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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 2020, 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 2020, 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.

Emphasis of matter

We draw attention to note 1.1 of the accompanying financial statements which explains that the Trust's registration with Economic Affairs Division, Government of Pakistan is in process. Our opinion is not modified in respect of this matter.

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.

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 Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants
Place: Islamabad
Date: 26 January 2020

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020	2019
		----------Rupees----------	
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	6	**18,871,485**	15,650,628
Intangible assets	7	**200,043**	284,035
Right-of-Use asset	8	**50,258,354**	-
		69,329,882	15,934,663
CURRENT ASSETS			
Advances	9	**5,891,248**	2,608,146
Deposits and short-term prepayments	10	**2,067,482**	1,888,000
Receivable from gratuity fund	11	**1,500,887**	1,410,640
Other receivables	12	**21,963,138**	31,175,875
Tax refund due from the Government	13	**2,801,972**	-
Cash and bank balances	14	**231,298,529**	332,354,532
		265,523,256	369,437,193
TOTAL ASSETS		**334,853,138**	385,371,856
RESERVES AND LIABILITY			
RESERVES / FUNDS			
Endowment fund	15	**13,888,470**	12,189,648
Restricted reserve fund	16	**45,944,220**	44,013,370
Accumulated surplus		**2,934,857**	2,934,857
		62,767,547	59,137,875
NON-CURRENT LIABILITIES			
Deferred capital grant	17	**18,712,051**	12,983,727
Restricted grant	18	**173,013,895**	271,773,315
Lease liability	19	**47,403,684**	-
		239,129,630	284,757,042
CURRENT LIABILITIES			
Trade and other payables	20	**25,119,781**	35,831,700
Lease liability - current	19	**7,836,180**	-
Income tax payable - net	13	**-**	5,645,240
		334,853,138	385,371,856
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHAIRPERSON **CHIEF EXECUTIVE OFFICER**

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		----------Rupees----------	
INCOME			
Grant	**18**	**873,738,704**	1,060,366,394
Amortization of deferred capital grant	**17**	**10,138,674**	5,907,016
Other income	**22**	**35,712,870**	63,004,884
		919,590,248	1,129,278,294
EXPENDITURE			
Projects' expenses	**23**	**873,738,704**	1,060,366,394
Administrative expenses	**24**	**42,109,612**	34,395,910
		915,848,316	1,094,762,304
Surplus before tax		**3,741,932**	34,515,990
Taxation	**25**	**(112,260)**	(10,670,222)
Surplus for the year		**3,629,672**	23,845,768

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHAIRPERSON **CHIEF EXECUTIVE OFFICER**

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	----------Rupees----------	
Surplus for the year	**3,629,672**	23,845,768
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**3,629,672**	23,845,768

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHAIRPERSON

CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 30 JUNE 2020

	RESTRICTED		UNRESTRICTED	
	ENDOWMENT FUND	RESTRICTED RESERVE FUND	ACCUMULATED SURPLUS	TOTAL
	----------------------------------Rupees----------------------------------			
Balance as at 1 July 2018	**11,566,020**	**20,791,230**	**2,934,857**	**35,292,107**
Total comprehensive income for the year				
Surplus for the year	-	-	23,845,768	23,845,768
Transfers	623,628	23,222,140	(23,845,768)	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**623,628**	**23,222,140**	**-**	**23,845,768**
Balance as at 30 June 2019	**12,189,648**	**44,013,370**	**2,934,857**	**59,137,875**
Total comprehensive income for the year				
Surplus for the year	-	-	3,629,672	3,629,672
Transfers	1,698,822	1,930,850	(3,629,672)	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	1,698,822	1,930,850	-	3,629,672
Balance as at 30 June 2020	**13,888,470**	**45,944,220**	**2,934,857**	**62,767,547**

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHAIRPERSON

CHIEF EXECUTIVE OFFICER

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		**3,741,932**	34,515,990
Adjustment for:			
Depreciation	**6**	**11,109,792**	7,208,049
Depreciation expense of right-of-use asset	**8**	**8,112,240**	-
Amortization	**7**	**79,499**	112,879
Grant income	**18**	**(873,738,704)**	(1,060,366,394)
Amortization of deferred capital grant	**17**	**(10,138,674)**	(5,907,016)
Profit on sales of fixed assets	**22**	**(480,968)**	-
Interest expense lease liability	**19**	**5,110,098**	-
Interest / return on bank balances	**22**	**(2,633,871)**	(2,410,655)
Interest on short-term investment	**22**	**(90,247)**	(137,306)
		(862,670,835)	(1,061,500,443)
Operating deficit before working capital changes		**(858,928,903)**	(1,026,984,453)
Changes in working capital cycle:			
(Increase) / decrease in current assets			
Advances		**(3,283,102)**	2,332,232
Deposits and short-term prepayments		**(179,482)**	12,764,332
Other receivables		**1,775,608**	1,679,402
(Decrease) / increase in current liabilities			
Trade and other payables		**(10,711,920)**	(57,059,621)
		(12,398,896)	(40,283,655)
Restricted grant received	**18**	**803,264,923**	1,284,062,923
Income taxes paid		**(8,559,472)**	(4,868,958)
Net cash (used in) / generated from operating activities		**(76,622,348)**	211,925,857
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets	**6**	**(16,392,463)**	(6,595,279)
Profit on deposit accounts received		**2,633,871**	2,547,961
Proceeds from disposal of fixed assets		**2,547,275**	-
Net cash used in investing activities		**(11,211,317)**	(4,047,318)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals		**(13,222,338)**	-
Net cash used in Financing activities		**(13,222,338)**	
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(101,056,003)**	207,878,539
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**332,354,532**	124,475,993
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**14**	**231,298,529**	332,354,532

The annexed notes, from 1 to 32, 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 2020

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,
- To undertake research and bring out periodic print and online publication in areas it deems fit in order to inform its work and for education of public.

1.1 REGISTRATION WITH ECONOMIC AFFAIRS DIVISION (EAD), GOVERNMENT OF PAKISTAN

The Trust submitted initial application for the registration and signing of Memorandum of Understanding (MoU) with EAD on 30 April 2018. Subsequent follow up was made on 22 January 2020, to which EAD responded that the case of signing of MoU is under process with EAD. The Trust also submitted documents to register new projects with EAD which was acknowledged by EAD on 18 September 2020.

In respect of the above, as per clause 3 of the NGO policy 2013, the application was supposed to be completed within four months from the receipt of the required documents, however, no further communication has been made by EAD with the Trust on this matter thus far. Management is confident that MoU with EAD will be signed in due course because of the fact that the verification by the relevant departments have been completed and that no negative observations / comments have been communicated so far. Further, based on the financial projections, management believes that the Trust has sufficient financial resources to utilize for non-program related expenses for next twelve months. Therefore, the aforesaid matter does not cast any material uncertainty about the Trust's ability to continue as a going concern and the management is confident that MoU will be signed to continue its operations in Pakistan for a foreseeable future.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified by Securities and Exchange Commission of Pakistan; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for 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 Pakistan 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;	5.1 & 5.2
b) Taxation; and	5.6
c) Provisions;	5.7

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 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 so as 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.

5.2 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.

5.3 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.

5.4 Impairment of 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 at 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets 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.

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.

5.5 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 statement of financial position.

(b) Unrestricted grants

Unconditional grants are recognized as income upon receipt.

(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.

5.6 Taxation

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

During the year TDEA has obtained the status of a “nonprofit organization” under section 2(36) of the Income Tax Ordinance, 2001. As per section 100 C of the Ordinance, the Trust being a non-profit organization, is eligible to obtain a tax credit equal to one hundred percent of the tax payable against any income arising form its activities, upon the fulfilment of certain conditions. Accordingly, no provision for taxation has been recognized by the TDEA.

5.7 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.

5.8 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).

5.9 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.

5.10 Staff retirement benefits

Gratuity fund

TDEA maintained a separate contribution fund for all its regular eligible employees. However subsequent to year end, the benefit has been discontinued vide Board resolution no. BOT34-01/2019-12 dated December 22, 2019. The scheme which remained effective till December 31, 2020, entitled the members to a lump sum payment at the time of retirement, resignation or death, payable to employees who completed at least six months of service. The annual provision for gratuity is made on the basis of the last drawn salary and that particular amount is submitted into the fund. 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 considered to be immaterial.

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. The Board via resolution no. BOT34-01/2019-12 dated December 22, 2019, changed the policy for provident fund with effect from January 01, 2020, whereby the monthly contribution by employees has been revised to 4.17% of gross salary. TDEA's corresponding contributions also at the same rates and is charged to the income and expenditure account.

5.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash in hand and at banks.

5.12 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Trust. The Trust measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Trust's financial assets at amortized cost include grant receivable, advances to employees, deposits, receivable form gratuity fund, other receivables.

Financial assets at fair value through OCI (debt instruments)

The Trust measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income and impairment losses or reversals are recognized in the Statement of Income and Expenditure and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to Statement of Income and Expenditure.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Trust can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to statement of income and expenditure. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Trust does not have any investment in equity instrument.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income and expenditure.

The Trust does not have any financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Trust's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Trust continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Trust also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

Impairment

The Trust recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

It is the Trust's policy to measure ECLs on investment grade debt instruments at fair value through OCI on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Trust uses the ratings from the external credit agencies, both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Trust considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Trust may also consider a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liability

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust’s financial liabilities include trade and other payables and restricted grant.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any, entered into by the Trust that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of income and expenditure.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The Trust has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income and expenditure.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.13 NPO guideline

The Trust has adopted the deferred method of accounting instead of fund accounting.

5.14 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 a receipt basis.

Interest income on bank deposits and investments

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

5.15 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 the Trust. 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 takes into account 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.

The Trust 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;
- 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 Trust 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.

The Trust’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 the purpose of fair value disclosures, the Trust determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

5.16 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of these financial statement are consistent with those of the previous financial year except the Trust has adopted the following accounting standards which became effective for the current year:

Standards interpretations and amendments to the accounting standards		Effective date (annual periods beginning on or after)
IAS 1& IAS 8 -	Presentation of Financial Statements & Accounting Policies, Change in Accounting Estimates and Errors: Definition of Material, To clarify the definition of material and its alignment with the definition used in the Conceptual Framework (Amendments)	01 January 2019
IAS 19 & IFRIC 14 -	Employees Benefits (Amendments)- Plan amendments, Curtailment or Settlement/ Availability of a Refund from a Defined Benefit Plan (Amendment)	01 January 2019
IAS 28 -	Investment in Associates and Joint Ventures- Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IFRS 3 -	Business Combinations – Definition of a Business (amendments)	01 January 2020
IFRS 9 -	Interest rate benchmark reform – Amendments to IFRS 9 and IFRS 7	01 January 2020
IFRS 10 & IAS 28 -	Consolidated Financial Statement & Investment in Associates and Joint Ventures – Sale or Contribution of Asset between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized
IFRS 15 -	Revenue from Contracts with Customers	01 July 2018
IFRS 16 -	Leases	01 January 2019
IFRS 14 –	Regulatory Deferral Accounts	01 July 2019
IFRIC 23 -	Uncertainty over Income Tax Treatments	01 January 2019

In addition to the above amendments, improvements to the following accounting standard (under the annual improvements 2014 - 2016 cycle) has also been adopted:

IAS 28	Investments in Associates and Joint Ventures: Measuring an associate or joint venture at fair value	01 January, 2019

The adoption of the above amendments and improvements to accounting standards did not have any material effect on the financial statements, except for changes introduced by IFRS 9.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective date (annual periods beginning on or after)
IFRS 1 – First-time Adoption of International Financial Reporting Standards	01 January, 2004
IFRS 14 – Regulatory Deferral Accounts	01 January, 2016

IFRS 17 – Insurance Contracts	01 January, 2021

IFRS- 16: Leases

The TDEA applied IFRS 16 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 replaces previous guidelines on accounting for leases, including IAS 17: Leases, IFRIC 4: Determining whether an Arrangement contains a Lease, SIC-15: Operating Leases- Incentive, and SIC-27: Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees are required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

TDEA has adopted IFRS 16 from July 01, 2019 and applied the simplified transition approach and has not restated comparative amounts, as permitted under the specific transitional provisions in the standard.

Based on this assessment, TDEA has recognized liabilities in respect of lease rentals which had previously been expensed as rent expenses. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the incremental weighted average borrowing rate of 13.6% per annum as of July 01,2019.

	30 June 2020 **Rs**	**1 July 2019** **Rs**
Total lease liability recognized	(55,239,864)	(61,426,877)

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability. The right-of-use assets are depreciated on a straight-line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits.

	30 June 2020 **Rs**	**1 July 2019** **Rs**
Right of use assets	50,258,354	61,426,877

The effect of this change in accounting policy is as follows:

Impact on Balance Sheet

	30 June 2020 **Rs**	**1 July 2019** **Rs**
Increase in non-current assets - right of use assets	50,258,354	61,426,877
Decrease in other assets – prepayments	-	-
Increase in total assets	50,258,354	61,426,877
Increase in liabilities - lease liability against right of use assets	(55,239,864)	(61,426,877)

Decrease in net assets	4,981,510	-

TDEA expects that net profit after tax will have adverse effect in initial years due to unwinding of lease liability however after some years' impact will decrease and net result will be zero. IFRS 16.49 requires a lessee to present in the Profit and Loss account the interest expense on lease liabilities separately from the depreciation charge for the right-of-use assets. The interest expense on the lease liabilities is a component of 'Mark-up/ return/ interest expensed included (Note 23 & 24). Depreciation charge on the right-of-use assets was included in the (Note 23 & 24).

	For the Year Ended 30 June 2020
Impact on Profit and Loss account	
Increase in mark-up expense - lease liability	(5,110,098)
(Increase)/Decrease in administrative expenses:	
- Depreciation on right-of-use assets	(8,112,240)
- Rent expense	13,222,338
Decrease in profit before tax	-
Decrease in profit before tax	**-**

While implementing IFRS 16, TDEA has used a single discount rate methodology for a portfolio of all leases. TDEA has opted not to recognize right-of-use assets for leases of low value or short-term leases.

There is no impact on profit and loss account as the deprecation/interest expense is allocated to projects against which a receivable amounting to 4.9 million is recorded.

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
	Note	Rupees				%	Rupees				Rupees
2020											
Lease hold improvements		**10,567,436**	**302,697**	**(3,004,778)**	**7,865,355**	**35**	**7,152,026**	**971,163**	**(2,239,374)**	**5,883,815**	**1,981,540**
Furniture and fixtures		**6,621,289**	**935,228**	**(3,798,963)**	**3,757,554**	**45**	**5,514,568**	**354,779**	**(3,580,968)**	**2,288,379**	**1,469,175**
Office equipment		**16,139,306**	**198,783**	**(7,872,840)**	**8,465,249**	**45**	**12,935,706**	**1,111,671**	**(7,375,884)**	**6,671,494**	**1,793,755**
Computer equipment		**31,462,598**	**7,792,458**	**(16,845,090)**	**22,409,966**	**65**	**27,190,758**	**5,071,567**	**(16,452,402)**	**15,809,923**	**6,600,044**
Mobile phones		**3,711,151**	**321,700**	**(3,711,151)**	**321,700**	**75**	**3,710,901**	**90,076**	**(3,711,151)**	**89,826**	**231,874**
Vehicles		**11,713,197**	**6,841,597**	**(4,006,883)**	**14,547,911**	**45**	**8,060,390**	**3,510,536**	**(3,818,113)**	**7,752,814**	**6,795,097**
		80,214,977	**16,392,463**	**(39,239,705)**	**57,367,734**		**64,564,349**	**11,109,792**	**(37,177,891)**	**38,496,250**	**18,871,485**
2019											
Lease hold improvements		10,063,837	503,599	-	10,567,436	35	5,888,009	1,264,017	-	7,152,026	3,415,410
Furniture and fixtures		6,437,008	184,281	-	6,621,289	45	4,939,502	575,066	-	5,514,568	1,106,721
Office equipment		14,134,953	2,004,353	-	16,139,306	45	11,756,427	1,179,279	-	12,935,706	3,203,600
Computer equipment		30,337,608	1,124,990	-	31,462,598	65	23,986,225	3,204,533	-	27,190,758	4,271,840
Mobile phones		3,711,151	-	-	3,711,151	75	3,710,901	-	-	3,710,901	250
Vehicles		8,935,141	2,778,056	-	11,713,197	45	7,075,236	985,154	-	8,060,390	3,652,807
		73,619,698	6,595,279	-	80,214,977		57,356,300	7,208,049	-	64,564,349	15,650,628

6.1 Depreciation charge has been allocated as follows:

	Note	2020	2019
		----------Rupees----------	
Projects' expenses	**23**	**504,613**	1,123,827
Administrative expenses	**6.2 & 23**	**10,605,179**	6,084,222
		11,109,792	7,208,049

6.2 This depreciation charge includes:

	Note	2020	2019
Depreciation on owned assets	**16**	**544,224**	287,596
Deferred capital grant	**17**	**10,060,956**	5,796,626
		10,605,179	6,084,222

6.3 Operating fixed assets include the cost of assets amounting to PKR 46,624,719 (2019: PKR 71,260,790) having a net book value of PKR 16,836,818 (2019: PKR 12,915,744) purchased from the deferred capital grants received from the United States Agency for International Development (USAID), the European Union (EU), Royal Netherland Embassy (RNE) The Asia Foundation (TAF), the Development Alternatives Incorporation (DAI), the British Council (BC), Global Affairs Canada (GAC) 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

	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
2020										
Computer software	**2,973,914**	**-**	**(2,459,322.08)**	**514,592**	**33**	**2,689,879**	**79,499**	**(2,454,829)**	**314,549**	**200,043**
2019										
Computer software	2,973,914	-	-	2,973,914	33	2,577,000	112,879	-	2,689,879	284,035

7.1 Amortization charge has been allocated as follows:

	Note	2020	2019
		----------Rupees----------	
Restricted reserve fund	**16**	**1,781**	2,489
Deferred capital grant	**17**	**77,718**	110,390
		79,499	112,879

8 Right-of-Use asset

	2020	2019
Right of use asset - initial recognition under IFRS 16	**61,426,877**	-
Additions/ Transfers	-	-
As at June 30 2020	**61,426,877**	-
Accumulated depreciation		
Additions/ Transfers	**-**	-
Depreciation charge for the year	**11,168,523**	-
As at June 30 2020	**11,168,523**	-
Net book Value	**50,258,354**	**-**
Useful life (Years)	**5.5**	-

There are no comparatives for this note since it is the first year of implementation of IFRS 16

Depreciation charge has been allocated as follows:	Note	2020	2019
		----------Rupees----------	
Projects' expenses	**23**	**7,759,008**	-
Administrative expenses	**24**	**(7,759,008)**	
		-	**-**

9 ADVANCES - considered good

	2020	2019
Advances to employees	**1,169,516**	1,802,975
Advances to implementing partners	**4,721,732**	805,171
	5,891,248	2,608,146

10 DEPOSITS AND SHORT-TERM PREPAYMENTS

	2020	2019
Security deposits	**2,067,482**	1,888,000
	2,067,482	1,888,000

11 RECEIVABLE FROM GRATUITY FUND

	Note	2020	2019
Term Deposit Receipt (TDR)	**11.1**	**1,000,000**	1,000,000
Accrued interest	**11.2**	**500,887**	410,640
		1,500,887	1,410,640

11.1 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% (2019: 4.51% to 5.00%) per annum, with a maturity of up to one year.

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	Note	2020	2019
		----------Rupees----------	

11.2 Movement in accrued interest

Opening balance		**410,640**	410,640
Accrued during the year		**90,247**	-
Closing balance		**500,887**	410,640

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

	Note	2020	2019
		----------Rupees----------	

12 OTHER RECEIVABLES

Receivable from donors	**18**	**15,433,180**	27,851,819
Membership fees receivable		**569,991**	602,091
Others		**5,959,967**	2,721,965
		21,963,138	31,175,875

13 TAX REFUND DUE FROM THE GOVERNMENT / (INCOME TAX PAYABLE) - NET

Advance income tax / (Income tax payable)-net		**(5,645,240)**	156,023
Advances paid - net of provision for the year		**8,447,212**	(5,801,263)
Advance income tax -net / (Income tax payable)		**2,801,972**	(5,645,240)

14 CASH AND BANK BALANCES

Cash in hand		**14,051**	34,228
Cash at bank			
- Current accounts		**18,247,375**	2,627,142
- Savings accounts	**14.1**	**213,037,103**	329,693,162
		231,284,478	332,320,304
		231,298,529	332,354,532

14.1 These carry interest at rates ranging from 4.0% to 5.50% (2019: 11.25% to 12.75%) per annum.

	Note	2020	2019
		----------Rupees----------	

15 ENDOWMENT FUND

Opening balance		**12,189,648**	11,566,020
Transferred to Endowment Fund during the year			
Income			
Membership fees		**440,000**	490,000
Profit on deposit accounts		**246,660**	137,306
Return on short term investment		**90,248**	-
Profit on sales of Fixed Assets		**922,378**	-
Expenses			
Bank charges		**(464)**	(3,678)
		1,698,822	623,628
Closing balance		**13,888,470**	12,189,648

		Note	2020	2019
			----------Rupees----------	
16	**RESTRICTED RESERVE FUND**			
	Opening balance		**44,013,370**	20,791,230
	Transferred to / (from) Restricted Reserve Fund during the year			
	Income			
	Profit on deposit accounts		**2,387,211**	2,410,655
	Administrative fees		**6,816,911**	4,332,307
	Management fees	**22**	**19,371,373**	37,180,638
	Consultancy fees	**22**	**5,879,500**	16,148,924
	Others		**-**	2,305,054
	Expenses			
	Administrative expenses	**24**	**(31,424,470)**	(28,195,132)
	Tax charged for the year		**(112,260)**	(10,670,222)
	Loss on disposal of fixed assets	**22**	**(441,410)**	-
	Depreciation on owned assets	**6.2**	**(544,224)**	(287,596)
	Amortization on owned assets	**7.1**	**(1,781)**	(2,489)
			1,930,850	23,222,140
	Closing balance		**45,944,220**	44,013,370
17	**DEFERRED CAPITAL GRANTS**			
	Opening balance		**12,983,727**	12,927,487
	Assets purchased from restricted grants	**18**	**15,866,998**	5,963,256
	Depreciation on items of operating fixed assets	**6.2**	**(10,060,956)**	(5,796,626)
	Amortization of intangible assets	**7.1**	**(77,718)**	(110,390)
			(10,138,674)	(5,907,016)
	Closing balance		**18,712,051**	12,983,727

18 RESTRICTED GRANT / RECEIVABLE FROM DONAR / PAYABLE TO DONOR

		Opening balance											Closing balance	
Project	**Donor**	**Restricted grant**	**Receivable from donor**	**Unspent balance payable to donor**	**Grant received during the year**	**Profit on deposit accounts**	**Exchange gain/(loss)**	**TDEA Contribution**	**Disallowed/ Adjusted by Donor**	**Amount returned to the donor**	**Project expenses**	**Transferred to deferred capital grant**	**Restricted grant**	**Receivable from donor**
		--------------------	--------------------	--------------------	--------------------	--------------------	--------------------	--------Rupees--------	--------------------	--------------------	--------------------	--------------------	--------------------	
2020														
ILM-Possible II	British Council	**-**	**(4,544,673)**	**-**	**4,511,686**	**-**	**-**	**-**	**32,987**	**-**	**-**	**-**	**-**	**-**
WABW	RNE	**987,363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(987,363)**	**-**	**-**	**-**	**-**
ALARM	EU	**3,848,291**	**-**	**-**	**30,331,500**	**-**	**-**	**975,721**	**-**	**-**	**(19,514,415)**	**-**	**15,641,097**	**-**
CLDP	Trocaire	**53,299**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**53,299**	**-**
SELP	UNDP	**145,271,959**	**-**	**-**	**226,865,241**	**8,628,906**	**-**	**-**	**-**	**-**	**(348,351,248)**	**(1,720,229)**	**30,694,629**	**-**
CVP	USAID	**13,127,465**	**-**	**-**	**208,979,111**	**2,254,892**	**-**	**-**	**-**	**(23,683,057)**	**(197,376,326)**	**(4,064,480)**	**-**	**(762,395)**
DRL	USAID	**4,510,730**	**-**	**-**	**8,879,879**	**921,809**	**-**	**-**	**-**	**-**	**(6,660,807)**		**7,651,611**	**-**
AFGP	USAID	**-**	**(23,307,148)**	**-**	**243,295,854**	**1,005,393**	**13,690**	**-**	**-**	**(9,582,597)**	**(221,281,201)**	**(3,810,848)**	**1,003,929**	**(14,670,785)**
We'RE Leader	CAD	**103,974,208**	**-**	**-**	**47,529,362**	**11,383,002**	**-**	**2,175,179**	**-**	**-**	**(55,107,189)**	**(5,289,777)**	**104,664,786**	**-**
BK	USAID	**-**	**-**	**-**	**8,431,486**	**-**	**-**	**-**	**-**	**-**	**(5,766,446)**	**-**	**2,665,040**	**-**
SOG	AUSAID	**-**	**-**	**-**	**6,550,200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,550,200**	**-**
WABW II	RNE	**-**	**-**	**-**	**22,223,903**	**1,495,001**	**-**	**1,033,137**	**-**	**-**	**(19,681,072)**	**(981,664)**	**4,089,305**	**-**
		271,773,315	**(27,851,821)**	**-**	**807,598,223**	**25,689,003**	**13,690**	**4,184,037**	**32,987**	**(34,253,017)**	**(873,738,704)**	**(15,866,998)**	**173,013,895**	**(15,433,180)**
2019														
ILM-Possible II	British Council	21,075,181	-	-	4,012,721	-	-	-	-	-	(29,457,426)	(175,149)	-	(4,544,673)
WABW	RNE	-	(9,683,461)	-	44,587,747	783,957	-	1,973,444	-	-	(36,674,324)	-	987,363	-
ALARM	EU	21,196,152	-	-	-	-	-	923,061	-	-	(18,270,922)	-	3,848,291	-
CLDP	Trocaire	3,071,857	-	-	5,068,954	55,205	-	-	-	-	(8,142,717)	-	53,299	-
SELP	UNDP	35,447,432	-	-	333,726,766	4,167,812	-	-	-	-	(227,889,347)	(180,704)	145,271,959	-
CVP	USAID	-	(31,154,627)	-	682,447,229	-	-	-	-	(127,965,730)	(510,199,407)	-	13,127,465	-
DRL	USAID	8,282,378	-	-	18,242,012	631,929	-	-	-	-	(22,645,589)	-	4,510,730	-
AFGP	USAID	-	(22,046,691)	-	241,789,630	1,175,381	5,223,645	-	-	(39,593,848)	(204,247,862)	(5,607,403)	-	(23,307,148)
We'RE Leader	CAD	-	-	-	104,713,447	1,463,973		635,588		-	(2,838,800)		103,974,208	-
		89,073,000	(62,884,779)	-	1,434,588,506	8,278,257	5,223,645	3,532,093	-	(167,559,578)	(1,060,366,394)	(5,963,256)	271,773,315	(27,851,821)

		Note	2020	2019
			----------Rupees----------	
19	**Lease liabilities**			
	At 01 July 2019		**-**	-
	Lease liability on initial application of IFRS 16		**61,426,877**	
	Interest expense		**7,035,325**	-
	Lease payments		**(13,222,338)**	-
	At 30 June 2020		**55,239,864**	-
	Current lease liabilities		**7,836,180**	-
	Non current lease liabilities		**47,403,684**	-

19.1 The undiscounted maturity analysis of lease liabilities at 30 June 2020 is as follows:

	Upto 1 year	2 to 5 years	Over 5 years	Total
Lease payments (Gross)	**14,180,376**	**58,373,821**	**-**	**72,554,197**
Finance charge	**6,344,196**	**10,970,137**	**-**	**17,314,332**

		Note	2020	2019
20	**TRADE AND OTHER PAYABLES**			
	Accrued liabilities		**402,721**	4,146,472
	Accounts payable		**6,077,853**	7,167,374
	Payable to implementing partners		**18,638,421**	24,507,319
	Withholding tax payable		**786**	10,535
			25,119,781	35,831,700

21 **CONTINGENCIES AND COMMITMENTS**

21.1 There are no contingencies at the current and prior year.

21.2 The following is the commitment at the current and prior year;

		2020	2019
Operating lease commitment		**-**	6,670,125

		Note	2020	2019
22	**OTHER INCOME**			
	Income from financial assets			
	Interest / return on bank balances		**2,633,871**	2,410,655
	Interest on short-term investment		**90,247**	137,306
			2,724,118	2,547,961
	Income from assets other than financial assets			
	Management fees	**22.2**	**19,371,373**	37,180,638
	Consultancy fees	**22.3**	**5,879,500**	16,148,924
	Others		**-**	2,305,054
	Profit on sales of fixed assets		**480,968**	-
	Administration fees		**6,816,911**	4,332,307
	Membership fees	**22.1**	**440,000**	490,000
			32,988,752	60,456,923
			35,712,870	63,004,884

22.1 This includes subscriptions of PKR 10,000 received by TDEA from different implementing partners.

22.2 The fee of USD 9,157 per month has been fixed in the AFGP contract till November 2019 and then revised at USD 2,674 per Month from December 2019. Further, USAID has released the reserved fixed fee of PKR 9,208,902 in the CVP on project completion.

22.3 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.

		Note	2020	2019
			----------Rupees----------	
23	**PROJECTS' EXPENSES**	**Note**		
	Citizen Voice Project (CVP)	**23.1**	**197,376,326**	510,199,407
	Strengthening Electoral and Legislative Processes (SELP)	**23.2**	**348,351,248**	227,889,347
	Ambassador's Fund Frant Program (AFGP)	**23.3**	**221,281,201**	204,247,862
	Women's Action for Better Workplaces (WABW)	**23.4**	**-**	36,674,324
	Community Leadership and Development Programme (CLDP)	**23.5**	**-**	8,142,717
	State Department of Human Rights and Labour (DRL)	**23.6**	**6,660,807**	22,645,589
	Advocacy and Legal Aid for Religious Minorities (ALARM)	**23.7**	**19,514,415**	18,270,922
	Take a child to school - ILMPOSSIBLE II	**23.8**	**-**	29,457,426
	WE'RE Leaders (WRL)	**23.9**	**55,107,189**	2,838,800
	Women's Action for Better Workplaces (WABW II)	**23.10**	**19,681,072**	-
	Promoting Decent Work in Pakistan's Brick Kilns (PDWPBK)	**23.11**	**5,766,446**	-
			873,738,704	**1,060,366,394**

23.1	**Citizen voice project (CVP)**			
	Personnel cost	**23.1.1**	**67,093,894**	144,088,816
	Professional services		**6,015,569**	3,749,000
	Management fee		**9,208,902**	22,224,462
	Activity costs	**23.1.2**	**81,413,347**	290,258,025
	Office supplies and equipment		**2,357,174**	3,800,879
	Repairs and maintenance		**1,826,415**	2,846,019
	Communication charges		**144,320**	1,913,033
	Depreciation expense right of use asset	**23.1.5**	**1,805,310**	-
	Interest expense lease liability	**23.1.5**	**1,137,209**	-
	Office rent	**23.3.3**	**2,410,475**	11,779,474
	Security charges		**532,498**	1,160,792
	Vehicle rental and fuel costs		**248,896**	628,862
	Utilities		**930,914**	1,457,108
	Audit fee	**23.1.3**	**1,050,118**	1,232,000
	Advertisement and printing costs		**8,209,849**	7,731,240
	Webhosting/I-services		**122,111**	1,172,879
	Depreciation		**-**	21,583
	Insurance costs		**599,863**	1,361,122
	Travel and accommodation		**11,134,110**	12,936,893
	Administrative costs		**1,135,352**	1,837,220
		23.1.4	**197,376,326**	510,199,407

23.1.1 This includes a sum of PKR 1,087,393 (2019: PKR 2,755,379) and PKR 7,629,217 (2019: PKR 11,694,433) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2020	2019
	----------Rupees----------	
23.1.2 Activity costs		
Capacity building and training of grantees	**80,913,347**	290,118,025
Pre-award and post award financial monitoring	**500,000**	140,000
	81,413,347	290,258,025

	2020	2019
	----------Rupees----------	
23.1.3 Auditors' remuneration		
EY Ford Rhodes	**1,050,118**	1,232,000
	1,050,118	1,232,000

23.1.4 The above project costs include expenses amounting to PKR 80.88 million (2019: PKR 288.52 million) incurred by implementing partners on behalf of TDEA against project activities.

23.1.5 This represents the depreciation and interest expense upon application of IFRS -16.

	Note	2020	2019
		----------Rupees----------	
23.2 Strengthening Electoral and Legislative Processes (SELP)			
Personnel cost	**23.2.1**	**34,107,047**	26,272,895
Activity costs	**23.2.2**	**277,917,870**	194,123,692
Professional services		**69,600**	272,886
Fuel expenses		**19,207**	-
Office supplies and equipment		**591,886**	670,490
Repairs and maintenance		**526,463**	388,457
Communication charges		**660,342**	427,548
Depreciation expense right of use asset	**23.2.3**	**1,240,474**	-
Interest expense lease liability	**23.2.3**	**781,405**	-
Office rent	**23.3.3**	**1,656,299**	2,447,196
Security charges		**333,346**	360,189
Utilities		**735,187**	583,896
Postage, courier and carriage		**53,493**	1,497,571
Advertisement and printing costs		**29,043,237**	24,948
Depreciation		**318,034**	389,187
Administrative costs		**297,358**	430,392
		348,351,248	227,889,347

23.2.1 This includes a sum of PKR 922,611 (2019: PKR 408,054) and PKR 1,905,561 (2019: PKR 1,771,180) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2020	2019
	----------Rupees----------	
23.2.2 Activity costs		
Capacity building and training of grantees	**2,632,431**	1,707,417
Pre-award and post award financial monitoring	**6,415,824**	1,956,614
Implementing Agencies Expenses	**268,869,615**	190,459,661
	277,917,870	194,123,692

23.2.3 This represents the depreciation and interest expense upon application of IFRS -16.

		Note	2020	2019
			----------Rupees----------	
23.3	**Ambassador's Fund Grant Program (AFGP)**			
	Personnel cost	**23.3.1**	**96,078,555**	97,618,509
	Management fee		**10,162,471**	14,956,177
	Activity costs	**23.3.2**	**90,579,441**	67,795,653
	Fuel expenses & vehicle rent		**383,785**	250,113
	Office supplies and equipment		**821,817**	2,567,048
	Repairs and maintenance		**1,915,303**	1,870,182
	Communication charges		**609,990**	982,382
	Depreciation expense right of use asset		**2,930,082**	-
	Interest expense lease liability		**1,845,730**	-
	Office rent	**23.3.3**	**3,912,287**	6,576,553
	Security charges		**1,020,169**	901,702
	Utilities		**990,549**	1,300,391
	Audit fee		**202,880**	450,000
	Postage, courier and carriage		**11,162**	44,228
	Advertisement and printing costs		**731,049**	500,975
	Webhosting/I-services		**135,918**	122,080
	Depreciation		**111,259**	615,831
	Insurance costs		**579,884**	613,256
	Travel and accommodation		**8,222,326**	7,075,268
	Administrative costs		**36,545**	7,514
			221,281,201	204,247,862

23.3.1 This includes a sum of PKR 2,611,452 (2019: PKR 1,986,632) and PKR 6,798,006 (2019: PKR 7,809,685) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		2020	2019
		----------Rupees----------	
23.3.2	**Activity costs**		
	Capacity building and training of grantees	**90,579,441**	67,795,653
		90,579,441	67,795,653

23.3.3 This rent relates a lease contract for a period of less than 12 months.

		Note	2020	2019
			----------Rupees----------	
23.4	**Women's Action for Better Workplaces (WABW)**			
	Personnel cost	**23.4.1**	**-**	6,221,299
	Activity costs	**23.4.2**	**-**	27,993,462
	Office supplies and communication		**-**	714,201
	Office rent		**-**	343,301
	Security charges		**-**	59,546
	Repairs and maintenance		**-**	97,953
	Utilities		**-**	98,642
	Equipment and admin cost		**-**	24,442
	Depreciation		**-**	61,435
	Travel cost		**-**	1,060,043
			-	36,674,324

23.4.1 This includes a sum of PKR Nil (2019: 106,386) and PKR Nil (2019: 527,241) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2020	2019
		----------Rupees----------	
23.4.2 Activity costs			
Research consultants		-	10,678,618
Meetings and press briefings		-	1,733,811
Printings and publication		-	756,415
Implementing agencies	**23.4.3**	-	14,824,618
		-	27,993,462

23.4.3 The above project costs include expenses amounting to PKR Nil (2019: PKR 14,824,618) incurred by implementing partners on behalf of TDEA against project activities.

	Note	2020	2019
		----------Rupees----------	
23.5 Community Leadership and Development Programme (CLDP)			
Personnel cost	**23.5.1**	-	3,884,423
Training and capacity building		-	1,102,500
Office rent		-	14,538
Utilities		-	57,468
Communication		-	27,041
Printing and publications		-	7,504
Office supplies		-	157,023
Depreciation		-	35,791
Travel Expense		-	1,220,783
Meals and refreshment		-	1,118,668
Fuel Expenses		-	4,362
Repairs and maintenance		-	11,681
Insurance costs		-	-
Security costs		-	34,691
Accommodation and venue expenses		-	466,244
		-	8,142,717

23.5.1 This includes a sum of PKR Nil (2019:PKR 54,507) and PKR Nil (2019: PKR 251,480) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	Note	2020	2019
		----------Rupees----------	
23.6 State Department of Human Rights and Labour (DRL)			
Personnel cost	**23.6.1**	**2,019,297**	8,047,985
Activity costs		**3,419,026**	11,713,356
Office supplies and equipment		**85,521**	544,308
Communication charges		**45,853**	69,615
Utilities		**58,757**	125,556
Postage, courier and carriage		**2,226**	10,818
Advertisement and printing costs		**630,000**	323,811
Administrative costs		**376,880**	1,810,140
Depriciation Expnese		**23,247**	-
		6,660,807	**22,645,589**

23.6.1 This includes a sum of PKR 36,789 (2019: PKR 125,296) and PKR 309,084 (2019: PKR 545,194) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		Note	2020	2019
			----------Rupees----------	
23.7	**Advocacy and Legal Aid for Religious Minorities (ALARM)**			
	Personnel cost	**23.7.1**	**4,879,602**	4,567,327
	Activity costs		**13,534,926**	11,934,318
	Consultants & Trainers Fee		**150,000**	-
	Office supplies and equipment		**21,732**	28,210
	Communication charges		**43,526**	45,396
	Depreciation expense right of use asset	**23.7.2**	**173,523**	-
	Interest expense lease liability	**23.7.2**	**109,307**	-
	Office rent		**231,691**	385,118
	Security charges		**50,160**	66,543
	Utilities		**110,630**	107,872
	Postage, courier and carriage		**7,077**	10,362
	Travel and accommodation		**91,605**	474,062
	Administrative costs		**110,636**	651,714
			19,514,415	18,270,922

23.7.1 This includes a sum of PKR 142,195 (2019: PKR 92,386) and PKR 183,979 (2019: PKR 349,682) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

23.7.2 This represents the depreciation and interest expense upon application of IFRS -16.

		Note	2020	2019
			----------Rupees----------	
23.8	**Take a child to school - ILMPOSSIBLE**			
	Personnel cost	**23.8.1**	**-**	3,652,781
	Activity costs	**23.8.2**	**-**	22,673,169
	Office supplies		**-**	161,098
	Communication charges		**-**	428,203
	Administrative costs		**-**	1,634,375
	Office rent		**-**	907,800
			-	29,457,426

23.8.1 This includes a sum of PKR Nil (2019: PKR 74,329) and PKR Nil (2019: PKR 262,108) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		Note	2020	2019
			----------Rupees----------	
23.8.2	**Activity costs**			
	Trainings and Capacity building		**-**	22,673,169
			-	22,673,169
23.9	**WE'RE Leaders (WRL)**			
	Personnel cost	**23.9.1**	**30,537,833**	2,339,657
	Activity costs	**23.9.2**	**12,372,105**	-
	Communication charges		**412,888**	20,350
	Office supplies, stationay		**396,711**	28,362
	Depreciation expense right of use asset	**23.9.3**	**1,060,115**	-
	Interest expense lease liability	**23.9.3**	**667,793**	-
	Office rent		**1,415,481**	214,373
	Travel and accommodation		**1,938,115**	236,058
	Administrative costs		**6,306,148**	-
			55,107,189	**2,838,800**

23.9.1 This includes a sum of PKR 912,860 (2019: PKR 48,967) and PKR 1,243,077 (2019: PKR 243,752) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2020	2019
	----------Rupees----------	
23.9.2 Activity costs		
Trainings and Capacity building	**3,519,558**	-
Implementing agencies	**8,852,547**	-
	12,372,105	-

23.9.3 This represents the depreciation and interest expense upon application of IFRS -16.

	Note	2020	2019
		----------Rupees----------	
23.10 Women's Action for Better Workplaces II (WABW II)			
Personnel cost	**23.10.1**	**10,229,587**	-
Activity costs	**23.10.2**	**6,270,203**	-
Communication charges		**259,505**	-
Office supplies, stationay		**157,827**	-
Depreciation expense right of use asset	**23.10.3**	**374,296**	-
Interest expense lease liability	**23.10.3**	**235,778**	-
Office Rent		**499,766**	-
Travel and accommodation		**964,902**	-
Administrative costs		**68,049**	-
Printing & Publications		**6,323**	-
Fuel Expenses		**32,942**	-
Repairs & Maintenance		**174,187**	-
Depreciation & Amortisation		**80,628**	-
Insurance Costs		**56,168**	-
Office Security		**84,515**	-
Utilities		**186,395**	-
		19,681,072	**-**

23.10.1 This includes a sum of PKR 312,252 and PKR 216,166 on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2020	2019
	----------Rupees----------	
23.10.2 Activity costs		
Consultants & Trainers Fee	**183,692**	-
Implementing Agencies Expenses	**6,086,511**	
	6,270,203	-

23.10.3 This represents the depreciation and interest expense upon application of IFRS -16.

		Note	2020	2019
			----------Rupees----------	
23.11	**Promoting Decent Work in Pakistan's Brick Kilns (PDWPBK)**			
	Personnel cost	**23.11.1**	**4,446,114**	-
	Consultants & Trainers Fee		**152,852**	-
	Communication charges		**1,740**	-
	Depreciation expense right of use asset	**23.11.2**	**175,207**	-
	Interest expense lease liability	**23.11.2**	**110,367**	-
	Office Rent		**233,939**	-
	Depriciation Expense		**31,163**	-
	Administrative costs		**615,064**	-
			5,766,446	-

23.11.1 This includes a sum of PKR 171,836 on account of contributions to the employees' provident fund.

23.11.2 This represents the depreciation and interest expense upon application of IFRS -16.

		Note	2020	2019
			----------Rupees----------	
24	**ADMINISTRATIVE EXPENSES**			
	Consultants and trainers fee		**6,346,224**	12,297,680
	Personnel cost	**24.1**	**13,130,138**	4,555,148
	Depreciation	**6.1**	**10,605,179**	6,084,222
	Depreciation expense right of use asset	**24.4**	**353,232**	-
	Interest expense lease liability	**24.4**	**222,510**	-
	Office rent		**471,641**	3,107,517
	Implementing partners		**1,919,231**	2,165,516
	Travel expenses		**2,524,672**	1,672,209
	Office supplies and other administrative expenses		**616,086**	1,267,770
	Auditors' remuneration	**24.2**	**440,000**	440,000
	Training and capacity building		**1,755,538**	1,532,237
	Office security		**349,837**	208,740
	Amortization	**7**	**79,499**	112,879
	Utilities		**726,135**	228,944
	Repairs and maintenance		**429,847**	171,754
	Insurance costs		**44,222**	43,151
	Others		**-**	431,206
	Communication charges		**24,792**	30,227
	Fuel expenses		**64,222**	46,711
	Expenses disallowed by the Donors		**-**	-
	Project Contributions		**2,006,607**	-
		24.3	**42,109,613**	34,395,910

24.1 Included herein is a sum of PKR 608,980 (2019: PKR 14,213) and PKR 297,391 (2019: PKR 256,873) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		2020	2019
		----------Rupees----------	
24.2	Auditors' remuneration		
	EY Ford Rhodes	**440,000**	440,000
		440,000	440,000

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

24.4 This represents the depreciation and interest expense upon application of IFRS -16.

	2020	2019
	----------Rupees----------	
25 Taxation		
Current tax		
- Current year	**3,622,498**	**10,670,222**
- Prior year	**(3,510,238)**	**-**
	112,260	10,670,222

26 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

26.1 Financial assets and financial liabilities

i) **Financial assets**

	2020 At amortised cost	2019 Loans and receivables
Advances	**1,169,516**	1,802,975
Deposits	**2,067,482**	1,888,000
Receivable From Gratuity Fund	**1,500,887**	1,410,640
Other receivables	**21,963,138**	29,900,959
	26,701,023	35,002,574

ii) **Financial liabilities**

	2020	2019
	--------- Rupees ---------	
Trade and other payables - At amortised cost	**25,118,995**	35,813,595

26.2 Financial risk management

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 Directors of the TDEA has the overall responsibility for the establishment and oversight of the Company'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 analyse 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.

(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.

Concentration of credit risk

Credit risk is the risk of financial loss to TDEA if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities.

TDEA's credit risk is primarily attributable to its other receivables against operating activities, advances to employees, deposits, receivable from gratuity fund, and balances with banks. The credit risk on balances with banks is very minimal.TDEA attempts to control credit risk by keeping track of its expenditure in respect of various projects and obtaining advance funding for project activity from the donor.TDEA is not materially exposed to credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was against:

	Note	2020	2019
		----------Rupees----------	
Advances	**9**	**1,169,516**	1,802,975
Deposits	**10**	**2,067,482**	1,888,000
Receivable From Gratuity Fund	**11**	**1,500,887**	1,410,640
Other receivables	**12**	**21,963,138**	29,900,959
Cash and bank balances	**14**	**231,298,529**	332,354,532
		257,999,552	367,357,106

Other Receivable

This represents grant receivable from donors against respective projects. The receivable balances as at 30 June 2020 were received within a period of one month and balances as at 1 July 2019 were also received within a period of one month. Further, the credit quality of grant receivables has been assessed as good by reference to the default history of donors. Accordingly, the Trust has assessed an allowance based on life time ECL, using the loss rate approach based upon reasonable and supportable information that is available, without undue cost and effort at the reporting data, about past events current conditions and forecast of future economic conditions that are relevant to the estimates of ECLs. Based upon the loss rate, ECLs relating to grant receivable rounds to zero.

Cash and bank balances

The credit quality of cash and bank balances, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate. Credit ratings and exposure of bank balances with each of the counterparties are as follows:

	Long Term Rating	Short Term Rating	Rating agency	Rupees
Savings accounts				
Faysal Bank	AA	A1+	PACRA	231,298,529

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

2020

		Days past due				
	Current	<30 days	30-60 days	61-90 days	<90 days	Total
Advances	**-**	**-**	**-**	**1,169,516**	**-**	**1,169,516**
Deposits	**-**	**-**	**-**	**-**	**2,067,482**	**2,067,482**
Receivable From Gratuity Fund	**-**	**90,247**	**-**	**-**	**1,410,640**	**1,500,887**
Other receivables	**-**	**-**	**16,003,171**	**978,457**	**-**	**16,981,628**
Cash and bank balances	**231,298,529**	**-**	**-**	**-**	**-**	**231,298,529**
	231,298,529	**90,247**	**16,003,171**	**2,147,973**	**3,478,122**	**253,018,042**

2019

		Days past due				
	Current	<30 days	30-60 days	61-90 days	<90 days	Total
Advances	-	**-**	1,802,975	**-**	**-**	1,802,975
Deposits	**-**	**-**	**-**	**-**	1,888,000	1,888,000
Receivable From Gratuity Fund	**-**	**-**	**-**	**-**	1,410,640	1,410,640
Other receivables	-	-	29,900,959	-	-	29,900,959
Cash and bank balances	332,354,532	-	-	-	-	332,354,532
	332,354,532	-	31,703,934	-	3,298,640	367,357,106

(b) Liquidity risk

Liquidity risk is the risk that the TDEA will not be able to meet its financial obligations, as they fall due. The TDEA's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the TDEA's reputation.

The TDEA ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2019	2018
	--------------Rupees--------------	
Accrued and other liabilities		
Within one year	**25,118,995**	35,813,595
Between one and five years	**-**	-
	25,118,995	**35,813,595**

(c) Market Risk

Market risk, is the risk that results from changes in market prices, such as foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to any significant market risks from its operating activities.

a) Interest rate risk

The TDEA's interest bearing instruments consist of receivable from gratuity fund and balances in savings accounts, amounting to Rs. 1,000,000 (2019: Rs. 1,000,000) and Rs. 213,037,103 (2019: Rs. 329,693,161). Applicable interest rates for (i) the investment in receivable from gratuity fund is 4.51% to 5.00% (2018: 4.51% to 5.00%) and (ii) balances in saving accounts range from 4.0% to 5.5% (2019: 11.25% to 12.75%) per annum. However, these carry fixed interest rates and, therefore, are not exposed to interest rate risk.

b) Currency risk

TDEA is not exposed to foreign currency risk as there is no foreign currency account.

c) Determination of fair values

The carrying values of financial instruments approximate their fair values. The fair values of these financial instruments are determined as the present value of future cash flows, discounted at market rates of interest at the reporting date. The fair value of financial assets is determined for disclosure purposes only.

Fair value of financial assets and liabilities

The carrying values of financials assets and liabilities approximate their fair values.

27 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.

28 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	2020	2019
		----------Rupees----------	
Transactions and balances with employee benefit plan			
Payments to gratuity fund		**18,582,482**	**22,941,167**
Charge for the year relating to gratuity fund		**18,582,482**	**22,941,167**
Payments to provident fund		**13,003,696**	**10,402,196**
Charge for the year relating to provident fund		**13,003,696**	**5,201,098**
Transactions with key management personnel			
Remuneration of key management personnel	**28.1**	**69,020,810**	**65,783,732**

28.1 Remuneration, allowances and benefits

	2020	2019
Managerial remuneration and allowances	**60,991,455**	**57,802,876**
Provision for gratuity	**6,055,040**	**6,632,591**
Provident fund	**1,974,315**	**1,348,265**
	69,020,810	**65,783,732**
Number of Trustees	**7**	**7**

28.2 During the year, projects having a cost of PKR 198.77 million (2019: PKR 579.21 million) were executed through the implementing partners who are members of the FAFEN.

29 NUMBER OF EMPLOYEES

The number of total employees at the year end were 72 (2019: 139 employees), and the average number of employees during the year were 109 (2019: 133 employees).

30 CORRESPONDING FIGURES

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

31 GENERAL

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

32 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been approved on ______________________ by the Board of Trustees of TDEA.

CHAIRPERSON **CHIEF EXECUTIVE OFFICER**