

**FINANCIAL STATEMENTS  
OF  
TRANSPARENCY INTERNATIONAL  
PAKISTAN  
FOR THE YEAR ENDED  
JUNE 30, 2023**



# MUNIFF ZIAUDDIN & CO.

## Chartered Accountants

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### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES

#### Opinion

We have audited the financial statements of Transparency International Pakistan, herein after referred to as "the Trust", which comprise the statement of financial position as at June 30, 2023 and the income statement, statement of changes in general fund and statement of cash flows for the year ended and notes to the financial statements. Including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2023 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.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statement

The Board of Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Trustees 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.

Those charged with governance are responsible for overseeing the Trust financial reporting process.

#### Auditor's 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 auditor's 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

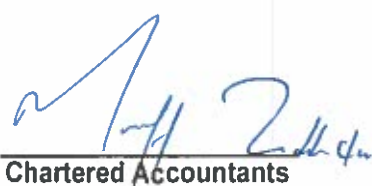
when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's 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 auditor's 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Sohail Saleem.



Chartered Accountants  
Karachi

Date : 20 May, 2024

UDIN : AR202310130VL9GQs028

TRANSPARENCY INTERNATIONAL PAKISTAN  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023

	Note	2023 -----Rupees-----	2022
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	4	1,474,755	1,573,540
Long term investment	5	36,068,760	36,486,856
		37,543,515	38,060,396
<b>CURRENT ASSETS</b>			
Other receivables	6	9,545	78,270
Short term investment	7	2,000,000	7,500,000
Cash & bank balances	8	36,104,958	5,671,092
		38,114,503	13,249,362
<b>TOTAL ASSETS</b>		<b>75,658,018</b>	<b>51,309,758</b>
<b>FUND &amp; LIABILITY</b>			
General Fund		46,009,180	42,206,294
Excess for the year		894,058	3,802,886
		46,903,238	46,009,180
Endowment Fund		5,300,000	5,300,000
<b>CURRENT LIABILITIES</b>			
Accrued and other payable	9	52,716	578
Deferred Grant	10	23,402,064	-
		23,454,780	578
Contingencies and commitments	11		
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>75,658,018</b>	<b>51,309,758</b>

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



Chairman / Trustee



Trustee

TRANSPARENCY INTERNATIONAL PAKISTAN  
 INCOME STATEMENT  
 FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 -----Rupees-----	2022 -----
<b>INCOME</b>			
Grants	12	9,831,702	9,348,044
<b>EXPENDITURE</b>			
Donor's project related expenditure	13	<u>(12,456,688)</u> (2,624,986)	<u>(6,711,477)</u> 2,636,567
Other income	14	5,696,299	3,423,290
Administration and general expenses	15	(2,177,256)	(2,256,971)
Taxation	16	-	-
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<u><u>894,058</u></u>	<u><u>3,802,886</u></u>

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



Chairman / Trustee



Trustee

TRANSPARENCY INTERNATIONAL PAKISTAN  
STATEMENT OF CHANGES IN GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Excess of income over expenditure	Endowment Fund	Total
	----- Rupees-----			
Balance as at July 1, 2021	42,206,294	-	5,300,000	47,506,294
Excess of income over expenditure for the year ended June 30, 2022	-	3,802,886	-	3,802,886
Transfer to general fund	3,802,886	(3,802,886)	-	-
<b>Balance as at June 30, 2022</b>	<b>46,009,180</b>	<b>-</b>	<b>5,300,000</b>	<b>51,309,180</b>
Excess of income over expenditure for the year ended June 30, 2023	-	894,058	-	894,058
Transfer to general fund	894,058	(894,058)	-	-
<b>Balance as at June 30, 2023</b>	<b>46,903,238</b>	<b>-</b>	<b>5,300,000</b>	<b>52,203,238</b>

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



Chairman / Trustee



Trustee

**TRANSPARENCY INTERNATIONAL PAKISTAN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure	894,058	3,802,886
<b>Adjustment for non cash items:</b>		
Depreciation	4      684,660	1,119,600
Accrued profit on investment	6      (1,573)	(78,270)
	<u>1,577,145</u>	<u>4,844,216</u>
<b>Increase / decrease in current assets and liabilities:</b>		
Decrease / (Increase) in accounts receivable	68,725	584,453
(Decrease) in deferred grant	23,402,065	-
(Decrease) / Increase in accrued and other payable	<u>52,138</u>	<u>38</u>
Net cash flow generated from operating activities (A)	25,100,072	5,428,706
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(585,875)	(776,965)
Addition in investment	<u>(1,580,331)</u>	<u>(9,507,957)</u>
Net Cash flows from investing activities (B)	(2,166,206)	(10,284,922)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Cash flows from financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<u>22,933,866</u>	<u>(4,856,216)</u>
Cash and cash equivalents at the beginning of the year	13,171,092	18,027,308
Cash and cash equivalents at the end of the year	<u><u>36,104,958</u></u>	<u><u>13,171,092</u></u>

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

Chairman / Trustee

Trustee

**TRANSPARENCY INTERNATIONAL PAKISTAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. STATUS AND ACTIVITIES**

Transparency International Pakistan (the Organisation) was registered in Pakistan on May 2002 as a Trust under Trust Act, 1882 and having its office at Karachi. The Trust is one of over 100 national chapters world wide of the global trust Transparency International, headquartered in Berlin, Germany. The Trust is a non-profit, non partisan and non political trust which aims at fighting corruption at the national level.

**2. BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention. The preparation of these financial statements are in conformity with the Trust Deed, respective agreements entered into between the tRUST and the donor agencies, and approved accounting standards, as applicable in Pakistan. Approved accounting standards comprises of Accounting and Financial Reporting Standard for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

These financial statements have also been prepared in accordance with "Guideline for accounting and reporting for Non-Government (NGOs) and Non-Profit Organisations (NPOs)" issued by ICAP and in case requirements differ, Accounting and Financial Reporting Standard for SSEs shall prevail.

The preparation of financial statements require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial information, are disclosed in note 3.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Fixed Assets**

These are stated at historical cost less accumulated depreciation. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is charged for whole year in the year of acquisition, whereas no depreciation is charged in the year of disposal.

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

Gains and losses on disposals, if any, is included in income currently.

**3.2 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

**3.3 Accrued and other payable**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

**3.4 Financial Instruments**

All financial assets and financial liabilities are recognized at the time when the trust becomes a party to the contractual provisions of the instruments. Any gain or loss on derecognizing of financial assets and financial liabilities are taken to profit and loss currently.

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case maybe.

**3.5 Investment-held to maturity**

The investments are classified under current assets and are expected to be realized within twelve months of balance sheet date. Held-to-maturity investments with fixed or determinable payments and fixed maturity that the Institution has the positive intent and ability to hold to maturity. These are subsequently carried at amortized cost using effective interest rate method.



### 3.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial information of each of the donor funded projects are measured using the currency in which the donation is received. The financial statements of the Trust are presented in Pakistani Rupee, which is the Trust's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the beginning of any month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income and expenditure account.

### 3.7 Revenue recognition

#### (a) Grant income

Grants are recognised at their fair value in income and expenditure account where there is a reasonable assurance that the grant will be received and the Trust has complied with all attached conditions. Grants received where the Trust has yet to comply with all attached conditions are recognised as a liability.

Grants that are received or become receivable as compensation for expenses incurred or for the purpose of giving immediate financial support to the Trust, with no future related costs, are recognized as income of the period in which these are received or become receivable.

Grants for which no basis of allocation exist, other than allocating these over periods in which it is received, are recognised on receipt basis.

#### (b) Interest income

Profit on TDR, PIBs and saving account is recognized on accrual basis using applicable interest rates.

### 3.8 Taxation

The Trust is registered as a withholding tax agent for the purpose of sales tax and income tax.

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4. Property, plant & equipments

Particulars	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at June 30, 2023	
	As at July 01, 2022	Additions	Deletions		As at June 30, 2023	As at July 01, 2022	Adjustment		For the year
Office premises	3,050,000	-	-	5%	2,265,006	-	152,500	2,417,506	632,494
Electronic Items	2,446,700	258,126	-	30%	2,202,030	-	282,683	2,484,713	220,113
Computers	776,965	327,749	-	30%	233,090	-	249,477	482,566	622,148
<b>Total</b>	<b>6,273,665</b>	<b>585,875</b>	<b>-</b>		<b>4,700,126</b>	<b>-</b>	<b>684,660</b>	<b>5,384,785</b>	<b>1,474,755</b>

Particulars	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at June 30, 2022	
	As at July 01, 2021	Additions	Deletions		As at June 30, 2022	As at July 01, 2021	Adjustment		For the year
Office premises	3,050,000	-	-	5%	2,112,506	-	152,500	2,265,006	784,994
Electronic Items	2,446,700	-	-	30%	1,468,020	-	734,010	2,202,030	244,670
Computers	776,965	776,965	-	30%	-	-	233,090	233,090	543,876
<b>Total</b>	<b>5,496,700</b>	<b>776,965</b>	<b>-</b>		<b>3,580,526</b>	<b>-</b>	<b>1,119,600</b>	<b>4,700,126</b>	<b>1,573,540</b>

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	Note	2023	2022
		-----Rupees-----	
<b>5. LONG TERM INVESTMENTS</b>			
Pakistan Investments Bond - held at amortized cost	5.1	26,068,760	26,486,856
Term deposit certificate - held to maturity	5.2	10,000,000	10,000,000
		<u>36,068,760</u>	<u>36,486,856</u>
5.1. This represent Pakistan Investment Bonds having a maturity period of five years ending on 19 September 2024 carrying markup 9.50% per annum.			
5.2 This represent term deposit receipts having a maturity period of 3 years carrying markup 10.7% per annum ending on 24 January 2025			
<b>6. OTHER RECEIVABLES</b>			
Other receivable		7,972	-
Accrued profit on short term investment		1,573	78,270
		<u>9,545</u>	<u>78,270</u>
<b>7. SHORT TERM INVESTMENTS</b>			
Term deposit certificate - held to maturity	7.1	2,000,000	7,500,000
7.1. This represent term deposit receipts having a maturity period of September 2023 carrying markup 14.15% per annum.			
<b>8. CASH AND BANK BALANCES</b>			
Cash on hand		495,833	17,210
Cash at bank			
<i>Current accounts</i>			
Local currency account		8,124,066	316,376
<i>Saving accounts</i>			
Saving accounts		27,453,573	5,318,059
Foreign currency account	8.1.	31,486	19,447
		27,485,059	5,337,506
		<u>36,104,958</u>	<u>5,671,092</u>
8.1. Foreign currency account include 109.86 Dollar at a conversion rate of 286.6 Rupees.			

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	Note	2023	2022
		-----Rupees-----	
<b>9. ACCRUED AND OTHER PAYABLE</b>			
Other Payable		52,716	578
		<u>52,716</u>	<u>578</u>
<b>10. DEFERRED GRANT</b>			
Deferred Grant		23,402,064	-
Deferred grant comprise of grants received from donors against expenditure to be incurred over 6 months period.			
<b>11. CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitment at the reporting date (2022: NIL).			
<b>12. DONOR WISE PROJECT GRANT</b>			
Strengthening Civic Voices for Good Governance and Accountability		6,586,470	9,348,044
Strengthening Integrity and Inclusiveness in Climate Governance		3,245,232	-
		<u>9,831,702</u>	<u>9,348,044</u>
<b>13. DONOR WISE PROJECT EXPENDITURES</b>			
Strengthening Civic Voices for Good Governance and Accountability	13.1	10,683,113	6,711,477
Strengthening Integrity and Inclusiveness in Climate Governance	13.2	1,773,575	-
		<u>12,456,688</u>	<u>6,711,477</u>
<b>13.1 STRENGTHENING CIVIC VOICES FOR GOOD GOVERNANCE AND ACCOUNTABILITY</b>			
Payroll expenses		6,179,846	4,968,764
Telephone		43,840	31,250
Internet		36,480	44,133
Water, Electricity, Cleaning		226,992	126,188
Travel		723,457	80,540
Postage and Courier		80,293	71,464
Communication		54,999	-
Office Expenses		509,669	4,000
Stationary Expense		110,515	313,451
Workshop Expense		2,290,185	898,485
Website Maintenance		2,801	53,088
Publications		35,830	-
Audit Cost		270,000	100,000
Bank Charges		1,700	3,464
Fuel & Maintenance		32,588	-
IT Support and Computer Maintenance		83,918	16,650
		<u>10,683,113</u>	<u>6,711,477</u>

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	Note	2023	2022
		-----Rupees-----	
<b>13.2 Strengthening Integrity and Inclusiveness in Climate Governance</b>			
Payroll expenses		809,900	-
Internet		12,043	-
Water, Electricity, Cleaning		24,217	-
Travel		481,833	-
Postage and Courier		3,629	-
Office Expenses		150,758	-
Workshop Expense		274,879	-
Publications		12,800	-
Bank Charges		1,356	-
IT Support and Computer Maintenance		2,160	-
		<u>1,773,575</u>	<u>-</u>
<b>14. OTHER INCOME</b>			
Exchange gain		12,489	2,116
Interest income		5,419,347	3,333,367
Other income		264,463	87,807
		<u>5,696,299</u>	<u>3,423,290</u>
<b>15. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Depreciation		684,660	1,119,600
Payroll		735,894	901,372
Travelling and Conveyance		87,398	48,490
Audit Fee		-	8,000
Office Supplies and Stationary		540,333	43,784
Postage and Courier		-	1,460
Repair and Maintenance		19,025	-
Bank Charges		1,998	57,899
Rent and Taxes		14,948	8,367
Water, Electricity, Cleaning		93,000	68,000
		<u>2,177,257</u>	<u>2,256,971</u>
<b>16. Taxation</b>			
The trust has obtained tax exemption under section 100(c) of Income tax ordinance, 2001. According to which the trust is entitled for tax credit equal to 100% of the tax payable including minimum and final taxes, therefore, no taxation expense has been recorded during the year.			
<b>17. GENERAL</b>			
<b>17.1</b>	All figures have been rounded off to the nearest Rupee.		

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18. DATE OF AUTHORIZATION FOR ISSUE

20 MAY 2024

These financial statements were approved and authorized for issue on ----- by the Board of Trustees of the Trust.



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Chairman / Trustee



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Trustee