

**FINANCIAL STATEMENTS
OF
TRANSPARENCY INTERNATIONAL
PAKISTAN
FOR THE YEAR ENDED
JUNE 30, 2024**



MUNIFF ZIAUDDIN & CO.

Chartered Accountants

Business Executive Centre
F/17/3, Block 8, Clifton
Karachi – 75600 – Pakistan
Tel: +92-21-35375127-8,
+92-21-35872283
E-mail: info@mzco.com.pk
Web: bkrpakistan.com

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 Organization/The Trust", which comprise the statement of financial position as at June 30, 2024 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 Organization as at June 30, 2024 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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Organization 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 Organization'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 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 Company'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 Company'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 Company 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 auditor's report is Sohail Saleem.


Chartered Accountants
Karachi

Date: March 25, 2025
UDIN: AR202410130iDyOGspUY


TRANSPARENCY INTERNATIONAL PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

		2024	2023
	Note	Rupees	
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	4	1,447,429	1,474,755
Long term investment	5	-	36,068,760
		1,447,429	37,543,515
CURRENT ASSETS			
Advances and Other receivables	6	76,000	9,545
Short term investment	7	35,768,603	2,000,000
Cash & bank balances	8	38,094,106	36,104,958
Advance		-	-
		73,938,709	38,114,503
TOTAL ASSETS		75,386,138	75,658,018
FUND & LIABILITY			
General Fund		46,903,238	46,009,180
Excess for the year		983,086	894,058
		47,886,324	46,903,238
Endowment Fund		5,300,000	5,300,000
CURRENT LIABILITIES			
Accrued and other payable	9	59,211	52,716
Deferred Grant	10	22,140,603	23,402,064
		22,199,814	23,454,780
Contingencies and commitments	11		
TOTAL FUNDS AND LIABILITIES		75,386,138	75,658,018

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, 2024**

	Note	2024 -----Rupees-----	2023
INCOME			
Grants		36,722,868	9,831,702
EXPENDITURE			
Donor's project related expenditure	13	<u>(40,062,094)</u> (3,339,227)	<u>(12,456,688)</u> (2,624,986)
Other income	14	8,652,922	5,696,299
Administration and general expenses	15	(4,330,610)	(2,177,256)
Taxation	16	-	-
EXCESS OF INCOME OVER EXPENDITURE		<u>983,086</u>	<u>894,058</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, 2024**

	General Fund	Excess of income over expenditure	Endowment Fund	Total
	----- Rupees-----			
Balance as at June 30, 2022	46,009,180	-	5,300,000	51,309,180
Excess of income over expenditure for the year ended June 30, 2023	-	894,058	-	894,058
Transfer to general fund	894,058	(894,058)		
Balance as at June 30, 2023	46,903,238	-	5,300,000	52,203,238
Excess of income over expenditure for the year ended June 30, 2024	-	983,086	-	983,086
Transfer to general fund	983,086	(983,086)		-
Balance as at June 30, 2024	47,886,324	-	5,300,000	53,186,324

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

[Signature]

Chairman / Trustee



[Signature]

Trustee

**TRANSPARENCY INTERNATIONAL PAKISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

		2024	2023
	Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Excess of income over expenditure		983,086	894,058
Adjustment for non cash items:			
Depreciation	4	751,732	684,660
Accrued profit on investment	6	-	(1,573)
		1,734,818	1,577,145
Increase / decrease in current assets and liabilities:			
Decrease / (Increase) in accounts receivable		(66,455)	68,725
Decrease / (Increase) in advance		-	
(Decrease) in deferred grant		(1,261,461)	23,402,065
(Decrease) / Increase in accrued and other payable		6,495	52,138
Net cash flow generated from operating activities (A)		413,397	25,100,072
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(724,407)	(585,875)
Addition in investment		2,300,158	(1,580,331)
Net Cash flows from investing activities (B)		1,575,751	(2,166,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash flows from financing activities (C)		-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,989,148	22,933,866
Cash and cash equivalents at the beginning of the year		36,104,958	13,171,092
Cash and cash equivalents at the end of the year		38,094,106	36,104,958

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, 2024**

1. STATUS AND ACTIVITIES

Transparency International Pakistan (the Trust) 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.

m

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.



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, 2024
	As at July 01, 2023	Additions	Deletions		As at July 01, 2023	Adjustment	For the year	As at June 30, 2024	
	<-----Rupees----->				<-----Rupees----->				
Office premises	3,050,000	-	-	5%	2,417,506	-	152,500	2,570,006	479,994
Electronic Items	2,704,826	271,728	(2,446,700)	30%	2,484,713	(2,446,700)	81,179	119,192	410,663
Computers	1,104,714	259,259	-	30%	482,566	-	486,970	969,536	394,437
Furniture and Equipment	-	193,420	-	20%	-	-	31,084	31,084	162,336
Total	6,859,540	724,407	(2,446,700)		5,384,785	(2,446,700)	751,732	3,689,818	1,447,429

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 July 01, 2022	Adjustment	For the year	As at June 30, 2023	
	<-----Rupees----->				<-----Rupees----->				
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
Total	6,273,665	585,875	-		4,700,126	-	684,660	5,384,785	1,474,755

W

	Note	2024	2023
		-----Rupees-----	
5. LONG TERM INVESTMENTS			
Pakistan Investments Bond - held at amortized cost		-	26,068,760
Term deposit certificate - held to maturity		-	10,000,000
		<u>-</u>	<u>36,068,760</u>
6. OTHER RECEIVABLES			
Advance		76,000	-
Other receivable		-	7,972
Accrued profit on short term investment		-	1,573
		<u>76,000</u>	<u>9,545</u>
7. SHORT TERM INVESTMENTS			
Pakistan Investments Bond - held at amortized cost	7.1.	25,768,603	-
Term deposit certificate - held to maturity	7.2	10,000,000	2,000,000
		<u>35,768,603</u>	<u>2,000,000</u>
7.1. This represents Pakistan Investment Bonds having a maturity period of five years ending on 19 September 2024 carrying markup 9.50% per annum.			
7.2. This represents term deposit receipts having a maturity period of 3 years carrying markup 10.7% per annum ending on 24 January 2025			
8. CASH AND BANK BALANCES			
Cash on hand		148,332	495,833
Cash at bank			
<i>Current accounts</i>			
Local currency account		255,151	8,124,066
<i>Saving accounts</i>			
Saving accounts		37,660,049	27,453,573
Foreign currency account	8.1.	30,574	31,486
		<u>37,690,623</u>	<u>27,485,059</u>
		<u>38,094,106</u>	<u>36,104,958</u>

8.1. Foreign currency account include 109.86 Dollar at a conversion rate of Rs 278.3 (2023:Rs 286.6).

	Note	2024	2023
		-----Rupees-----	
9. ACCRUED AND OTHER PAYABLE			
Other Payable		59,211	52,716
		<u>59,211</u>	<u>52,716</u>
10. DEFERRED GRANT			
Deferred Grant		22,140,603	23,402,064
Deferred grant comprise of grants received from donors against expenditure to be incurred over 6 months period.			
11. CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitment at the reporting date (2023: NIL).			
12. DONOR WISE PROJECT GRANT			
Strengthening Civic Voices for Good Governance and Accountability		-	6,586,470
Strengthening Civic Voices for Good Governance and Accountability Phase II		-	-
Strengthening Integrity and Inclusiveness in Climate Governance		35,461,407	3,245,232
		<u>35,461,407</u>	<u>9,831,702</u>
13. DONOR WISE PROJECT EXPENDITURES			
Strengthening Civic Voices for Good Governance and Accountability	13.1	21,396,981	10,683,113
Strengthening Civic Voices for Good Governance and Accountability Phase II	13.2	617,457	-
Strengthening Integrity and Inclusiveness in Climate Governance	13.3	18,047,656	1,773,575
		<u>40,062,094</u>	<u>12,456,688</u>

14. OTHER INCOME

Exchange gain/(loss)
Interest income
Other income

	(912)	12,489
	8,653,834	5,419,347
	-	264,463
	<u>8,652,922</u>	<u>5,696,299</u>

m

15. ADMINISTRATIVE AND GENERAL EXPENSES

Depreciation	751,732	684,660
Payroll	1,526,500	735,894
Travelling and Conveyance	399,594	87,398
Communication	15,598	-
Office expense	162,917	540,333
Postage and Courier	24,711	-
Repair and Maintenance	207,777	19,025
Bank Charges	2,430	1,998
Rent and Taxes	469,382	14,948
IT Support & Computer Maintenance	120,469	-
Water, Electricity, Cleaning	235,852	93,000
Other expense	413,650	-
	<u>4,330,610</u>	<u>2,177,257</u>

15.1 Payroll includes staff salaries incurred under Network Reserve Grant from T1-S

16. Taxation

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.

17. GENERAL

17.1 All figures have been rounded off to the nearest Rupee.

18. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 19 MAR 2025 by the Board of Trustees of the Trust.



Chairman / Trustee



Trustee