KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 2025, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 under Islamabad Capital Territory Act, 2020

We draw attention to Note 1.2 to the financial statements, which describes that the Trust has filed an application for re-registration as required under Section 112(2) of the Islamabad Capital Territory Trust Act, 2020, ("the New Act") which states that all the trusts previously registered under the Trust Act, 1882 must now be registered under the New Act. However, it remains unregistered under the New Act as at the year ended 30 June 2025 as rules to carry out the purposes of the New Act have not been promulgated yet by the competent authorities. Management, based on the legal opinion, believes that till the time of application for registration under the New Act is processed by the Competent Authority, the Trust's registration under the Trust Act, 1882 stands valid and there is no non-compliance or further obligation on part of the Trust. Our opinion is not modified in respect of this matter.

Responsibilities of Management and 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 management determines is necessary to enable the preparation of the 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 auditors' 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 controls that we identify during our audit.

The engagement partner for the audit resulting in this independent auditors' report is Muhammad Ubbaid Ullah.

KPMG Taseer Hadi

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 24 December 2025
UDIN: AR2025102403cGMrqD2Y

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY

FINANCIAL STATEMENTS

For the year ended 30 June 2025

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Property, plant and equipment	6	**16,723,395**	6,218,538
Security deposits	8	**548,899**	-
Right-of-use asset	9	**25,157,366**	20,862,224
Non-current assets		**42,429,660**	27,080,762
Advances	10	**4,239,679**	15,840,352
Security deposits		**297,477**	1,049,480
Other receivables	11	**52,746,846**	3,775,603
Advance tax	12	**6,188,027**	3,620,031
Cash and bank balances	13	**91,578,572**	135,450,189
Current assets		**155,050,601**	159,735,655
Total assets		**197,480,261**	186,816,417
RESERVES AND LIABILITIES			
RESERVES			
Reserve for contingencies and assets	14	**28,733,721**	27,251,428
Restricted reserve fund	15	**58,902,628**	45,775,573
Accumulated surplus		**-**	-
Total reserves		**87,636,349**	73,027,001
LIABILITIES			
Deferred capital grants	16	**2,424,646**	2,881,642
Restricted grants	17	**44,319,773**	54,167,912
Lease liability	18	**18,872,652**	21,881,337
Non-current liabilities		**65,617,071**	78,930,891
Trade and other payables	19	**43,242,500**	29,639,874
Current portion of lease liability	18	**984,341**	5,218,651
Current liabilities		**44,226,841**	34,858,525
Total reserves and liabilities		**197,480,261**	186,816,417

CONTINGENCIES AND COMMITMENTS 20

The annexed notes from 1 to 31 form an integral part of these financial statements.

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Mohamad Waseem

CHAIRPERSON

DIRECTOR

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Grant income	17	**472,451,373**	827,430,037
Amortisation of deferred capital grant	16	**1,556,452**	1,983,105
Other income	21	**15,491,059**	27,773,191
		489,498,884	857,186,333
EXPENDITURE			
Projects' expenses	22	**(472,451,373)**	(827,430,037)
Administrative expenses	23	**(6,448,878)**	(2,048,493)
		(478,900,251)	(829,478,530)
Surplus before interest and tax		**10,598,633**	27,707,803
Finance income	24	**4,010,715**	4,869,787
Finance cost		**-**	-
Net finance income		**4,010,715**	4,869,787
Surplus before income tax and minimum tax differential		**14,609,348**	32,577,590
Minimum tax differential		**-**	-
Surplus before income tax		**14,609,348**	32,577,590
Income tax expense	25	**-**	-
Surplus for the year		**14,609,348**	32,577,590

The annexed notes from 1 to 31 form an integral part of these financial statements.

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Mohammad Waseem

CHAIRPERSON

DIRECTOR

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	2025 Rupees	2024 Rupees
Surplus for the year	**14,609,348**	32,577,590
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**14,609,348**	32,577,590

The annexed notes from 1 to 31 form an integral part of these financial statements. KPMG

Mohamad Waseem
CHAIRPERSON

DIRECTOR

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 30 JUNE 2025

		RESTRICTED		UNRESTRICTED	
		Reserve for contingencies and assets	Restricted reserve fund	Accumulated surplus	Total
	Note	Rupees			
Balance at 01 July 2023		14,673,037	25,776,374	-	40,449,411
Surplus for the year		-	-	32,577,590	32,577,590
Transfers	14 & 15	12,578,391	19,999,199	(32,577,590)	-
		12,578,391	19,999,199	-	32,577,590
Balance at 30 June 2024		27,251,428	45,775,573	-	73,027,001
Balance at 01 July 2024		**27,251,428**	**45,775,573**	**-**	**73,027,001**
Surplus for the year		**-**	**-**	**14,609,348**	**14,609,348**
Transfers	14 & 15	**1,482,293**	**13,127,055**	**(14,609,348)**	**-**
		1,482,293	**13,127,055**	**-**	**14,609,348**
Balance at 30 June 2025		**28,733,721**	**58,902,628**	**-**	**87,636,349**

The annexed notes from 1 to 31 form an integral part of these financial statements.

Mohammad Waseem

CHAIRPERSON

DIRECTOR

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		14,609,348	32,577,590
Adjustment for:			
Depreciation on property, plant and equipment	6	3,699,161	3,434,006
Depreciation on right-of-use asset	9	13,128,730	6,502,512
Amortisation of intangible asset		-	97,362
Grant income	17	(472,451,373)	(827,430,037)
Amortisation of deferred capital grant	16	(1,556,452)	(1,983,105)
Miscellaneous income	21	(1,824,959)	-
Payable to implementing partner waived off	21	(1,393,119)	-
Deferred capital grants written off	16	-	(213,032)
Gain on disposal of property, plant and equipment	23	(3,402,304)	(12,362,617)
Interest on lease liability	18	6,253,399	6,365,852
Gain on termination of lease	21	(7,874,275)	-
Loss on write off of property, plant and equipment	23	1,136,591	-
Interest accrued on security deposit	24	(131,900)	-
Exchange gain		-	(14,147,542)
Interest income on saving accounts	24	(3,878,815)	(4,869,787)
		(468,295,316)	(844,606,388)
Net cash used in operating activities before working capital changes		(453,685,968)	(812,028,798)
Changes in:			
Advances		11,600,673	(1,364,263)
Deposits		1,522,003	10,000
Other receivables		(11,088,085)	90,151
Trade and other payables		(1,151,517)	678,692
		883,074	(585,420)
Cash used in operating activities		(452,802,894)	(812,614,218)
Restricted grants received - net	17	430,781,067	711,289,825
Proceeds received from gratuity fund		11,895,999	-
Income taxes paid		(2,567,996)	(2,133,045)
Net cash used in operating activities		(12,693,824)	(103,457,438)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6	(15,180,198)	(4,368,775)
Payment at or before commencement of lease		(14,280,000)	-
Initial direct cost paid on lease.		(1,885,000)	-
Proceeds from interest income on saving accounts	24	3,878,815	4,869,787
Proceeds from disposal of property, plant and equipment		3,402,274	13,640,000
Receipt of asset-related grant	17	1,099,516	2,981,463
Net cash (used in) / generated from investing activities		(22,964,593)	17,122,475
CASH FLOWS FROM FINANCING ACTIVITIES			
Exchange gain		-	10,746,451
Payment of refundable security deposit		(2,380,000)	-
Payment of lease liabilities	18	(5,833,200)	(9,825,200)
Net cash (used in) / generated from financing activities		(8,213,200)	921,251
Net decrease in cash and cash equivalents		(43,871,617)	(85,413,712)
Cash and cash equivalents at the beginning of the year		135,450,189	220,863,901
Cash and cash equivalents at the end of the year	13	91,578,572	135,450,189

The annexed notes from 1 to 31 form an integral part of these financial statements.

Mohammad Waseem
CHAIRPERSON

DIRECTOR

TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 LEGAL STATUS AND OPERATIONS

The Trust for Democratic Education and Accountability ("Trust") was established in October 2008 under the Trust Act, 1882. The beneficiaries of the Trust will be general public of all ages, gender, race, ethnicity, creed and religions in Pakistan.

The Trustees of Trust consult the General Council comprising representatives of all Free and Fair Election Network (FAFEN) member organizations on programmatic matters. The registered office of the Trust is situated at Plot No.7-B, First Floor, Chaudhary Plaza, Street 54, Sector G-13/2, Islamabad.

The objectives of Trust are as follows:

- to educate people of all ages, gender, race, ethnicity, creed and religion about their democratic rights and responsibilities;
- to engage people and civil society groups in carrying out democratic accountabilities such as election observation, oversight of legislatures, government oversight and any other such activities 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; and
- to build capacity of civil society organizations and their networks working for the advancement of democratic awareness, education and participation of general public.

1.1 Registration With Economic Affairs Division, Government of Pakistan

Government of Pakistan implemented the "Policy for the Regulation of Organizations Receiving Foreign Contributions, 2013 (referred as "2013 Policy"), thereafter replaced by a revised version issued by the Economic Affairs Division (EAD) in November 2022 (referred as "2022 Policy"). The Trust submitted initial application for the registration (as an organization) and signing of Memorandum of Understanding (MoU) with EAD on 30 April 2018, and filed separate applications for all of its foreign funded projects on various dates, however, as of the year ended 30 June 2025, no MOU has been signed with the EAD.

Both the 2013 and 2022 Policies have been declared unlawful by the Honourable Sindh High Court and Lahore High Court respectively. Moreover, subsequent to the judgment of Lahore High Court, EAD has stopped receiving any applications for signing of MoUs and, therefore, at present the EAD remains non-functional regarding 2022 policy. EAD has also filed an intra-court appeal in the Lahore High Court against the above judgement on 24 September 2024. Moreover, Federal Cabinet has constituted a committee ('the Committee") on regulation of Foreign Funding to Domestic Non-Governmental Organisations (NGOs) International Non-Governmental Organisations (INGOs). The Committee will be responsible to review the foreign funding channels and suggest measures to block grey channels of funding, to make the funding trails visible and to ensure that the funds are utilised for the purpose for which they have been received. However, management based on the opinion of the legal advisor is confident that the likelihood of any unfavorable outcome adversely impacting future operations of the Trust, due to non-signing of MoU, is remote.

1.2 Registration under Islamabad Capital Territory 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. However, the Trust remains unregistered under the 2020 Act as at 30 June 2025.

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Trust is registered under the Trust Act, 1882 and is required to be registered under New 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 explains 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. Nonetheless, the Trust has filed an application with Directorate of Labour for registration under the 2020 Act, on 12 December 2022 and an online application on 28 June 2024. Management, based on legal opinion, understands that till the time application for registration under the New Act is processed by the Competent Authority, the Trust's registration under the 1882 Act stands valid and there is no non-compliance or further obligation on part of the Trust.

2 BASIS OF PREPARATION

2.1 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.

Where provisions of and directives issued under the Accounting Standard for NPOs differ from the IFRS Standards, the provisions of and directives issued under the Accounting Standard for NPOs have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for lease liability and security deposit on lease which are initially measured at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees ("Rupees") which is the functional currency of the Trust. All amounts have been rounded to the nearest rupee, unless otherwise stated.

2.4 Use of judgements 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 Trust's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including the expectation of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

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

- Useful lives, residual values and methods of depreciation of property, plant and equipment - note 4.1
- Taxation - note 4.7
- Measurement of right-of-use asset and corresponding lease liability - note 4.2 and 4.3

3 NEW AND REVISED STANDARS AND INTERPRETATIONS

3.1 Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for **accounting periods beginning on or after 1 July 2025:**

General

- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:
— when a currency is exchangeable into another currency; and
— how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

— the nature and financial impacts of the currency not being exchangeable;
— the spot exchange rate used;
— the estimation process; and
— risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

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The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

** The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:
— not related directly to a change in basic lending risks or costs; and
— are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:
  The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:
  — no practical ability to withdraw, stop or cancel the payment instruction;
  — no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
  — the settlement risk associated with the electronic payment system is insignificant.

  The amendments apply for reporting periods beginning on or after 1 January 2026.

- Other related amendments:
  Contractually linked instruments (CLIs) and non-recourse features:
  The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

  Disclosures on investments in equity instruments:
  The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

  The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

• Annual Improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows

  The amendments to IFRS 9 address:

  • A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:
  Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

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• How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7) address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures .

  The amendments include guidance on:

  • The 'own-use' exemption for purchasers of electricity under such PPAs; and
  • Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

  The amendments for the own-use exemption:
  - Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
  - The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.
  - The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

  The amendments for hedge accounting:
  - Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.

  - The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

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The new disclosure requirements:
- A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, a company is required to disclose further information such as:
- contractual features exposing the company to variability in electricity volume and risk of oversupply;
- estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
- qualitative information about how the company assessed whether a contract might become onerous; and
- qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the 'net-purchaser' assessment.
- In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

3.2 The management anticipates that, the adoption of the above standards, amendments and interpretations in the future periods, will have no material impact on the financial statements other than in presentation /

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

Property, plant and equipment except for freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less allowance for impairment, if any. Cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is charged on straight line basis at rates specified in note 6 to the financial statements so as to write off the cost of property, plant and equipment 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 Trust 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 statement of income and expenditure during the year.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amounts of property, plant and equipment and in the statement of income and expenditure.

4.2 Right-of-use asset

The Trust assesses whether a contract is or contain a lease at inception of the contract. The Trust recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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4.3 Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Trust's incremental borrowing rate. Generally, the Trust uses incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

(i) fixed payments, including in-substance fixed payments;
(ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(iii) amounts expected to be payable under a residual value guarantee; and
(iv) the exercise price under a purchase option that the Trust is reasonably certain to exercise, lease payments in an optional renewal period if the Trust is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Trust is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Trust's estimate of the amount expected to be payable under a residual value guarantee, or if the Trust changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of income and expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in the statement of income and expenditure in the period in which the condition that triggers those payments occurs.

The Trust has opted not to recognize right-of-use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in the statement of income and expenditure when incurred.

4.4 Foreign currency translation and transactions

Transactions in foreign currencies are translated into the respective functional currency of the Trust at the exchange rates at the dates of the transactions.

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 date of statement of financial position and exchange differences, if any, are charged to the statement of income and expenditure for the year.

4.5 Grant

(a) Restricted grants

Grants, of a non-capital nature, received for specific purposes are classified as restricted grants. Such grants are transferred to the statement of income and expenditure 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

(b) Unrestricted grants

Unconditional grants are recognized as income upon receipt.

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(c) Deferred capital grants

i) Grants related to assets

Monetary grants received for capital expenditure, are accounted for as deferred capital grants. Amounts equal to the annual charge for depreciation and amortisation on assets so acquired, are recognized as income in the statement of income and expenditure.

ii) Non-monetary grants

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

4.6 Overhead allocation

Facility costs relates to cost which pertain to the expenses incurred inside the premises of Trust's office (i.e. utilities, salaries, repair and maintenance of office, supplies, rent etc). There are some expenses which are specific to each project (i.e. salary of program staff, rent for separate floor under any project etc.). These specific nature of expenses are charged completely to respective projects. For other expenses which are not specific to any project are charged to projects on the basis of level of effort to all the programs getting benefit from that cost.

Once allocation to all the projects have been done, there still appears the cost named "Admin Cost" under facilities charge which is related to the cost which cannot be allocated as those are incurred collectively for all projects (i.e. salary of CEO, BoT meeting expenses) as these kind of expenses are benefiting to all the projects. Therefore. this cost is taken to logistics head and further allocated to projects on the basis of level of efforts under "Logistics Cost".

The level of effort is determined through time written for each projects, calculated at the end of each month.

4.7 Taxation

a) Current Tax

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

Trust has obtained the status of a "non-profit organization" under section 2(36) of the Income Tax Ordinance, 2001. As per section 100C 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.

b) Deferred Tax

Deferred tax has not been recognised in these financial statements as the Trust's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the Trust is eligible for tax credit on income under Section 100C of the Income Tax Ordinance, 2001 from grant received from federal, provincial, local or foreign government, donations and so much of the income chargeable under the head "Income from business" as is expended in Pakistan for the purposes of carrying out welfare activities subject to conditions and limitations provided for in terms of Section 100C of the Income Tax Ordinance, 2001.

c) Levies

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in the financial statements, except for taxes on dividends on the entity's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorised as current income tax.

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The Trust is eligible for tax credit under Section 100C of the Income Tax Ordinance, 2001, and has been allowed the tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payable under any of the provisions of the Ordinance. Therefore, levies are exempt for the Trust.

4.8 Reserves for contingencies and assets

Reserves for contingencies and assets is established to ensure long-term sustainability of Trust, and it is funded by income from membership fees, donations, profit on relevant deposit accounts, gain or loss on disposal of assets 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).

4.9 Restricted reserve fund

The Restricted reserve fund is established to ensure sustainability of Trust 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.

4.10 Employee benefits

4.10.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Trust has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.10.2 Provident Fund

The Trust operates a funded contributory provident fund for all eligible regular employees. Employees contribute monthly to the Fund at the rate of 6.25% of their gross salary. Up to 31 January 2024, the contribution rate was 4.17% of gross salary. With effect from 1 February 2024, each member contributes at the rate of 6.25% of gross salary, with an equal contribution by the Trust. The Trust's contribution is charged to the statement of income and expenditure.

Obligations for contributions to plan is recognized as an employee benefit expense in statement of income and expenditure when they are due.

4.11 Cash and cash equivalents

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

4.12 Financial instruments

Recognition

The Trust initially recognizes financial assets on the date when they are originated.
Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement

At initial recognition, the financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.
Transaction costs of financial assets and liabilities carried at FVTPL are expensed in statement of income and expenditure.

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Classification and subsequent measurement

4.12.1 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:
- amortized cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL)

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 are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Subsequent measurement

i. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms 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 rate (EIR) method and are subject to impairment. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of income and expenditure. Any gain or loss on de-recognition is recognized in statement of income and expenditure. The Trust's financial assets at amortized cost include advances, other receivables and bank balances.

- **Fair value through other comprehensive income (FVOCI)**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of income and expenditure. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to statement of income and expenditure.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of income and expenditure in the period in which it arises.

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ii. Equity instruments

All equity instruments at fair value are subsequently measured at FVTPL except where the Company's management has irrevocably elected to present fair value gains and losses on equity investments in OCI. In such case, there is no subsequent reclassification of fair value gains and losses to the statement of income and expenditure following the derecognition of the investment. Dividends from such investments continue to be recognised in statement income and expenditure as other income when the Company's right to receive payments is established. The Trust does not have any investment in equity instrument.

4.12.2 Financial liabilities

Classification

Financial liabilities are classified in the following categories:
- Amortized cost
- Fair value through profit or loss (FVTPL)

The Company determines the classification of its financial liabilities at initial recognition.

Subsequent measurement

- Amortized cost

After initial recognition, financial liabilities which are interest bearing are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of income and expenditure. Any gain or loss on de-recognition is also included in statement of income and expenditure. The Trust's financial liabilities include accrued liabilities, accounts payable, lease liability and payable to implementing partners.

- Fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of income and expenditure.

De-recognition

i) Financial assets

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.

ii) Financial liabilities

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 presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.13 Impairment

i) Non-Derivative Financial Assets

The Trust recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded.

For financial assets (if any) the Trust applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected allowance. The Trust uses General 3-stage approach for other financial assets i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instruments has not increased significantly since initial recognition.

Loss allowance for financial assets (if any) are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Trust expects to receive).

The gross carrying amount of a financial asset is written off when the Trust has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

ii) Non-Financial assets

Non-financial assets that have an indefinite useful life are not subject to depreciation / amortisation and are tested annually for impairmentat. Assets that are subject to depreciation / amortisation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or Cash Generating Unit (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no new impairment loss had been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of income and expenditure for the year.

4.14 Income recognition

Grants and donations

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

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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

Trust recognizes administration fees over the period of time.

The administration fee charged for the execution of activities related to grant-funded projects is not considered grant income. In the context of grant-funded projects, the Trust charges administration fees to cover the costs associated with managing, coordinating, and implementing the project to recover indirect costs associated with project management, such as staff salaries, overhead expenses, and administrative support. Administration fees are considered a cost recovery mechanism to offset the indirect costs of managing the grant-funded projects.

This entails that the revenue recognition mechanism follows an over-time approach rather than an instantaneous event. Hence, the revenue is gradually recognized "over the period of time".

Interest income on bank deposits and investments

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

4.15 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.

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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 SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of users' understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

5.1 Provisions

Provisions are recognized when Trust 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 ànd a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

5.2 Contingent assets and liabilities

i) Contingent assets are disclosed when the Trust has a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. Contingent assets are not recognized until their realization becomes virtually certain.

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

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6 PROPERTY, PLANT AND EQUIPMENT

	Cost						Accumulated Depreciation					Net Book Value
	Balance at 01 July	Additions	Disposals	Write off	Balance at 30 June	Rate per annum	Balance at 01 July	Charge for the year	Disposals	Write off	Balance at 30 June	Balance at 30 June
			Rupees			%			Rupees			Rupees
2025												
Lease hold improvements	1,490,267	2,882,157	-	(1,671,803)	2,700,621	20	779,964	143,463	-	(833,407)	90,020	2,610,601
Furniture and fixtures	3,462,566	1,153,967	(61)	-	4,616,472	14	1,447,809	399,239	(61)	-	1,846,988	2,769,485
Office equipment	5,564,996	7,273,496	(1,052,651)	(334,650)	11,451,192	20	4,680,666	1,375,711	(1,052,621)	(36,455)	4,967,301	6,483,891
Computer equipment	22,750,550	1,099,516	(1,122,887)	(330,048)	22,397,131	33	20,341,634	1,676,515	(1,122,854)	(330,048)	20,565,247	1,831,884
Mobile phones	663,549	-	-	-	663,549	33	463,317	104,233	-	-	567,550	95,999
Vehicles	-	-	-	-	-	20	-	-	-	-	-	-
Land	-	2,931,535	-	-	2,931,535		-	-	-	-	-	2,931,535
	33,931,928	16,340,671	(2,175,599)	(2,336,501)	44,760,600		27,713,390	3,699,161	(2,175,536)	(1,199,910)	28,037,106	16,723,395
2024												
Lease hold improvements	1,465,667	24,600	-	-	1,490,267	20	566,298	213,666	-	-	779,964	710,303
Furniture and fixtures	2,623,893	838,673	-	-	3,462,566	14	1,178,632	269,177	-	-	1,447,809	2,014,757
Office equipment	4,800,933	764,063	-	-	5,564,996	20	4,424,902	255,764	-	-	4,680,666	884,330
Computer equipment	21,904,380	2,453,450	(1,607,280)	-	22,750,550	33	20,122,193	1,826,718	(1,607,277)	-	20,341,634	2,408,916
Mobile phones	375,560	287,989	-	-	663,549	33	340,576	122,741	-	-	463,317	200,232
Vehicles	11,562,828	-	(11,562,828)	-	-	20	9,539,511	745,940	(10,285,451)	-	-	-
	42,733,261	4,368,775	(13,170,108)	-	33,931,928		36,172,112	3,434,006	(11,892,728)	-	27,713,390	6,218,538

6.1 Depreciation charge has been allocated as follows:

	Note	2025 Rupees	2024 Rupees
Projects' expenses		-	-
Administrative expenses	6.2 & 23	3,699,161	3,434,006
		3,699,161	3,434,006

6.2 This depreciation charge includes:

	Note	2025 Rupees	2024 Rupees
Depreciation on owned property, plant and equipment - Restricted Reserve Fund and Reserve for contingencies and assets	14 & 15	2,142,709	1,548,263
Deferred capital grant	16	1,556,452	1,885,743
		3,699,161	3,434,006

6.3 Property, plant and equipment include the cost of assets amounting to Rs 25,388,616 (2024: Rs 26,384,996) having a net book value of Rs 2,424,631 (2024: Rs 2,881,627) purchased from the deferred capital grants received from the United States Agency for International Development (USAID), the European Union (EU), Royal Netherland Embassy (RNE). United States Bureau of Democracy, Human Rights, and Labor (DRL), Federal Republic of Germany- Foreign Office, Foreign, Commonwealth and Development Office (FCDO) and the United Nation Development Programme (UNDP). Upon completion of relevant projects, these assets will be disposed off/ transferred as per the donors' guidelines.

7 Intangible asset

	Cost				Accumulated amortisation			Net Book Value
	Balance at 01 July	Additions	Balance at 30 June	Rate per annum	Balance at 01 July	Charge for the year	Balance at 30 June	Balance at 30 June
	Rupees			%	Rupees			Rupees
2025								
Computer software	1,597,369	-	1,597,369	33	1,597,369	-	1,597,369	-
2024								
Computer software	1,597,369	-	1,597,369	33	1,500,006	97,362	1,597,369	-

		Note	2025 Rupees	2024 Rupees
7.1	**Amorttisation charge has been allocated as follows:**			
	Deferred capital grant		-	97,362
8	**Security deposits**			
	Balance at 01 July		-	-
	Additions during the year		1,332,209	-
	Interest income accrued	24	131,900	-
	Derecognition during the year		(915,210)	-
	Balance at 30 June		548,899	-
9	**RIGHT-OF-USE ASSET**			
	Cost			
	Balance at 01 July		32,512,558	32,512,558
	Additions during the year		70,055,883	-
	Derecognition during the year		(76,317,277)	-
	Balance at 30 June		26,251,164	32,512,558
	Accumulated depreciation			
	Balance at 01 July		11,650,334	5,147,822
	Charge for the year		13,128,730	6,502,512
	Termination of lease		(23,685,266)	-
	Balance at 30 June		1,093,798	11,650,334
	Carrying amount		25,157,366	20,862,224
	Useful life (years)		5	5
	Depreciation charge has been allocated as follows:			
	Projects' expenses	22	10,580,098	3,531,751
	Administrative expenses	23	2,548,632	2,970,761
			13,128,730	6,502,512
10	**ADVANCES**			
	Advances to implementing partners		2,964,586	14,582,764
	Advances to employees		1,275,093	1,257,588
			4,239,679	15,840,352
11	**OTHER RECEIVABLES**			
	Receivable from donors		49,299,700	3,321,930
	Receivable from vendors		2,260,990	-
	Others		1,176,156	13,673
	Membership fees receivable		10,000	440,000
			52,746,846	3,775,603
12	**ADVANCE TAX**			
	Opening balance		3,620,031	1,486,986
	Taxes paid during the year		2,567,996	2,133,045
			6,188,027	3,620,031

		Note	2025 Rupees	2024 Rupees
13	**CASH AND BANK BALANCES**			
	Cash in hand		3,269	10,604
	Cash at bank			
	- Savings accounts	13.1	90,490,382	134,534,364
	- Current accounts		1,084,921	905,221
			91,575,303	135,439,585
	Cash and bank balances		91,578,572	135,450,189

13.1 These carry interest at rates ranging from 6% to 8.75% (2024: 8.5% to 9%) per annum.

		Note	2025 Rupees	2024 Rupees
14	**RESERVE FOR CONTINGENCIES AND ASSETS**			
	Opening balance		27,251,428	14,673,037
	Transferred to / (from) reserve for contingencies and asset:			
	Income			
	Membership fees	21	200,000	200,000
	Interest income on saving accounts	24	1,057,918	705,996
	Gain on disposal of property, plant and equipment	21	3,402,304	12,575,647
	Expenses			
	Membership fees		-	(30,000)
	Loss on write-off of property, plant and equipment	23	(1,136,591)	-
	Depreciation on owned property, plant and equipment	6.2	(2,041,338)	(873,252)
			1,482,293	12,578,391
	Closing balance		28,733,721	27,251,428
15	**RESTRICTED RESERVE FUND**			
	Opening balance		45,775,573	25,776,374
	Transferred to / (from) restricted reserve fund during the year:			
	Income			
	Interest income on saving accounts	24	2,820,897	4,163,791
	Gain on termination of lease	21	7,874,275	-
	Miscellaneous income	21	1,824,959	-
	Payable to implementing partner waived off	21	1,393,119	-
	Gain on sale of scrap	21	796,402	856,263
	Interest income on security deposits	24	131,900	-
	Exchange gain	21	-	14,141,281
	Expenses			
	Administrative expenses *	23	(1,613,126)	1,512,875
	Depreciation on owned property	6.2	(101,371)	(675,011)
			13,127,055	19,999,199
	Closing balance		58,902,628	45,775,573

* Administrative expenses exclude depreciation, amortisation expense and loss on write-off of property, plant and equipment for the year.

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		Note	2025 Rupees	2024 Rupees
16	**Deferred capital grants**			
	Opening balance		**2,881,642**	2,096,316
	Assets purchased from restricted grants (transferred to deferred capital grant)	17	**1,099,516**	2,981,463
	Deferred capital grants written off		**(60)**	(213,032)
	Depreciation on property, plant and equipment	6.2	**(1,556,452)**	(1,885,743)
	Amortisation of intangible assets		**-**	(97,362)
			(1,556,452)	(1,983,105)
	Closing balance		**2,424,646**	2,881,642

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17 Restricted grants

Project	Donor	Opening balance: Restricted grant	Opening balance: Receivable from donor	Opening balance: Unspent balance payable to donor	Grant received during the year	Interest income on saving accounts	Exchange gain/(Loss)	Grant Reduced / Adjusted	Amount received from donor	Amount returned to the donor	Project expenses	Transferred to deferred capital grant	Closing balance: Restricted grant	Closing balance: (Receivable) / Payable to donor
		Rupees												
2025														
Promoting Minority Rights in Pakistan (NDICI HR INTPAI2024/460-589)	EU	-	-	-	64,983,200	1,983,157	-	-	-	-	(21,547,068)	(1,099,516)	44,319,773	-
Empowering Youth For Civic Leadership-(Grant no. SPK33024CA5029)	US Embassy	-	-	-	9,677,891	-	-	(2)	-	-	(5,823,813)	-	-	3,854,076
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	GAC	-	-	3,050,206	-	-	-	-	-	-	-	-	-	3,050,206
Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	DRL	6,405,803	-	-	208,124,590	1,358,279	-	(11)	-	-	(233,813,972)	-	-	(17,925,311)
Election Observation in Punjab and Khyber Pakhtunkhwa (24-23261A-PAK.0-2712)	NDI	16,207,718	-	-	11,267,430	150,501	-	(1,817,835)	-	-	(25,410,627)	-	-	397,187
Safe, Free and Effective Media (SAFE Media)-Grant no.SAQMIP23GR0108	DRL	9,434,748	-	-	81,111,369	1,540,818	-	(3)	-	-	(111,755,933)	-	-	(19,669,001)
Rights and Advancement of Citizens (RAC)-SLMAQM21GR3234	DRL	22,119,643	-	-	49,961,504	1,721,844	-	(7,124)	-	-	(74,099,960)	-	-	(304,093)
Strengthening Electoral and Legislative Processes (SELP II)	UNDP	-	(3,321,930)	-	-	-	-	-	3,321,930	-	-	-	-	-
		54,167,912	(3,321,930)	3,050,206	425,125,984	6,754,599	-	(1,824,975)	3,321,930	-	(472,451,373)	(1,099,516)	44,319,773	(30,596,936)
2024														
Promoting the Human Rights and Electoral Participation of People with Disabilities (PWDs), Transgender People, and Women in Pakistan (Grant no. SLMAQM17GR1167)	DRL	-	-	11,808,350	-	-	3,401,091	-		(8,407,259)	-	-	-	-
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	GAC	82,556,820	-	-	41,071,232	694,225	-	-		-	(121,272,071)	-	-	3,050,206
State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07)	AUSAID	1,341,542	-	-	-	-	-	-		(193,037)	(1,148,505)	-	-	-
Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	DRL	31,841,367	-	-	328,997,427	1,615,749	-	-		-	(356,048,741)	-	6,405,803	-
Election Tech Forum Project – Technology for Efficient and Effective Elections (Grant no.2020-08426)	NED	7,230,432	-	-	3,381,140	-	-	(531,707)		-	(10,079,865)	-	-	-
Election Observation in Punjab and Khyber Pakhtunkhwa (24-23261A-PAK.0-2712)	NDI	-	-	-	82,877,290	1,667,335	-	-		-	(68,336,907)	-	16,207,718	-
Safe, Free and Effective Media (SAFE Media)-Grant no.SAQMIP23GR0108	DRL	-	-	-	71,125,879	175,804	-	-		-	(58,885,472)	(2,981,463)	9,434,748	-
Rights and Advancement for Marginalized Populations (RAMP)-SLMAQM21GR3234	DRL	6,085,950	-	-	128,319,646	1,569,893		-		-	(113,855,846)	-	22,119,643	-
Strengthening Electoral and Legislative Processes (SELP II)	UNDP	32,573,030	-	-	63,321,368	-	-	(1,413,698)		-	(97,802,630)	-	-	(3,321,930)
		161,629,141	-	11,808,350	719,093,983	5,723,005	3,401,091	(1,945,405)		(8,600,296)	(827,430,037)	(2,981,463)	54,167,912	(271,724)

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		Note	2025 Rupees	2024 Rupees
18	**Lease liability**			
18.1	**Movement in lease liability**			
	Balance at 01 July		27,099,988	30,559,336
	Additions during the year		52,843,092	-
	Interest expense	18.2	6,253,399	6,365,852
	Payments during the year		(5,833,200)	(9,825,200)
	Termination		(60,506,286)	
	Balance at 30 June		19,856,993	27,099,988
	Current portion of lease liability		(984,341)	(5,218,651)
	Non-current portion of lease liability		18,872,652	21,881,337
18.2	**Amounts recognized in statement of income and expenditure**			
	Finance cost on lease liabilities		6,253,399	6,365,852
	Gain on early termination of old lease		7,874,275	-
18.3	**Amounts recognized in statement of cash flows**			
	Total cash outflows for lease		(5,833,200)	(9,825,200)
18.4	**Maturity Analysis**			
	The undiscounted maturity analysis of lease liabilities is as follows:			
	Withing one year		1,574,100	10,577,952
	After one year but not more than 5 years		25,970,232	26,905,041
	Later than five years		-	-
			27,544,332	37,482,993
19	**TRADE AND OTHER PAYABLES**			
	Payable to gratuity fund	19.1	11,895,999	-
	Payable to donors	17	18,702,766	3,050,206
	Accounts payable		5,555,507	8,687,978
	Payable to implementing partners		4,635,286	13,165,202
	Accrued liabilities		2,200,000	4,032,000
	Withholding tax payable		252,942	704,488
			43,242,500	29,639,874

19.1 This represents amount received from the TDEA Employees' Gratuity Fund. The Board of Trustees of the Gratuity Fund, through a resolution dated 09 December 2024, approved the dissolution of the fund and the transfer of all surplus and unutilized balances to the Trust for Democratic Education and Accountability (TDEA).

However, as at 30 June 2025, the dissolution of the fund remains subject to approval by the relevant authority. Until such approval is obtained, TDEA does not have a legally enforceable right to the surplus under the requirements of IAS 19 and IFRIC 14. Accordingly, the amount has been recognized as a payable to the Gratuity Fund.

20 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2025 (2024 : Nil).

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TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
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		Note	2025 Rupees	2024 Rupees
21	**OTHER INCOME**			
	Gain on termination of lease		**7,874,275**	-
	Gain on disposal of property, plant and equipment		**3,402,304**	12,575,647
	Miscellaneous income		**1,824,959**	-
	Payable to implementing partner waived off		**1,393,119**	-
	Exchange gain		-	14,141,281
	Gain on sale of scrap		**796,402**	856,263
	Membership fees		**200,000**	200,000
			15,491,059	27,773,191
22	**PROJECTS' EXPENSES**			
	Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	22.1	-	121,272,071
	State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07)	22.2	-	1,148,505
	Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	22.3	**233,813,972**	356,048,741
	Election Tech Forum Project – Technology for Efficient and Effective Elections (Grant no.2020-08426)	22.4	-	10,079,865
	Election Observation in Punjab and Khyber Pakhtunkhwa (Grant no.24-23261A-PAK.0-2712)	22.5	**25,410,627**	68,336,907
	Safe, Free and Effective Media (SAFE Media)- (Grant no.SAQMIP23GR0108)	22.6	**111,755,933**	58,885,472
	Rights and Advancement of Citizens (RAC) - (SLMAQM21GR3234)	22.7	**74,099,960**	113,855,846
	Strengthening Electoral and Legislative Processes (SELP II)	22.8	-	97,802,630
	Empowering Youth For Civic Leadership- (Grant no. SPK33024CA5029)	22.9	**5,823,813**	-
	Promoting Minority Rights in Pakistan (NDICI HR INTPAI2024/460-589)	22.10	**21,547,068**	-
			472,451,373	827,430,037
22.1	**Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)**			
	Salaries wages and other benefits	22.1.1	-	7,783,554
	Activity costs	22.1.2	-	83,036,158
	Communication charges		-	190,382
	Office supplies and stationary		-	1,160,897
	Depreciation on right of use asset		-	321,972
	Interest on lease liability		-	315,206
	Office rent		-	71,091
	Travel and accommodation		-	13,353,190
	Meals and refreshment		-	2,015,953
	Administrative expenses		-	13,023,668
			-	121,272,071

22.1.1 The project ended in the prior year on 31 December 2023, therefore no expenditure was incurred in the current year.

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		2025 Rupees	2024 Rupees
22.1.2	**Activity costs**		
	Consultants and trainers cost	-	2,835,142
	Multi-media campaign	-	19,767,083
	Implementing partners expenses	-	60,433,933
		-	83,036,158

22.2	**State of Governance in Pakistan**		
	Consultants and trainers cost	-	-
	Printing and publications	-	98,050
	Travel expenses	-	393,521
	Meals and Refreshment	-	383,547
	Office Supplies and Stationary	-	430
	Accommodation	-	272,957
		-	1,148,505

The project ended in the prior year on 30 September 2023, therefore no expenditure was incurred in the current year.

		Note	2025 Rupees	2024 Rupees
22.3	**Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)**			
	Salaries wages and other benefits	22.3.1	**64,365,782**	65,484,109
	Activity costs	22.3.2	**126,550,795**	221,263,750
	Fuel expenses		**369,635**	1,194,500
	Office supplies and stationary		**713,260**	1,466,852
	Repairs and maintenance		-	33,370
	Communication charges		**513,304**	833,070
	IT Management		**3,831,222**	4,805,805
	Depreciation on right of use asset		**4,667,677**	1,576,166
	Interest on lease liability		**2,223,280**	1,543,040
	Office rent		-	238,441
	Postage, courier and carriage		**160,655**	86,304
	Printing and publications		**2,118,551**	667,272
	Travel and accommodation		**13,036,901**	25,715,917
	Meals and refreshment		**2,281,679**	15,544,341
	Administrative expenses		**12,981,231**	15,595,804
			233,813,972	356,048,741

22.3.1 This includes a sum of Rs. 3,452,054 (2024: Rs. 2,955,941) on account of contributions to the employees' provident fund.

		2025 Rupees	2024 Rupees
22.3.2	**Activity costs**		
	Consultants and trainers cost	**42,400,576**	40,219,276
	Implementing partners expenses	**84,150,219**	181,044,474
		126,550,795	221,263,750

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		Note	2025 Rupees	2024 Rupees
22.4	**Election Tech Forum Project Technology for Efficient and Effective Elections (Grant no.2020-08426)**			
	Salaries wages and other benefits	22.4.1	-	1,230,346
	Consultants and trainers cost		-	6,754,488
	Communication charges		-	35,648
	Printing and publications		-	170,420
	Travel and accommodation		-	750,692
	Meals and refreshment		-	824,405
	Advertisement		-	78,000
	Depreciation on right of use asset		-	68,361
	Interest on lease liability		-	66,925
	Office rent		-	14,295
	Office supplies and stationary		-	30,840
	Utilities		-	55,445
			-	10,079,865

22.4.1 The project ended in the prior year on 31 December 2023, therefore no expenditure was incurred in the current year.

		Note	2025 Rupees	2024 Rupees
22.5	**Election Observation in Punjab and Khyber Pakhtunkhwa (Grant no.24-23261A-PAK.0-2712)**			
	Salaries wages and other benefits	22.5.1	**2,371,219**	5,324,264
	Activity costs	22.5.2	**3,402,472**	21,748,727
	Communication charges		**11,104,205**	25,000
	Travel and accommodation		**687,773**	4,567,231
	Meals & Refreshment		**883,671**	29,190,074
	Printing and publications		**4,431,657**	1,332,943
	Advertisement		**209,916**	-
	Bank Charges		**13,417**	30,752
	Administrative expenses		**2,306,297**	6,117,916
			25,410,627	68,336,907

22.5.1 This includes a sum of Rs. 127,772 (2024: Rs. 248,894) on account of contributions to the employees' provident fund.

		2025 Rupees	2024 Rupees
22.5.2	**Activity costs**		
	Consultants and trainers cost	**3,402,472**	7,515,368
	Implementing partners expenses	-	14,233,359
		3,402,472	21,748,727

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		Note	2025 Rupees	2024 Rupees
22.6	**Safe, Free and Effective Media (SAFE Media)**			
	Salaries wages and other benefits	22.6.1	45,649,929	30,855,403
	Activity costs	22.6.2	18,121,727	6,468,159
	Office supplies and stationary		836,481	648,268
	Depreciation on right of use asset		3,729,383	923,801
	Interest on lease liability		1,776,357	904,386
	Office rent		-	128,794
	Travel and accommodation		24,190,826	10,730,647
	Meals and refreshment		6,609,505	2,195,851
	Fuel expenses		335,999	368,757
	Communication charges		499,428	383,000
	Advertisement		5,900	29,937
	Printing and publications		30,665	63,732
	Exchange loss		8,627	-
	Administrative expenses		9,961,106	5,184,737
			111,755,933	58,885,472

22.6.1 This includes a sum of Rs. 2,446,327 (2024: Rs. 1,499,263) on account of contributions to the employees' provident fund.

		Note	2025 Rupees	2024 Rupees
22.6.2	**Activity costs**			
	Consultants and trainers cost		18,121,727	6,468,159

		Note	2025 Rupees	2024 Rupees
22.7	**Rights and Advancement of Citizens (RAC)-SLMAQM21GR3234**			
	Salaries wages and other benefits	22.7.1	16,416,571	21,714,872
	Activity costs	22.7.2	41,096,675	75,762,414
	Fuel expenses		-	189,476
	Office supplies and equipment		195,333	366,739
	Communication charges		170,202	304,650
	IT management		1,361,269	973,258
	Depreciation on right of use asset		1,578,035	641,450
	Interest on lease liability		751,640	627,969
	Office rent		-	101,986
	Meal and refreshment		725,204	528,841
	Travel expenses		3,296,828	1,094,135
	Printing and publications		48,748	-
	Accommodation		2,129,826	1,346,560
	Administrative expenses		6,329,629	10,203,496
			74,099,960	113,855,846

22.7.1 This includes a sum of Rs. 884,451 (2024: Rs. 978,475) on account of contributions to the employees' provident fund.

		2025 Rupees	2024 Rupees
22.7.2	**Activity costs**		
	Consultants and trainers cost	1,923,422	-
	Implementing partners expenses	39,173,253	75,762,414
		41,096,675	75,762,414

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		Note	2025 Rupees	2024 Rupees
22.8	**Strengthening Electoral and Legislative Processes (SELP)**			
	Salaries wages and other benefits	22.8.1	-	7,663,033
	Activity costs	22.8.2	-	79,235,445
	Accommodation		-	242,537
	Travel expenses		-	1,173,803
	Meals and refreshment		-	246,000
	Advertisement		-	820,768
	Printing and publications		-	201,485
	Administrative expenses		-	8,219,559
			-	97,802,630

22.8.1 The project ended in the prior year on 27 December 2023, therefore no expenditure was incurred in the current year.

		Note	2025 Rupees	2024 Rupees
22.8.2	**Activity costs**			
	Consultants and trainers cost		-	1,540,390
	Implementing partners expenses		-	77,695,055
			-	79,235,445

		Note	2025 Rupees	2024 Rupees
22.9	**Empowering Youth For Civic Leadership - SPK33024CA5029**			
	Salaries wages and other benefits	22.9.1	**3,109,120**	-
	Activity costs	22.9.2	**1,501,005**	-
	Communication charges		**89,224**	-
	Depreciation on right of use asset		**369,293**	-
	Interest on lease liability		**175,900**	-
	Advertisement		**52,500**	-
	Office supplies and equipment		**42,176**	
	Printing and publications		**4,720**	-
	Administrative expenses		**479,875**	-
			5,823,813	-

22.9.1 This includes a sum of Rs. 163,076 (2024: Rs. Nil) on account of contributions to the employees' provident fund. The project commenced on 29 September 2024 and was discontinued on 26 February 2025.

		2025 Rupees	2024 Rupees
22.9.2	**Activity costs**		
	Consultants and trainers cost	**1,501,005**	-

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		Note	2025 Rupees	2024 Rupees
22.10	**Promoting Minority Rights in Pakistan (NDICI HR INTPAI2024/460-589)**			
	Salaries wages and other benefits	22.10.1	3,712,478	-
	Activity costs	22.10.2	14,424,631	-
	Fuel expenses		31,804	-
	Office supplies and equipment		49,104	-
	Communication charges		42,085	-
	Utilities		89,990	-
	Depreciation on right of use asset		235,711	-
	Interest on lease liability		112,272	-
	Meals and refreshment		394,531	-
	Travel expenses		515,809	-
	Advertisement		9,962	-
	Accommodation		447,138	-
	Administrative expenses		1,481,553	-
			21,547,068	-

22.10.1 This includes a sum of Rs. 199,603 (2024: Rs. Nil) on account of contributions to the employees' provident fund.The project started during the current year on 01 January 2025.

		Note	2025 Rupees	2024 Rupees
22.10.2	**Activity costs**			
	Consultants and trainers cost		127,046	-
	Implementing partners expenses		14,297,585	-
			14,424,631	-

		Note	2025 Rupees	2024 Rupees
23	**ADMINISTRATIVE EXPENSES**			
	Consultants and trainers cost		4,376,664	3,845,214
	Salaries wages and other benefits	23.1, 23.3	7,944,600	21,728,607
	Depreciation	6.1	3,699,161	3,434,006
	Loss on write-off of property, plant and equipment		1,136,591	-
	Depreciation on right of use asset	9	2,548,632	2,970,761
	Interest on lease liability		1,213,949	2,908,326
	Office rent		-	93,624
	Legal and professional fee		563,675	2,237,500
	Travel and accommodation		4,132,320	4,293,218
	Office supplies and other administrative expenses		2,826,630	6,312,928
	Auditors' remuneration	23.2	2,218,000	4,598,250
	Taxation		-	128,651
	Office security		703,461	1,620,978
	Amortisation		-	97,362
	Utilities		3,012,275	3,348,345
	Repairs and maintenance		2,469,662	972,412
	Communication charges		1,273,979	424,740
	IT management		1,699,175	857,974
	Fuel expenses		168,761	516,948
	Bank Charges		1,034	3,827
	Less: Administrative expenses charged to projects	23.4	(33,539,691)	(58,345,179)
			6,448,878	2,048,493

23.1 This includes sum of Rs. 387,853 (2024: Rs. 593,665) on account of contributions to the employees' provident fund.

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		2025	2024
23.2	**Auditors' remuneration**	**Rupees**	**Rupees**
	Audit fee	**2,018,000**	4,278,250
	Out of pocket expenses	**200,000**	320,000
		2,218,000	4,598,250

23.3 Total salaries, wages and other benefits represent administrative cost of the Trust and related cost contribution towards projects in line with donor agreements which are for Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189) project amount of Rs. Nil (2024: Rs. 1,447,977), for State of Governance in Pakistan (Grant no. ISLM/DAP-2019-20/07) amount of Rs. Nil (2024: 227,763) and Strengthening Electoral and Legislative Processes (SELP II)-Grant no. UNDP-CFP-DC-2022-409-CON) amount of Rs.Nil (2024:Rs 236,593).

23.4 Administrative expenses charged to projects as follows;

	Note	2025 Rupees	2024 Rupees
Women's Enjoyment of Rights, Empowerment and Leadership (Project no. P006189)	22.1	-	13,023,668
Electoral Quality and Inclusiveness in Pakistan (Grant no. SLMAQM20GR2222)	22.3	**12,981,231**	15,595,804
Election Observation in Punjab and Khyber Pakhtunkhwa (Grant no.24-23261A-PAK.0-2712)	22.5	**2,306,297**	6,117,916
Safe, Free and Effective Media (SAFE Media)	22.6	**9,961,106**	5,184,737
Rights and Advancement of Citizens (RAC)-SLMAQM21GR3234	22.7	**6,329,629**	10,203,496
Strengthening Electoral and Legislative Processes (SELP)	22.8	-	8,219,559
Empowering Youth For Civic Leadership -SPK33024CA5029	22.9	**479,875**	-
Promoting Minority Rights in Pakistan (NDICI HR INTPAI2024/460-589)	22.10	**1,481,553**	-
		33,539,691	**58,345,179**

			2025	2024
24	**Finance income**			
	Interest income on saving accounts		**3,878,815**	4,869,787
	Interest income on security deposits		**131,900**	-
			4,010,715	**4,869,787**
25	**TAXATION**			
	Current tax	25.1	-	-
25.1	**Reconciliation between tax expense and accounting profit:**			
	Surplus before tax		14,609,348	32,577,590
	Applicable tax rate		29%	29%
	Tax on surplus		4,236,711	9,447,501
	Minimum Tax Liability u/s 153(1)(b) @8% of total income		-	-
	Tax credit u/s 100C		(4,236,711)	(9,447,501)
	Current tax		-	-

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26 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

26.1 Financial risk management

The Trust has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, 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 the Trust's activities. The Trust, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and HR Committee of the Trust oversee how management monitors compliance with Trust's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust.

26.1.1 Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations. The Trust's credit risk is primarily attributable to other receivables, security deposits and bank balances. The management believes that the Trust is not exposed to a significant concentration of credit risk. The credit risk is limited as the major counterparties are financial institutions with reasonably high credit ratings and well-reputed foreign donor organisations.

Concentration of credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting is as follows:

	Note	2025 Rupees	2024 Rupees
Bank balances	13	**91,575,303**	135,439,585
Other receivables	11	**52,746,846**	3,775,603
Security deposits		**2,380,000**	1,049,480
		146,702,149	140,264,668

Geographically there is no concentration of credit risk at the reporting date (2024: Nil) as all the financial assets are dominated in local currency (Rupees). The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2025 Rupees	2024 Rupees
Banks and financial institutions	**91,575,303**	135,439,585
Donors	**49,299,700**	3,321,930
Advance to vendors	**2,260,990**	-
Security deposits with vendors	**2,380,000**	1,049,480
Implementing partners	**10,000**	440,000
Others	**1,176,156**	13,673
	146,702,149	140,264,668

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Loss allowance for expected credit loss

Bank balances are subject to impairment requirements of IFRS 9, however as the counterparty is the bank with reasonably high credit rating these balances are not subject to credit risk. The credit quality of 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 counterparty default rate. Credit ratings and exposure of bank balances are appearing below. Further, the credit quality of grant receivables has been assessed as good by reference to the default history of donors. Receivable from donors against respective projects are historically received within a period of one month of falling due. Accordingly, the Trust has assessed an allowance based on life time expected credit losses, 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 the expected credit losses.

Bank balances

The Trust considers that the bank balances have low credit risk based on external credit rating of the counterparties. Credit ratings and exposure of bank balances with counterparty are as follows:

	Long Term Rating	Short Term Rating	Rating agency	Rupees
2025				
Mobilink Bank	A	A1	PACRA	1,084,921
Faysal Bank	AA	A1+	PACRA	90,490,382
2024				
Mobilink Bank	A	A1	PACRA	905,221
Faysal Bank	AA	A1+	PACRA	134,534,365

26.1.2 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations, as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding to an adequate amount of committed credit facilities. The Trust follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

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

	Note	Carrying amount	Maturity up to 1 year	Maturity after 1 year and up to five year	Maturity after five years
		Rupees			
At 30 June 2025					
Accrued liabilities	*19*	**2,200,000**	**2,200,000**	-	-
Payable to implementing partners	*19*	**4,635,286**	**4,635,286**	-	-
Accounts payable	*19*	**5,555,507**	**5,555,507**	-	-
Payable to donors	*19*	**18,702,766**	**18,702,766**	-	-
Payable to gratuity fund	*19*	**11,895,999**	**11,895,999**	-	-
Lease liability	*18*	**27,544,332**	**1,574,100**	**25,970,232**	-
		70,533,890	**44,563,658**	**25,970,232**	-
At 30 June 2024					
Accrued liabilities	19	4,032,000	4,032,000	-	-
Payable to implementing partners	19	13,165,202	13,165,202	-	-
Accounts payable	19	8,687,978	8,687,978	-	-
Payable to donors	19	3,050,206	3,050,206	-	-
Lease liability	18	27,099,988	5,218,651	21,881,337	-
		56,035,374	34,154,037	21,881,337	-

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

All financial assets and financial liabilities (items not at FVTPL) are initially recognized at fair value of consideration paid or received, net of transaction costs as appropriate. The carrying values of financial assets and liabilities not carried at fair value is a reasonable approximation of their fair values.

26.1.3 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 Trust is not exposed to any significant market risks from its operating activities.

a) Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Trust does not have liabilities at variable rates.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of financial instruments that are denominated in foreign currencies i.e. in a currency other than the functional currency in which they are measured. The Pakistan Rupee (Rs) is the functional currency of the Trust.

c) Fair value of financial assets and liabilities

The Trust does not account for any financial assets and liabilities at fair value through profit or loss, and does not have derivatives as hedging instruments recognized under fair value hedge accounting model. 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.

27 FUND MANAGEMENT

TDEA's objective in managing funds is to safeguard its ability to continue as a going concern, enabling it to achieve its objectives, provide benefits to stakeholders, and maintain a strong fund base to support the sustainable development of its activities in line with its objectives.

28 RELATED PARTY TRANSACTIONS

All trustees, entities with common directorship or trusteeship, the provident fund, and key management personnel are related parties of TDEA. Transactions with related parties during the year are as follows:

	2025 Rupees	2024 Rupees
Transactions with employee benefit plan		
Payments to provident fund	**15,331,124**	14,239,436
Charge for the year relating to provident fund	**15,331,124**	14,239,436
Receipts from gratuity fund	**11,662,661**	-

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TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits and perquisites of the chief executive, trustees, key management personnel and executives of the Company are given below:

	Chief Executive Officer	Executives	Total
	---------- Rupees	----------	----------
As at 30 June, 2025			
Managerial remuneration	13,932,192	34,319,516	48,251,708
Provident Fund	870,766	2,144,980	3,015,746
Other benefits	1,682,872	2,164,011	3,846,883
	16,485,830	**38,628,507**	**55,114,337**
Number of Trustees as at 30 June 2025		6	
As at 30 June, 2024			
Managerial remuneration	15,066,615	43,243,508	58,310,123
Provident Fund	729,036	2,155,406	2,884,442
Other benefits	17,600	2,593,781	2,611,381
	15,813,251	47,992,695	63,805,946
Number of Trustees as at 30 June 2024		7	

30 NUMBER OF EMPLOYEES

The number of total employees as at 30 June 2025 are 35 (2024: 48 employees), and the average number of employees during the year are 38 (2024:51 employees).

31 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been approved on Dec 06, 2025 by the Board of Trustees of TDEA. KPMGTH

Mohammad Waseem
CHAIRPERSON

DIRECTOR