of TDEA's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

25 FUND MANAGEMENT

TDEA's objective when managing funds is to safe guard TDEA's ability to continue as a going concern so that it can achieve its objectives, provide benefits to other stakeholders, and to maintain a strong fund base to support the sustained development of its activities in line with its objects.

26 RELATED PARTY TRANSACTIONS

All the trustees, entities with common directorship / trustee ship, gratuity fund, provident fund, member organizations and key management staff are related parties of TDEA. Outstanding balances of related parties are shown in the relevant notes to the financial statements, while transactions of TDEA with related parties during the year are as follows:

	Note	2018 -----Rupees-----	2017
Transactions and balances with employee benefit plan			
Payments to gratuity fund		22,366,185	17,024,958
Charge for the year relating to gratuity fund		22,366,185	17,024,958
Payments to provident fund		10,256,288	8,674,496
Charge for the year relating to provident fund		5,128,144	4,337,248
Transactions with key management personnel			
Remuneration of key management personnel	26.1	36,509,338	36,506,014
26.1 Remuneration, allowances and benefits			
Managerial remuneration and allowances		31,484,198	31,528,521
Provision for gratuity		3,512,144	3,410,111
Provident fund		1,512,996	1,567,382
		<u>36,509,338</u>	<u>36,506,014</u>
Number of Trustees		<u>7</u>	<u>7</u>

26.2 During the year, projects having a cost of PKR 422.45 million (2017: PKR 178.67 million) were executed through the implementing partners who are members of the FAFEN.

27 NUMBER OF EMPLOYEES

The number of total employees at the year end were 161 (2017: 104 employees), and the average number of employees during the year were 133 (2017: 112 employees).

28 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been approved on 16 FEB 2019 by the Board of Trustees of TDEA.

29 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the propose of comparision. However, no significant rearrangement or reclassification have been made.

30 GENERAL

Figures in these financial statements have been rounded off to the nearest Pak Rupee.


CHAIRPERSON


CHIEF EXECUTIVE OFFICER