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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 2021, 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 2021, 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 - Registration of the Trust

We draw attention to note 1.1 to the financial statements which explains that Economic Affairs Division (EAD) Government of Pakistan rejected applications of three projects and the matter is under litigation. Further, the Trust's registration with EAD 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 : 7 January 2022

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TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Note	2021 -----Rupees-----	2020
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	6	17,133,949	18,871,485
Intangible assets	7	938,479	200,043
Right-of-use asset	8	39,089,831	50,258,354
		57,162,259	69,329,882
<b>CURRENT ASSETS</b>			
Advances	9	16,025,306	5,891,248
Security-deposits	10	2,044,482	2,067,482
Receivable from gratuity fund	11	-	1,500,887
Other receivables	12	9,706,810	21,963,138
Tax refund due from the Government	13	1,455,457	2,801,972
Cash and bank balances	14	225,360,532	231,298,529
		254,592,587	265,523,256
<b>TOTAL ASSETS</b>		311,754,846	334,853,138
<b><u>RESERVES AND LIABILITY</u></b>			
<b>RESERVES / FUNDS</b>			
Reserve for contingencies and assets	15	13,594,230	13,888,470
Restricted reserve fund	16	44,407,945	45,944,220
Accumulated surplus		2,934,857	2,934,857
		60,937,032	62,767,547
<b>NON-CURRENT LIABILITIES</b>			
Deferred capital grant	17	14,016,200	18,712,051
Restricted grant	18	179,769,111	173,013,896
Lease liability	19	37,350,622	47,403,684
		231,135,933	239,129,631
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	15,949,867	25,119,781
Lease liability - current	19	3,732,014	7,836,180
<b>TOTAL RESERVES AND LIABILITIES</b>		311,754,846	334,853,139
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

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

*Mohamed Wassem*

CHAIRPERSON

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CHIEF EXECUTIVE OFFICER

**TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 -----Rupees-----	2020
<b>INCOME</b>			
Grant	18	539,414,918	869,554,667
Amortization of deferred capital grant	17	12,453,305	10,138,674
Other income	22	50,359,266	35,712,870
		602,227,489	915,406,211
<b>EXPENDITURE</b>			
Projects' expenses	23	539,414,918	869,554,667
Administrative expenses	24	60,530,676	42,109,613
		599,945,594	911,664,280
<b>Surplus before tax</b>		<b>2,281,895</b>	3,741,932
Taxation	25	(4,112,410)	(112,260)
<b>(Deficit) / surplus for the year</b>		<b>(1,830,515)</b>	3,629,672

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

*Mohamed Wassem*

**CHAIRPERSON**

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**CHIEF EXECUTIVE OFFICER**

**TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	-----Rupees-----	
(Deficit) / surplus for the year	(1,830,515)	3,629,672
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>(1,830,515)</b>	<b>3,629,672</b>

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

*Mohamed Wassem*

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CHAIRPERSON

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CHIEF EXECUTIVE OFFICER

**TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	RESTRICTED		UNRESTRICTED	Total
	Reserve for contingencies and assets	Restricted reserve fund	Accumulated surplus	
	-----Rupees-----			
<b>Balance as at 1 July 2019</b>	<b>12,189,648</b>	<b>44,013,370</b>	<b>2,934,857</b>	<b>59,137,875</b>
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	-	-	-	-
	<b>1,698,822</b>	<b>1,930,850</b>	<b>-</b>	<b>3,629,672</b>
<b>Balance as at 30 June 2020</b>	<b>13,888,470</b>	<b>45,944,220</b>	<b>2,934,857</b>	<b>62,767,547</b>
Deficit for the year	-	-	(1,830,515)	(1,830,515)
Transfers	(294,240)	(1,536,275)	1,830,515	-
Other comprehensive income for the year	-	-	-	-
	<b>(294,240)</b>	<b>(1,536,275)</b>	<b>-</b>	<b>(1,830,515)</b>
<b>Balance as at 30 June 2021</b>	<b>13,594,230</b>	<b>44,407,945</b>	<b>2,934,857</b>	<b>60,937,032</b>

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

*Mohamed Wassem*

CHAIRPERSON

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CHIEF EXECUTIVE OFFICER

**TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 -----Rupees-----	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before tax		2,281,895	3,741,932
<b>Adjustment for:</b>			
Depreciation	6	14,565,491	11,109,792
Depreciation expense right of use asset	8	11,168,523	8,112,240
Amortization of intangible assets	7	344,341	79,499
Grant income and TDEA contribution	18	(539,414,918)	(869,554,667)
Amortization of deferred capital grant	17	(12,453,305)	(10,138,674)
Profit on sales of fixed assets	22	(3,625,533)	(480,968)
Interest expense lease liability	19	4,951,280	5,110,098
Interest / return on bank balances	22	(1,290,357)	(2,633,871)
Interest on short-term investment	22	-	(90,247)
		<b>(525,754,479)</b>	<b>(858,486,798)</b>
Operating deficit before working capital changes		<b>(523,472,584)</b>	<b>(854,744,866)</b>
<b>Changes in working capital cycle:</b>			
<b>(Increase) / decrease in current assets</b>			
Advances		(10,134,058)	(3,283,102)
Deposits and short-term prepayments		23,000	(179,482)
Other receivables		(159,695)	1,775,608
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		(9,169,914)	(10,711,920)
		<b>(19,440,667)</b>	<b>(12,398,896)</b>
Restricted grant received - net	18	569,360,714	799,080,886
Income taxes paid		(2,765,895)	(8,559,472)
<b>Net cash generated from operating activities</b>		<b>23,681,568</b>	<b>(76,622,348)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets	6	(12,959,421)	(16,392,463)
Additions to intangible assets		(1,082,777)	-
Profit on deposit accounts received		1,290,357	2,633,871
Proceeds from disposal of fixed assets		3,633,700	2,547,275
<b>Net cash used in investing activities</b>		<b>(9,118,141)</b>	<b>(11,211,317)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals		(20,501,424)	(13,222,338)
<b>Net cash used in financing activities</b>		<b>(20,501,424)</b>	<b>(13,222,338)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,937,997)</b>	<b>(101,056,003)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>231,298,529</b>	<b>332,354,532</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14	<b>225,360,532</b>	<b>231,298,529</b>

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

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*Mohamed Wassem*

CHAIRPERSON

*Shir*

CHIEF EXECUTIVE OFFICER

**TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**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. On 17 July 2020, the Trust submitted application for new projects. On 20 July 2020 EAD required the Trust for fresh application of registration. The Trust submitted fresh application of registration on 11 August 2020. Which is under process. Subsequently the Trust submitted various applications for new projects.

On 02 August 2021 EAD rejected applications of three projects. Being agreed with the decision of EAD, the Trust filed an appeal with the review committee of EAD. At the same time the Trust filed a writ petition in Islamabad High Court against the decision of EAD. The High Court has admitted the petition and provided stay order against the decision of EAD. No next date of hearing has been fixed so far. Management, based on opinion of legal advisor, is confident that they have a strong and arguable stance and there is no likelihood that there will be any unfavorable outcome against TDEA which may result in a financial liability on TDEA. 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.

**1.2 REGISTRATION UNDER ISLAMABAD TRUST ACT, 2020.**

On 24 August 2020, Government of Pakistan enacted Islamabad Capital Territory Trust Act, 2020 (the New Act) which repealed the Trust Act, 1882. As per section 1(2) of the New Act, it shall extend to the Islamabad Capital Territory. Section 112 (2) of the New Act states that all the trusts previously registered under the Trust Act, 1882 must now be registered under the new Act within a period of six months.

TDEA is registered under the Trust Act, 1882 and is required to be register under newly enacted Act. Sub-sections (1) and (2) of section 13 of the New Act require to provide information for registration in a manner "prescribed". Section 109 of the New Act further explain that subject to the approval of the Federal Government, the Chief Commissioner of Islamabad Capital Territory shall make rules to carry





out the purposes of this Act within a period not later than the sixty days from the date of enactment of this Act.

Aforementioned rules have not been promulgated yet and in absence of the Rules, registration process cannot be initiated.

## **2. STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan.

### **2.1 New standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2021**

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on 1 July 2020, as listed below. The Trust has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### **New Amendments**

IAS 1 Presentation of Financial Statements: Definition of Material — (Amendments)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments)

IFRS 3 Business Combinations: Definition of Business — (Amendments)

IFRS 9 Financial Instruments: Interest Rate Benchmark Reform — (Amendments)

IFRS 7 Financial Instruments Disclosures: Interest Rate Benchmark Reform — (Amendments)

IAS 39 Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)

IFRS 16 Covid-19-Related Rent Concessions (Amendments)

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

The adoption of above amendments applied for the first time in the period did not have any material impact on the financial statements of the Trust.

#### **'Standards, interpretation and amendments to approved accounting standards that are not yet effective**

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

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Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to conceptual framework — (Amendments)	01 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)	01 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)	01 January 2022
IAS 41	Taxation in fair value measurements	01 January 2022
IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
IAS 1	Classification of liabilities as current or non-current — (Amendments)	01 January 2023
IAS 8	Definition of accounting estimates — (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies — (Amendments)	01 January 2023

### 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:

	<u>Note</u>
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.



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

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Trust recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**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



**TRUST FOR DEMOCRATIC  
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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.

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 from its activities, upon the fulfilment of certain conditions.

**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 Reserves for contingencies and assets**

Reserves for contingencies and assets is established to ensure long—term sustainability of TDEA, and it is funded by income from membership fees, donations, profit on relevant 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 reserve (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 till December 31, 2020, after which the benefit has been discontinued via Board resolution no. BOT34-01/2019-12 dated December 22, 2019. All liabilities under the scheme have been paid.

### **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 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 cash flow 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.

#### **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 from 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.

### **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.

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.

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.

### **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.

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.

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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.

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



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- 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.





## 6 OPERATING FIXED ASSETS

Note	Cost				Rate per annum %	Accumulated Depreciation				Net Book Value
	At 01 July	additions	disposals	At 30 June		At 01 July	charge for the year	on disposals	At 30 June	At 30 June
	Rupees					Rupees				Rupees
<b>2021</b>										
Lease hold improvements	7,865,355	-	-	7,865,355	35	5,883,815	693,539	-	6,577,354	1,288,001
Furniture and fixtures	3,757,554	247,040	-	4,004,594	45	2,288,379	732,015	-	3,020,394	984,200
Office equipment	8,465,249	1,163,851	-	9,629,100	45	6,671,493	1,187,027	-	7,858,520	1,770,580
Computer equipment	22,409,966	5,615,808	-	28,025,774	65	15,809,923	7,310,892	-	23,120,815	4,904,959
Mobile phones	321,700	280,000	-	601,700	75	89,826	161,218	-	251,044	350,656
Vehicles	14,547,911	5,652,722	(2,370,604)	17,830,029	45	7,752,813	4,480,800	(2,239,137)	9,994,476	7,835,553
	<u>57,367,735</u>	<u>12,959,421</u>	<u>(2,370,604)</u>	<u>67,956,552</u>		<u>38,496,249</u>	<u>14,565,491</u>	<u>(2,239,137)</u>	<u>50,822,603</u>	<u>17,133,949</u>
<b>2020</b>										
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)	6,671,493	1,793,756
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	6,600,043
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)	7,752,813	6,795,098
	<u>80,214,977</u>	<u>16,392,463</u>	<u>(39,239,705)</u>	<u>57,367,735</u>		<u>64,564,349</u>	<u>11,109,792</u>	<u>(37,177,892)</u>	<u>38,496,249</u>	<u>18,871,486</u>

6.1 Depreciation charge has been allocated as follows:

	Note	2021 -----Rupees-----	2020
Projects' expenses	23	300,194	504,613
Administrative expenses	6.2 & 23	14,265,298	10,605,179
		<u>14,565,492</u>	<u>11,109,792</u>
6.2 This depreciation charge includes:			
Depreciation on owned assets	16	2,154,855	544,224
Deferred capital grant	17	12,110,443	10,060,956
		<u>14,265,298</u>	<u>10,605,179</u>

6.3 Operating fixed assets include the cost of assets amounting to PKR 53,591,175 (2020: PKR 46,624,719) having a net book value of PKR 11,404,201 (2020: PKR 16,836,818) 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), 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				Rate per annum %	Accumulated Amortization				Net Book Value
	At 01 July	additions	disposals	At 30 June		At 01 July	charge for the year	on disposals	At 30 June	At 30 June
	Rupees					Rupees				Rupees
<b>2021</b>										
Computer software	514,592	1,082,777	-	1,597,369	33	314,549	344,341	-	658,890	938,479
<b>2020</b>										
Computer software	2,973,914	-	(2,459,322)	514,592	33	2,689,879	79,499	(2,454,829)	314,549	200,043

## 7.1 Amortization charge has been allocated as follows:

	2021	2020
	-----Rupees-----	
Restricted reserve fund	1,479	1,781
Deferred capital grant	342,862	77,718
	<u>344,341</u>	<u>79,499</u>

## 8 RIGHT-OF-USE ASSET

**Cost**

As at 01 July	61,426,877	-
Additions	-	61,426,877
<b>As at 30 June</b>	<u>61,426,877</u>	<u>61,426,877</u>
Accumulated depreciation		
As at 01 July	11,168,523	-
Charge for the year	11,168,523	11,168,523
<b>As at 30 June</b>	<u>22,337,046</u>	<u>11,168,523</u>
Net book value	<u>39,089,831</u>	<u>50,258,354</u>
Useful life (years)	<u>5.5</u>	<u>5.5</u>

Depreciation charge has been allocated as follows:

Projects' expenses	23	7,405,808	7,759,008
Administrative expenses	24	3,762,715	3,409,515
		<u>11,168,523</u>	<u>11,168,523</u>

## 9 ADVANCES - CONSIDERED GOOD

Advances to employees	2,558,912	1,169,516
Advances to implementing partners	13,466,394	4,721,732
	<u>16,025,306</u>	<u>5,891,248</u>

## 10 SECURITY DEPOSITS

Security deposits	<u>2,044,482</u>	<u>2,067,482</u>
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## 11 RECEIVABLE FROM GRATUITY FUND

Term Deposit Receipt (TDR)	-	1,000,000
Accrued interest	11.1	500,887
	-	<u>1,500,887</u>

## 11.1 Movement in accrued interest

Opening balance	500,887	410,640
Accrued during the year	-	90,247
Received during the year	(500,887)	-
Closing balance	<u>-</u>	<u>500,887</u>



	Note	2021 -----Rupees-----	2020
<b>12 OTHER RECEIVABLES</b>			
Receivable from donors	18	-	15,433,180
TDEA other receivables		8,826,613	4,981,510
Membership fees receivable		200,000	569,991
Others		680,197	978,457
		<u>9,706,810</u>	<u>21,963,138</u>
<b>13 TAX REFUND DUE FROM THE GOVERNMENT / (INCOME TAX PAYABLE) - NET</b>			
Advance income tax / (Income tax payable)-net (Provision) / reversal for the year - net		2,801,972 (1,346,515)	(5,645,240) 8,447,212
Advance income tax -net		<u>1,455,457</u>	<u>2,801,972</u>
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		8,139	14,051
Cash at bank			
- Current accounts		6,326,176	18,247,375
- Savings accounts	14.1	219,026,217	213,037,103
		<u>225,352,393</u>	<u>231,284,478</u>
		<u>225,360,532</u>	<u>231,298,529</u>

14.1 These carry interest at rates ranging from 4% to 5% (2020: 4% to 5.5%) per annum.

	Note	2021 -----Rupees-----	2020
<b>15 RESERVE FOR CONTINGENCIES AND ASSETS</b>			
Opening balance		13,888,470	12,189,648
Transferred to / (from):			
<b>Income</b>			
Membership fees		200,000	440,000
Profit on deposit accounts		75,751	246,660
Return on short term investment		-	90,248
Profit on sales of Fixed Assets		-	922,378
<b>Expenses</b>			
Membership fees		(569,991)	
Bank charges		-	(464)
		<u>(294,240)</u>	<u>1,698,822</u>
Closing balance		<u>13,594,230</u>	<u>13,888,470</u>

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	Note	2021 -----Rupees-----	2020
<b>16 RESTRICTED RESERVE FUND</b>			
Opening balance		45,944,220	44,013,370
Transferred to / (from) restricted reserve fund during the year			
<b>Income</b>			
Profit on deposit accounts		1,214,606	2,387,211
Administrative fees		36,119,739	6,816,911
Management fees	22	9,066,294	19,371,373
Consultancy fees	22	-	5,879,500
Others		3,682,876	-
<b>Expenses</b>			
Administrative expenses	24	(45,351,046)	(31,424,470)
TDEA contribution in project expenses		-	-
Tax charged for the year		(4,112,410)	(112,260)
Loss on disposal of fixed assets	22	-	(441,410)
Depreciation on owned assets	6.2	(2,154,855)	(544,224)
Amortization on owned assets	7.1	(1,479)	(1,781)
		(1,536,275)	1,930,850
Closing balance		44,407,945	45,944,220
<b>17 DEFERRED CAPITAL GRANTS</b>			
Opening balance		18,712,051	12,983,727
Assets purchased from restricted grants	18	7,757,454	15,866,998
Depreciation on items of operating fixed assets	6.2	(12,110,443)	(10,060,956)
Amortization of intangible assets	7.1	(342,862)	(77,718)
		(12,453,305)	(10,138,674)
Closing balance		14,016,200	18,712,051

Project	Donor	Opening balance			Grant received during the year	Profit on deposit accounts	Exchange gain	Disallowed/ Adjusted by Donor	Amount returned to the donor	Project expenses	Transferred to deferred capital grant	Closing balance	
		Restricted grant	Receivable from donor	Unspent balance payable to donor								Restricted grant	Receivable from donor
-----Rupees-----													
<b>2021</b>													
Advocacy and Legal Aid for Religious Minorities (grant no. EIDHR/2017/389-294)	EU	15,641,097	-	-	-	-	-	-	(5,785,525)	(9,855,571)	-	-	-
Community Leadership Development Programme for Sindh & Khyber Pakhtunkhwa (Grant no. PAK1704-2Y1)	Trocaire	53,299	-	(53,299)	-	-	-	-	-	-	-	-	-
Women CNIC and Voter Registration Project/Strengthening Electoral and Legislative Processes	UNDP	30,694,629	-	-	8,068,199	832,328	-	-	(29,888,871)	(9,706,285)	-	-	-
Citizens' Voice Project (Grant no. AID-391-C-11-00001)	USAID	-	(762,395)	-	762,395	-	-	-	-	-	-	-	-
Promoting the Human Rights and Electoral Participation of People with Disabilities (PWDs), Transgender People, and Women in Pakistan (Grant no. SLMAQM17GR1167)	DRL	7,651,611	-	-	38,251,339	829,378	-	-	-	(41,862,836)	(2,329,892)	2,539,600	-
Local Action for Democratic and Inclusive Response to COVID-19 (Grant no. 204604-110)	FCDO	-	-	-	127,145,413	928,073	-	-	-	(116,051,865)	(2,538,900)	9,482,720	-
Ambassador's Fund Grants Program (Grant no. AID-391-C-17-00006)	USAID	1,003,929	(14,670,785)	-	51,377,109	95,243	18,473	-	(955,802)	(36,868,167)	-	-	-
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	GAC	104,664,786	-	-	154,535,463	5,809,618	-	-	-	(141,291,204)	-	123,718,662	-
Promoting Decent Work in Pakistan's Brick Kiln Project (Grant no. S-LMAQM-18-GR-2246)	SC	2,665,040	-	-	54,971,815	-	441,027	-	-	(56,734,152)	(1,343,729)	1	-
State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07)	AUSAID	6,550,200	-	-	-	-	-	-	-	(522,572)	-	6,027,628	-
Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	DRL	-	-	-	58,841,300	456,636	-	-	-	(53,259,855)	(1,544,933)	4,493,149	-
Election Tech Forum Project – Technology for Efficient and Effective Elections (Grant no.2020-08426)	NED	-	-	-	4,800,669	196,847	-	-	-	(3,428,959)	-	1,568,557	-
Enhancing Women's Workers Access to Market (Grant no.4000002828)	RNE	4,089,305	-	-	96,285,179	1,397,762	-	-	-	(69,833,452)	-	31,938,794	-
		173,013,896	(15,433,180)	(53,299)	595,038,881	10,545,884	459,500	-	(36,630,198)	(539,414,918)	(7,757,454)	179,769,111	-
<b>2020</b>													
ILM-Possible II	British Council	-	(4,544,673)	-	4,511,686	-	-	32,987	-	-	-	-	-
Women's Action for Better Workplaces (Grant no. 29472)	RNE	987,363	-	-	-	-	-	-	(987,363)	-	-	-	-
Advocacy and Legal Aid for Religious Minorities (grant no. EIDHR/2017/389-294)	EU	3,848,291	-	-	30,331,500	-	-	-	-	(19,514,415)	-	15,641,097	-
Community Leadership Development Programme for Sindh & Khyber Pakhtunkhwa (Grant no. PAK1704-2Y1)	Trocaire	53,299	-	-	-	-	-	-	-	-	-	53,299	-
Women CNIC and Voter Registration Project/Strengthening Electoral and Legislative Processes	UNDP	145,271,959	-	-	226,865,241	8,628,906	-	-	-	(348,351,248)	(1,720,229)	30,694,629	-
Citizens' Voice Project (Grant no. AID-391-C-11-00001)	USAID	13,127,465	-	-	208,979,111	2,254,892	-	-	(23,683,057)	(197,376,326)	(4,064,480)	-	(762,395)
Promoting the Human Rights and Electoral Participation of People with Disabilities (PWDs), Transgender People, and Women in Pakistan (Grant no. SLMAQM17GR1167)	DRL	4,510,730	-	-	8,879,879	921,809	-	-	-	(6,660,807)	-	7,651,611	-
Ambassador's Fund Grants Program (Grant no. AID-391-C-17-00006)	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)
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	GAC	103,974,208	-	-	47,529,362	11,383,002	-	-	-	(55,107,189)	(5,289,777)	104,664,786	-
Promoting Decent Work in Pakistan's Brick Kiln Project (Grant no. S-LMAQM-18-GR-2246)	SC	-	-	-	8,431,486	-	-	-	-	(5,766,446)	-	2,665,040	-
State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07)	AUSAID	-	-	-	6,550,200	-	-	-	-	-	-	6,550,200	-
Enhancing Women's Workers Access to Market (Grant no.4000002828)	RNE	-	-	-	22,223,903	1,495,001	-	-	-	(19,681,072)	(981,664)	4,089,305	-
		271,773,315	(27,851,821)	-	807,598,222	25,689,003	13,690	32,987	(34,253,017)	(873,738,704)	(15,866,998)	173,013,896	(15,433,180)

	Note	2021	2020
		-----Rupees-----	
<b>19 LEASE LIABILITY</b>			
<b>At 01 July 2019</b>		<b>55,239,864</b>	-
Additions		-	61,426,877
Interest expense		<b>6,344,196</b>	7,035,325
Lease payments		<b>(20,501,424)</b>	(13,222,338)
<b>At 30 June 2020</b>		<b>41,082,636</b>	55,239,864
Less: current portion of lease liabilities		<b>(3,732,014)</b>	(7,836,180)
Non current portion of lease liabilities		<b>37,350,622</b>	47,403,684

19.1 The undiscounted maturity analysis of lease liabilities at 30 June 2021 is as follows:

	Upto 1 year	2 to 5 years	Over 5 years	Total
Lease payments (gross)	8,922,856	43,129,842	-	<b>52,052,698</b>
Finance charge	5,190,842	5,779,275	-	<b>10,970,117</b>

	Note	2021	2020
		-----Rupees-----	
<b>20 TRADE AND OTHER PAYABLES</b>			
Accrued liabilities		<b>189,994</b>	402,721
Accounts payable		<b>11,291,654</b>	6,077,853
Payable to implementing partners		<b>4,174,184</b>	18,638,421
Withholding tax payable		<b>294,035</b>	786
		<b>15,949,867</b>	25,119,781

## 21 CONTINGENCIES AND COMMITMENTS

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

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

Operating lease commitment	-	-
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## 22 OTHER INCOME

### Income from financial assets

Interest / return on bank balances	<b>1,290,357</b>	2,633,871
Interest on short-term investment	-	90,247
	<b>1,290,357</b>	2,724,118

### Income from assets other than financial assets

Management fees	22.2	<b>9,066,294</b>	19,371,373
Consultancy fees	22.3	-	5,879,500
Profit on sales of fixed assets		<b>3,682,876</b>	480,968
Administration fees		<b>36,119,739</b>	6,816,911
Membership fees	22.1	<b>200,000</b>	440,000
		<b>49,068,909</b>	32,988,752
		<b>50,359,266</b>	35,712,870

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 8,177,992 in the AFGP on project completion which is booked on receipt basis.

22.3 This represented 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	2021 -----Rupees-----	2020
<b>23 PROJECTS' EXPENSES</b>			
Citizens' Voice Project (Grant no. AID-391-C-11-00001)	23.1	-	197,376,326
Women CNIC and Voter Registration Project/ Strengthening Electoral and Legislative Processes	23.2	9,706,285	348,351,248
Ambassador's Fund Grants Program (Grant no. AID-391-C-17-00006)	23.3	36,868,167	221,281,202
Promoting the Human Rights and Electoral Participation of People with Disabilities (PWDs), Transgender People, and Women in Pakistan (Grant no. SLMAQM17GR1167)	23.4	41,862,836	6,660,807
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	23.5	141,291,204	52,932,010
Advocacy and Legal Aid for Religious Minorities (grant no. EIDHR/2017/389-294)	23.6	9,855,571	18,538,694
Enhancing Women's Workers Access to Market (Grant no.4000002828)	23.7	69,833,452	18,647,934
Promoting Decent Work in Pakistan's Brick Kiln Project (Grant no.S-LMAQM-18-GR-2246)	23.8	56,734,152	5,766,446
Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	23.9	53,259,855	-
Local Action for Democratic and Inclusive Response to COVID-19 (Grant no. 204604-110)	23.10	116,051,865	-
Election Tech Forum Project – Technology for Efficient and Effective Elections (Grant no.2020-08426)	23.11	3,428,959	-
State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07)	23.12	522,572	-
		<b>539,414,918</b>	<b>869,554,667</b>
<b>23.1 Citizens' Voice Project (Grant no. AID-391-C-11-00001)</b>			
Personnel cost	23.1.1	-	67,093,894
Professional services		-	6,015,569
Management fee		-	9,208,902
Activity costs	23.1.2	-	81,413,347
Office supplies and equipment		-	2,357,174
Repairs and maintenance		-	1,826,415
Communication charges		-	144,320
Depreciation expense right of use asset		-	1,805,310
Interest expense lease liability		-	1,137,209
Office rent		-	2,410,475
Security charges		-	532,498
Vehicle rental and fuel costs		-	248,896
Utilities		-	930,914
Audit fee	23.1.3	-	1,050,118
Advertisement and printing costs		-	8,209,849
Webhosting/I-services		-	122,111
Insurance costs		-	599,863
Travel and accommodation		-	11,134,110
Administrative costs		-	1,135,352
	23.1.4	<b>-</b>	<b>197,376,326</b>

**23.1.1** This includes a sum of PKR Nil (2020: PKR 1,087,393) and PKR Nil (2020: PKR 7,629,217) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

*TJR*

	Note	2021	2020
		-----Rupees-----	
<b>23.1.2 Activity costs</b>			
Capacity building and training of grantees		-	80,913,347
Pre-award and post award financial monitoring		-	500,000
		<u>-</u>	<u>81,413,347</u>
<b>23.1.3 Auditors' remuneration</b>			
EY Ford Rhodes		-	1,050,118
		<u>-</u>	<u>1,050,118</u>
<b>23.1.4</b>	The above project costs include expenses amounting to PKR Nil (2020: PKR 80.88 million) incurred by implementing partners on behalf of TDEA against project activities.		

	Note	2021	2020
		-----Rupees-----	
<b>23.2 Women CNIC and Voter Registration Project/Strengthening Electoral and Legislative Processes</b>			
Personnel cost	23.2.1	5,302,163	34,107,047
Activity costs	23.2.2	3,140,257	277,917,870
Professional services		-	69,600
Fuel expenses		-	19,207
Office supplies and equipment		247,775	591,886
Repairs and maintenance		24,747	526,463
Communication charges		127,898	660,342
Depreciation expense right of use asset	23.2.3	120,198	1,240,474
Interest expense lease liability	23.2.3	68,277	781,405
Office rent		-	1,656,299
Security charges		26,647	333,346
Utilities		93,435	735,187
Postage, courier and carriage		68,278	53,493
Advertisement and printing costs		404,676	29,043,237
Depreciation		30,588	318,034
Administrative costs		51,346	297,358
		<u>9,706,285</u>	<u>348,351,248</u>

**23.2.1** This includes a sum of PKR 183,372 (2020: PKR 922,611) and PKR Nil (2020: PKR 1,905,561) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

		2021	2020
		-----Rupees-----	
<b>23.2.2 Activity costs</b>			
Consultant cost and training activates		3,140,257	2,632,431
Pre-award and post award financial monitoring		-	6,415,824
Implementing partners expenses		-	268,869,615
		<u>3,140,257</u>	<u>277,917,870</u>

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





		2021	2020	
		-----Rupees-----		
<b>23.3</b>	<b>Ambassador's Fund Grants Program (Grant no. AID-391-C-17-00006)</b>			
	Personnel cost	23.3.1	11,349,525	96,078,555
	Management fee		9,066,294	10,162,471
	Activity costs	23.3.2	12,875,913	90,579,441
	Fuel expenses & vehicle rent		12,180	383,785
	Office supplies and equipment		120,705	821,817
	Repairs and maintenance		976,051	1,915,303
	Communication charges		100,401	609,990
	Depreciation expense right of use asset	23.3.3	818,987	2,930,082
	Interest expense lease liability	23.3.3	465,219	1,845,730
	Office rent		-	3,912,287
	Security charges		133,449	1,020,169
	Utilities		155,084	990,549
	Audit fee		997,408	202,880
	Postage, courier and carriage		1,000	11,162
	Advertisement and printing costs		45,323	731,049
	Webhosting/I-services		-	135,918
	Capital expenditure		(56,520)	-
	Depreciation		14,192	111,259
	Insurance costs		-	579,884
	Travel and accommodation		(207,044)	8,222,326
	Administrative costs		-	36,545
			<b>36,868,167</b>	<b>221,281,202</b>
<b>23.3.1</b>	This includes a sum of PKR 217,508 (2020: PKR 2,611,452) and PKR Nil (2020: PKR 6,798,006) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.			
		<b>Note</b>	<b>2021</b>	<b>2020</b>
			-----Rupees-----	
<b>23.3.2</b>	<b>Activity costs</b>			
	Implementing partners expenses		12,805,340	90,579,441
	Consultant and trainer cost		70,573	-
			<b>12,875,913</b>	<b>90,579,441</b>
<b>23.3.3</b>	This represent the depreciation and interest expense upon application of IFRS- 16.			
		<b>Note</b>	<b>2021</b>	<b>2020</b>
			-----Rupees-----	
<b>23.4</b>	<b>Promoting the Human Rights and Electoral Participation of People with Disabilities (PWDs), Transgender People, and Women in Pakistan (Grant no. SLMAQM17GR1167)</b>			
	Personnel cost	23.4.1	14,567,735	2,019,297
	Activity Cost		6,651,756	3,419,026
	Utilities		279,131	58,757
	Communication		240,562	45,853
	Office supplies and Stationary		824,763	85,521
	Depreciation		-	23,247
	Administrative Cost		-	376,880
	Postage, courier and carriage		27,385	2,226
	Advertisement and printing costs		-	630,000
	Accommodation and venue expenses		4,595,417	-
	Meals and refreshment		4,857,304	-
	Travel Expense		4,652,499	-
	Fuel Expenses		8,100	-
	Printing and publications		88,450	-
	Depreciation expense right of use asset		848,949	-
	Interest expense lease liability		482,239	-
	Admin fee		3,738,546	-
			<b>41,862,836</b>	<b>6,660,807</b>

**23.4.1** This includes a sum of PKR 572,072 (2020:PKR Nil) on account of contributions to the employees' provident fund.

	Note	2021	2020
		-----Rupees-----	
<b>23.5 Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)</b>			
Personnel cost	23.5.1	31,141,207	28,362,654
Activity costs	23.5.2	76,827,942	12,372,105
Communication charges		476,365	412,888
Office supplies, stationary		1,656,446	396,711
Depreciation expense right of use asset	23.5.3	2,010,086	1,060,115
Interest expense lease liability	23.5.3	1,141,814	667,793
Office rent		-	1,415,481
Travel and accommodation		6,910,027	1,938,115
Meals and Refreshments		5,906,478	-
Repairs & Maintenance		92,801	-
Insurance Costs		53,550	-
Administrative costs		15,074,488	6,306,148
		<b>141,291,204</b>	<b>52,932,010</b>

**23.5.1** This includes a sum of PKR 1,385,850 (2020: PKR 912,860) and PKR Nil (2020: PKR 1,243,077) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2021	2020
	-----Rupees-----	
<b>23.5.2 Activity costs</b>		
Consultants & Trainers Fee	10,060,914	3,519,558
Implementing partners expenses	66,767,028	8,852,547
	<b>76,827,942</b>	<b>12,372,105</b>

**23.5.3** This represent the depreciation and interest expense upon application of IFRS- 16.

	Note	2021	2020
		-----Rupees-----	
<b>23.6 Advocacy and Legal Aid for Religious Minorities (grant no. EIDHR/2017/389-294)</b>			
Personnel cost	23.6.1	407,106	3,903,881
Implementing partners expenses		4,797,211	13,534,926
Consultants & Trainers Fee		3,369,468	150,000
Office supplies and equipment		7,498	21,732
Communication charges		29,795	43,526
Depreciation expense right of use asset	23.6.2	22,195	173,523
Interest expense lease liability	23.6.2	12,607	109,307
Office rent		-	231,691
Audit Fee		887,256	-
Security charges		3,783	50,160
Utilities		9,448	110,630
Postage, courier and carriage		-	7,077
Travel and accommodation		26,900	91,605
Administrative costs		282,304	110,636
		<b>9,855,571</b>	<b>18,538,694</b>

**23.6.1** This includes a sum of PKR 1,085 (2020: PKR 142,195) and PKR Nil (2020: PKR 183,979) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

**23.6.2** This represent the depreciation and interest expense upon application of IFRS- 16.

	Note	2021 -----Rupees-----	2020
<b>23.7 Enhancing Women's Workers Access to Market (Grant no.4000002828)</b>			
Personnel cost	23.7.1	10,624,579	9,437,079
Activity costs	23.7.2	52,997,033	6,249,702
Communication charges		253,946	236,296
Office supplies, stationary		366,054	136,767
Depreciation expense right of use asset	23.7.3	885,957	374,296
Interest expense lease liability	23.7.3	503,260	235,778
Office rent		-	499,766
Travel and accommodation		3,183,617	937,808
Administrative costs		91,788	49,510
Printing & publications		172,204	5,875
Fuel expenses		198,186	32,086
Repairs & maintenance		205,505	141,629
Depreciation & amortization		117,577	58,662
Insurance costs		50,122	55,577
Office security		49,257	61,490
Utilities		134,367	135,614
		<b>69,833,452</b>	<b>18,647,934</b>

**23.7.1** This includes a sum of PKR 450,267 (202: PKR 312,252) and PKR Nil (2020: PKR 216,166) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2021 -----Rupees-----	2020
<b>23.7.2 Activity costs</b>		
Consultants & trainers fee	639,705	183,692
Implementing partners expenses	52,357,328	6,066,010
	<b>52,997,033</b>	<b>6,249,702</b>

**23.7.3** This represent the depreciation and interest expense upon application of IFRS- 16.

	Note	2021 -----Rupees-----	2020
<b>23.8 Promoting Decent Work in Pakistan's Brick Kiln Project (Grant no.S-LMAQM-18-GR-2246)</b>			
Personnel cost	23.8.1	22,154,953	4,446,114
Activity Cost	23.8.2	29,396,863	152,852
Communication charges		173,733	1,740
Travel and accommodation		1,270,975	-
Depreciation expense right of use asset	23.8.3	957,112	175,207
Interest expense lease liability	23.8.3	543,680	110,367
Office supplies, stationary		801,527	-
Printing & Publications		139,696	-
Fuel Expenses		99,628	-
Repairs & Maintenance		65,842	-
Professional Fees		128,397	-
Office Security		76,662	-
Utilities		227,128	-
Office rent		-	233,939
Depreciation expense		137,837	31,163
Administrative costs		560,119	615,064
		<b>56,734,152</b>	<b>5,766,446</b>

**23.8.1** This includes a sum of PKR 804,021 (2020: PKR 171,836) on account of contributions to the employees' provident fund.



		2021	2020	
		-----Rupees-----		
<b>23.8.2</b>	<b>Activity costs</b>			
	Consultants & trainers fee	7,932,482	152,852	
	Implementing partners expenses	21,464,381	-	
		<u>29,396,863</u>	<u>152,852</u>	
<b>23.8.3</b>	This represent the depreciation and interest expense upon application of IFRS- 16.			
		2021	2020	
		-----Rupees-----		
<b>23.9</b>	<b>Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)</b>			
	Personnel cost	23.9.1	26,870,841	-
	Activity costs	23.9.2	13,632,681	-
	Fuel expenses		116,156	-
	Office supplies and Stationary		439,364	-
	Repairs and maintenance		5,600	-
	Communication charges		263,467	-
	Depreciation expense right of use asset		1,437,675	-
	Interest expense lease liability		816,660	-
	Postage, courier and carriage		48,396	-
	Advertisement and printing costs		59,350	-
	Travel and accommodation		2,210,494	-
	Meals and refreshments		2,700,335	-
	Admin fee		4,658,836	-
			<u>53,259,855</u>	<u>-</u>
<b>23.9.1</b>	This includes a sum of PKR 1,043,480 (2020: Nil) on account of contributions to the employees' provident fund.			
		2021	2020	
		-----Rupees-----		
<b>23.9.2</b>	<b>Activity costs</b>			
	Consultants & Trainers Cost		200,000	-
	Implementing partners expenses		13,432,681	-
			<u>13,632,681</u>	<u>-</u>
<b>23.10</b>	<b>Local Action for Democratic and Inclusive Response to COVID-19 (Grant no. 204604-110)</b>			
	Personnel cost	23.10.1	14,867,252	-
	Activity costs	23.10.2	71,510,859	-
	Office supplies and Stationary		528,916	-
	Office rent		4,688,640	-
	Accommodation and venue expenses		7,562,709	-
	Travel Expense		1,573,698	-
	Meals and refreshment		108,138	-
	Fuel Expenses		132,981	-
	Repairs and maintenance		122,708	-
	Audit Fee		567,122	-
	Depreciation expense right of use asset		189,430	-
	Interest expense lease liability		107,604	-
	Communication charges		1,355,354	-
	Advertisement		347,633	-
	Administrative costs		12,388,821	-
			<u>116,051,865</u>	<u>-</u>
<b>23.10.1</b>	This includes a sum of PKR 558,149 (2020: PKR Nil) on account of contributions to the employees' provident fund.			
		2021	2020	
		-----Rupees-----		
<b>23.10.2</b>	<b>Activity costs</b>			
	Research consultants		4,624,000	-
	Implementing partners expenses		66,886,859	-
			<u>71,510,859</u>	<u>-</u>

	Note	2021 -----Rupees-----	2020
<b>23.11 Election Tech Forum Project – Technology for Efficient and Effective Elections (Grant no.2020-08426)</b>			
Personnel cost	23.8.1	2,033,627	-
Consultants and trainers fee		925,466	-
Communication charges		13,761	-
Travel Expense		6,000	-
Depreciation expense right of use asset	23.8.3	115,220	-
Interest expense lease liability	23.8.3	65,450	-
Office supplies, stationary		81,704	-
Printing & Publications		16,980	-
Accommodation and Venue		133,835	-
Utilities		36,916	-
		<u>3,428,959</u>	-
<b>23.8.1</b>	This includes a sum of PKR 79,075 (2020: PKR Nil) on account of contributions to the employees' provident fund.		
<b>23.8.2</b>	This represent the depreciation and interest expense upon application of IFRS- 16.		
	Note	2021 -----Rupees-----	2020
<b>23.12 State of Governance in Pakistan</b>			
Personnel cost	23.8.12	522,572	-
Administrative costs		-	-
		<u>522,572</u>	-
<b>23.8.12</b>	This includes a sum of PKR 35,746 (2020: PKR Nil) on account of contributions to the employees' provident fund.		
	Note	2021 -----Rupees-----	2020
<b>24 ADMINISTRATIVE EXPENSES</b>			
Consultants and trainers fee		6,091,640	6,346,224
Personnel cost	24.1	28,833,351	15,136,745
Depreciation	6.1	14,265,298	10,684,678
Depreciation expense right of use asset		1,310,549	353,232
Interest expense lease liability		744,447	222,510
Office rent		-	471,641
Implementing partners		-	1,919,231
Travel expenses		360,585	2,524,672
Office supplies and other administrative expenses		3,411,695	616,086
Auditors' remuneration	24.2	722,122	440,000
Training and capacity building		330,611	1,755,538
Office security		1,044,476	349,837
Amortization	7	342,862	-
Utilities		1,730,866	726,135
Repairs and maintenance		602,076	429,847
Insurance costs		170,059	44,222
Exchange gain / loss		459,502	-
Communication charges		98,626	24,792
Fuel expenses		11,911	64,222
	24.3	<u>60,530,676</u>	<u>42,109,613</u>

- 24.1 Included herein is a sum of PKR 667,785 (2020: PKR 608,980) and PKR Nil (2020: PKR 297,391) on account of contributions to the employees' provident fund and employees' gratuity fund, respectively.

	2021	2020
	-----Rupees-----	
<b>24.2 Auditors' remuneration</b>		
EY Ford Rhodes	722,122	440,000
	<u>722,122</u>	<u>440,000</u>

- 24.3 Total admin expenses represents TDEA's administrative cost contribution towards projects in line with donor agreements which are for Advocacy and Legal Aid for Religious Minorities (grant no. EIDHR/2017/389-294) project amounting to PKR 518,714 (2020: PKR 975,721), for Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189) project amounting to PKR 4,261,015 (2020: PKR 2,175,179), for State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07) amounting to PKR 1,502,647 (2020: NIL) and for Enhancing Women's Workers Access to Market (Grant no.4000002828) project amounting to PKR 3,675,445 (2020: PKR 1,033,137).

## 25 TAXATION

Current tax		
- Current year	4,878,678	3,622,498
- Prior year	(766,268)	(3,510,238)
	<u>4,112,410</u>	<u>112,260</u>

## 26 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 26.1 Financial assets and financial liabilities

#### i) Financial assets - At amortized cost

Advances	16,025,306	5,891,248
Deposits	2,044,482	2,067,482
Receivable from gratuity fund	-	1,500,887
Other receivables	9,706,810	21,963,138
Cash and bank balances	225,360,532	231,298,529
	<u>253,137,130</u>	<u>262,721,284</u>

#### ii) Financial liabilities

Trade and other payables - At amortized cost	15,655,832	25,118,995
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### 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	2021 -----Rupees-----	2020
Advances	8	16,025,306	1,169,516
Deposits	9	2,044,482	2,067,482
Receivable From Gratuity Fund	11	-	1,500,887
Other receivables	10	9,706,810	21,963,138
Cash and bank balances	13	225,360,532	231,298,529
		<u>253,137,130</u>	<u>257,999,552</u>

**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
Faysal Bank	AA	A1+	PACRA	225,360,532

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

**2021**

	Current	Days past due				Total
		<30 days	30-60 days	61-90 days	<90 days	
Advances	377,348	-	-	1,406,347	775,217	2,558,912
Deposits	-	-	-	-	2,044,482	2,044,482
Receivable From Gratuity	-	-	-	-	-	-
Other receivables	255,935	200,000	-	424,262	-	880,197
Cash and bank balances	225,360,532	-	-	-	-	225,360,532
	<u>225,993,815</u>	<u>200,000</u>	<u>-</u>	<u>1,830,609</u>	<u>2,819,699</u>	<u>230,844,123</u>

**2020**

	Current	Days past due				Total
		<30 days	30-60 days	61-90 days	<90 days	
Advances	-	-	-	1,169,516	-	1,169,516
Deposits	-	-	-	-	2,067,482	2,067,482
Receivable From Gratuity	-	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
	<u>231,298,529</u>	<u>90,247</u>	<u>16,003,171</u>	<u>2,147,973</u>	<u>3,478,122</u>	<u>253,018,042</u>

**(b) Liquidity risk**

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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

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

	2021	2020
	-----Rupees-----	
Accrued and other liabilities		
Within one year	6,826,778	25,118,995
Between one and five years	8,829,054	-
	<u>15,655,832</u>	<u>25,118,995</u>

**(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 (2020: Rs. 1,000,000) and Rs. 219,026,217 (2020: Rs. 213,037,103). Applicable interest rates for (i) the investment in receivable from gratuity fund is 4.51% to 5.00% (2020: 4.51% to 5.00%) and (ii) balances in saving accounts range from 4.0% to 5.5% (2020: 4.0% to 5.5%) 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	2021	2020
		-----Rupees-----	
<b>Transactions and balances with employee benefit plan</b>			
Payments to gratuity fund		-	18,582,482
Charge for the year relating to gratuity fund		-	18,582,482
Payments to provident fund		12,596,512	13,003,696
Charge for the year relating to provident fund		12,596,512	13,003,696
<b>Transactions with key management personnel</b>			
Remuneration of key management personnel	28.1	77,093,873	69,020,810
<b>28.1 Remuneration, allowances and benefits</b>			
Managerial remuneration and allowances		74,006,017	60,991,455
Provision for gratuity		-	6,055,040
Provident fund		3,087,856	1,974,315
		<u>77,093,873</u>	<u>69,020,810</u>
Number of Trustees		<u>8</u>	<u>7</u>



28.2 During the year, projects having a cost of PKR 189.52 million (2020: PKR 198.77 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 70 (2020: 72 employees), and the average number of employees during the year were 73 (2020: 109 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 24 December 2021 by the Board of Trustees of TDEA.

*Mohamud Wascom*

CHAIRPERSON

*Shiraz*

CHIEF EXECUTIVE OFFICER