INITIATIVE FOR DEVELOPMENT & EMPOWERMENT AXIS (IDEA)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

ISHTIAQ RANA & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT
TO THE MANAGEMENT OF INITIATIVE FOR DEVELOPMENT & EMPOWERMENT AXIS (IDEA)

We have audited the accompanying financial statements of **INITIATIVE FOR DEVELOPMENT & EMPOWERMENT AXIS (IDEA)** which comprise of the statement of financial position as at June 30, 2022, income and expenditure statement, statement of cash flows for the year ended June 30, 2022, and notes to the financial statements for the year then ended, on the basis of information and explanations provided to us by the management and as per the scope communicated by the management, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation, accuracy, reliability, and fair presentation of these financial statements in conformity with the International Financial Reporting Standards applicable for Small and Medium sized Entities (IFRS for SMEs) as applicable in Pakistan, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our examination other than statutory audit.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss and statement of cash flows together with the notes forming part thereof have been drawn in conformity with the information and explanation provided to us and are in accordance with the International Financial Reporting Standards applicable for Small and Medium sized Entities (IFRS for SMEs) as applicable in Pakistan.

ISHTIAQ RANA AND CO * CHARTERED ACCOUNTANTS * LAHORE

Date: January 13, 2023.
Place: Lahore.

ISHTIAQ RANA & CO
CHARTERED ACCOUNTANTS

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INITIATIVE FOR DEVELOPMENT AND EMPOWERMENT AXIS (IDEA)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	3,043,842	3,471,196
CURRENT ASSETS			
Other receivables	5	7,253,498	2,633,432
Cash and bank balances	6	75,524,152	88,804,568
		82,777,650	91,438,000
TOTAL ASSETS		85,821,492	94,909,196
CURRENT LIABILITIES			
Accrued and other liabilities	7	80,480,060	89,146,813
NET ASSETS EMPLOYED		5,341,431	5,762,384
REPRESENTED BY:			
General fund	8	5,341,431	5,762,384

The annexed notes form an integral part of these financial statements.

Executive Director

Initiative for Development & Empowerment Axis
IDEA

Manager Finance

INITIATIVE FOR DEVELOPMENT AND EMPOWERMENT AXIS (IDEA)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
INCOME			
Grant income			
Restricted	9	558,870,569	444,100,548
Unrestricted	10	106,402	315,159
		558,976,971	444,415,707
EXPENDITURE			
Program cost	11	558,870,569	444,100,548
General and administrative expenses	12	527,354	597,124
		559,397,923	444,697,672
Surplus /(Deficit) for the year		(420,952)	(281,965)

The annexed notes form an integral part of these financial statements.

Executive Director

Manager Finance

Initiative for Development & Empowerment Axis
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INITIATIVE FOR DEVELOPMENT AND EMPOWERMENT AXIS (IDEA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus /(Deficit) for the year		(420,952)	(281,965)
Adjustment for depreciation		427,354	497,124
Cash flow before working capital changes		6,402	215,159
Working capital changes			
(Decrease) / increase in current assets:			
Other receivables		(4,620,066)	(2,158,566)
Increase in current liabilities:			
Accrued liabilities		(8,666,752)	73,783,545
		(13,286,818)	71,624,979
Net cash generated from operating activities		(13,280,416)	71,840,138
Net increase in cash and cash equivalents		(13,280,416)	71,840,138
Cash and cash equivalent at the beginning of the year		88,804,568	16,964,431
Cash and cash equivalent at the end of the year		75,524,152	88,804,568

The annexed notes form an integral part of these financial statements.

Executive Director

Manager Finance

Initiative for Development & Empowerment Axis
IDEA

1 STATUS AND OPERATION

IDEA "Initiative For Development And Empowermet Axis" (the Organization) is a non-profit, voluntary organization, registered under the Voluntary Social Welfare Agencies (Registration & control) Ordinance 1961, formed in 2003 having its registed office in Peshawar. IDEA has emerged after a thought process of a group from intelligentsia, academia and youth, who had a will to empower the disempowered through positive, enlightened and moderate approach. The main objectives of the organization are to work for community development, democracy and governance, education, child walfare and protection of human rights.

1.1 Projects

Following projects were undertaken by the Organization during the year:

1.1.1 Enhancing Access to Quality Education in KP

The project was funded by UNHCR. The aim of the project was to provide access to quality education to afghan refugee and asyslem seeker's childern by establishing formal and homebased schools in district peshawar, bannu, hangu, charssadda, kohat, lakki marwat and D I Khan. Under this project 40 Schools and 31 Accelerated Learning programs will be established and managed by IDEA.

1.1.2 Increasing Afghan Girls access to secondry Education through ALP

The project was funded by UNHCR. The aim of the project was to provide access to secondary school girls by ALP to afghan refugee and asyslem seeker's childern by establishing formal in already operational school based in district peshawar, bannu, hangu, charssadda, kohat, lakki marwat and D I Khan.

1.1.3 Take a Child to School (TACS) British Council

The British Council is delivering the ILMPOSSIBLE Take a Child to School (TACS). To Work with Birtish Council for the effective delivery the take a Child to school project in districts of Mardan and Kohat according to the planned activities in order to achieve desired outcomes and outputs, i.e enrol and retain a total of 3,000 OOSCC (1500 in each district)

1.1.4 Strenghting Government Health system and Providing Immidiate Emergency Response to Curtail the

The was funded by ECHO and supported by CARE International Pakistan and Implemented by IDEA in Disrtict Swat. The main purpose was Strenghting Government Health system and Providing Immidiate Emergency Response to Curtail the Outbreak of COVID-19 SWAT and conducting community awerness sessions and capicity building of COVID-19 affected community to minimize the risk of COVID-19 infection.

1.1.5 Humanitarian Assistance to COVID-19 Affected Families Lock Down in District Mardan

The project was funded by Welthungerhilfe. The aim of the project was to provide foods and other consumables to the covid-19 affected families in lockdown in district mardan KPK.

1.1.6 Enhancing Food Security through Strategic Interventions in Agriculture in Torghar

The project was implemented by Pakistan Poverty Alleviation Fund. The aim of he project was to provide awareness and training regarding food security by arranging different activities with the help of agriculture officcers in the Torghar area of KP.

1.1.7 & 1.1.8 Poverty Gradution Project in AR Camps (PPAF)

The project activities compatable with the objectives of PPAF, as per the prevalling equitable access to opportunities for increased incomes and improved quality of life through a community driven development approch. 2100 Asset distribtuion for afghan refugees with Enterprise training.

1.1.9 Girls Lower Secondry Education Program (GLSEP)

The Project was funded by United Nations Educational, Scientific and Cultural Organization. The aim of project was invtervention for improving transition from primary to secondary level retention and quality of lower secondary education in four tehsils of upper Swat district. IDEA work with 31 girls lower secondary schools and will establish and support 4 NFBE centers one in each targeted tehsil. IDEA supports education department efforts to create demand for continuation of girls education beyond primary to lower secondary, Increase girls retention in lower secondary education through the provision of formal and non-formal school facilities and support, improve learning opportunities for the girls through a focused approch to teacher training and pedagogical contents.

Initiative for Development & Empowerment Axis IDEA

1.1.10 AAWAZ-II British Council

AWAZ II is a DFID funded program in Pakistan, managed by British Council which aims creating a more protective and enabling envirement for girls, boys, women, youth, minorities, the differently abled and those at risk of exclusion and exploitation. The programme key components are community mobilization through village and district forums to address child labor, child marriages, gender- based violence, community conflict and intolerance, community engagement through social action in support from Aawaz youth volunteers on thematic issues. Awareness raising and referrals to avalible services according to community demands through Aawaz aagahi centers. Promoting citizen engagement with duty bearers through the fora and enhancing use of mandated state structure to respond to issues of communities. conflict prevention and pre-emption through dialogue between communities through the forums and social action projects by youth volunteers.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

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

3.2 Functional and presentation currency

These financial statements are prepared in Pakistani Rupees which is the Organization's functional and presentation currency.

3.3 Property and equipment

Property and equipment at are carried at cost less accumulated depreciation and impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property and equipment note.

Depreciation on additions during the year is charged from the month in which an asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

3.4 Impairment

The Organization assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5 Receivables

Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

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3.6 **Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

3.7 **Payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Organization or not.

3.8 **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the normal course of business.

- Profit on investments / bank deposits is recognized on time proportionate basis.

- **Restricted grants**

  Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred against them. Unspent portion of such grants are reflected as restricted grants in the balance sheet. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from

- **Unrestricted grants**

  Unrestricted grants, if any, received from donor without any conditions are recognized as income during the year of receipt.

3.9 **Use of estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards require management to make judgment, estimates and assumptions that affect the application of reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and 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.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3.10 **Provision for taxation**

Provision for taxation is based on taxable income at the current tax rates after taking into account applicable tax credits, rebates and exemptions available under Income Tax Ordinance, 2001.

3.11 **Offsetting of financial asset and financial liability**

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Organization has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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4 PROPERTY AND EQUIPMENTS

2022

PARTICULARS	COST			DEPRECIATION			W.D.V.	RATE
	As at July 01, 2021	Additions	As at June 30, 2022	As at July 01, 2021	For the year	As at June 30, 2022	As at June 30, 2022	
	-----Rupees-----							
Office equipment	536,704	-	536,704	367,554	16,915	384,469	152,235	10%
Furniture & fixture	2,934,263	-	2,934,263	1,743,455	119,081	1,862,536	1,071,727	10%
Electronic Equipment	659,205	-	659,205	422,480	23,673	446,153	213,052	10%
Computer Equipment	4,493,113	-	4,493,113	3,690,783	160,466	3,851,249	641,864	20%
Camera	806,460	-	806,460	482,193	32,427	514,620	291,840	10%
Multimedia	90,000	-	90,000	67,123	2,288	69,411	20,589	10%
Generator	1,339,500	-	1,339,500	777,240	56,226	833,466	506,034	10%
Other Asset	414,335	-	414,335	251,556	16,278	267,834	146,501	10%
	11,273,580	-	11,273,580	7,802,384	427,354	8,229,738	3,043,842	

2021

PARTICULARS	COST			DEPRECIATION			W.D.V.	RATE
	As at July 01, 2020	Additions	As at June 30, 2021	As at July 01, 2020	For the year	As at June 30, 2021	As at June 30, 2021	
	-----Rupees-----							
Office equipment	536,704	-	536,704	348,760	18,794	367,554	169,150	10%
Furniture & fixture	2,934,263	-	2,934,263	1,611,143	132,312	1,743,455	1,190,808	10%
Electronic Equipment	659,205	-	659,205	396,177	26,303	422,480	236,725	10%
Computer Equipment	4,493,113	-	4,493,113	3,490,200	200,583	3,690,783	802,330	20%
Camera	806,460	-	806,460	446,163	36,030	482,193	324,267	10%
Multimedia	90,000	-	90,000	64,581	2,542	67,123	22,877	10%
Generator	1,339,500	-	1,339,500	714,767	62,473	777,240	562,260	10%
Other Asset	414,335	-	414,335	233,469	18,087	251,556	162,779	10%
	11,273,580	-	11,273,580	7,305,260	497,124	7,802,384	3,471,196	

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		2022 Rupees	2021 Rupees
5 OTHER RECEIVABLES			
Income tax refund due from Government		1,121,811	631,778
Security Receivable		150,000	150,000
Receivable from donors		5,981,687	1,851,654
		7,253,498	2,633,432
6 CASH AND BANK BALANCES			
Cash in hand		13,422	53,956
Cash at bank		75,510,730	88,750,612
		75,524,152	88,804,568
7 ACCRUED AND OTHER LIABILITIES			
Account payables		9,878,601	6,080,370
Restricted grant received in advance		70,485,624	82,858,392
Accrued liabilities		115,836	208,051
		80,480,060	89,146,813
8 GENERAL FUND			
Opening balance		5,762,384	6,044,349
Less: Surplus/ (deficit) for the year		(420,952)	(281,965)
		5,341,431	5,762,384
9 RESTRICTED GRANTS			
United Nations High Commissioner for Refugees 953 & 1003	1.1.1	269,140,470	110,509,062
United Nations High Commissioner for Refugees 979	1.1.2	9,873,814	-
Concern World Wide	1.1.3	44,377,713	40,911,685
Care International	1.1.4	15,476,497	8,695,775
Welthungerhilfe	1.1.5	62,522,700	56,928,386
Pakistan Poverty Allieviation fund Torghar	1.1.6	31,929,851	4,946,804
Pakistan Poverty Allieviation fund	1.1.7	38,234,504	178,186,012
Pakistan Poverty Allieviation fund-IFL	1.1.8	33,273,751	1.1.6
United Nations Educational, Scientific and Cultural Organization	1.1.9	10,090,350	9,780,660
The British Council	1.1.10	39,582,357	18,799,530
Municipal Services Pakistan		-	7,236,838
Penny Appeal	1.1.11	1,084,842	
Human Concern Internation	1.1.12	2,211,625	-
Start Network	1.1.13	1,072,095	
The British Council		-	8,105,796
		558,870,569	444,100,548
10 UNRESTRICTED GRANTS			
Profit on bank deposits		106,402	315,159
		106,402	315,159

Initiative for Development & Empowerment Axis ★ IDEA

	Note	2022 Rupees	2021 Rupees
11 PROGRAM COST	11.1	558,870,569	444,100,548

11 Detail of program cost of different projects carried out during the year is as under;

PARTICULARS	UNHCR PPA 953 & 1003	UNHCR PPA 979	CMIS-1042	CARE INTERNATIONAL	WHH	PPAF-Tor Ghar	PPAF-PRGP	PPAF-IFL	UNESCO GLSEP	AAWAZ-II	Penny Appeal	HCI	Start Network	TOTAL
	Rupees													
Teachers incentives	149,771,834	2,178,001										2,145,120		154,094,955
Personnel cost and honoraria	46,060,428		7,234,411	11,074,140	16,637,560	1,502,500	4,924,619	2,258,900	3,922,456	4,218,000	486,990		663,549	98,983,553
Capacity building sessions, seminars,	17,564,368	832,631	3,443,784	200,000	81,926	353,345	1,709,437	33,428	1,791,382					26,010,301
Provision of productive assets														-
Provision for agriculture inputs and					33,960,234									33,960,234
Food baskets distribution														-
Cash / Loan Disbursment			11,594,582				1,429,000	30,162,000						43,185,582
Direct programme activities										32,772,869				32,772,869
Distribution of Soaps, Disinfectant, Masks, Water Containers														-
Rehabilition of water supply schemes														-
Installation & Rehabilitation of water points and hand washing stations			677,113	496,000										1,173,113
Rehabilition of latrines			1,693,870											1,693,870
Establishment and operations of Non Formal Basic Education centres														-
Formation of Community / Parents Groups at tehsil Level	527,129		42,434				391,405		215,793					1,176,761
Logistics & transport cost	1,972,600				10,000		198,300				240,000		81,650	2,502,550
Vehicle Rental	9,418,730		1,963,819	1,636,165	2,556,632	1,288,363	1,777,194	360,000	960,000	949,645				20,910,548
Rent of premises	3,578,099		310,667	842,712	1,971,270	180,000	593,194	80,000	398,400	582,000	91,000			8,627,342
Offices utilities	1,111,223		88,829	138,569		112,520	136,411		96,925		35,993			1,720,470
NFIs Items												23,294		23,294
Tree Plantation							2,048,501							2,048,501
RCCE banerrs and awareness				375,858			753,450							1,129,308
Agricultural CPIs						23,898,012								23,898,012
Farmers' Trainings through Farmers Field Schools						4,229,950								4,229,950
TOT for public health care providers			423,927	147,704										571,631
Communication & advertisement	601,672		47,400	134,705				17,470			19,100			820,347
POL	4,907,741					299,271	1,043,521	192,093	414,986					6,857,612
Travelling and perdiem	1,447,550		34,085	172,900	311,180		226,500		49,700		57,000		210,199	2,509,114
International / parent day events	366,667		390,336						332,000					1,089,003
Laptops / tablets for official use	740,000	3,726,128	113,500		1,035,100									5,614,728
Data Devices and Internet		273,068												273,068
Furniture and fixtures	500,000	1,572,160												2,072,160
Bank Charges	1,203,992													1,203,992
Partner Capacity & Integrity Program	3,929,876	379,762	234,500											4,544,138

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12	SUPPORT COST	Note	2022 Rupees	2021 Rupees
	Depreciation		427,354	497,124
	Audit fee		100,000	100,000
			527,354	597,124

13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on___________.

14 GENERAL

14.1 REARRANGEMENTS

Prior year figures have been rearranged wherever considered necessary for the purpose of better presentation and comparison.

14.2 Figures have been rounded off to the nearest Rupee.

Executive Director

Initiative for Development & Empowerment Axis IDEA

Manager Finance