

CENTRE FOR GOVERNANCE AND PUBLIC ACCOUNTABILITY

(CGPA)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CENTRE FOR GOVERNANCE AND PUBLIC ACCOUNTABILITY (CGPA)**

Opinion

We have audited the financial statements of **Centre For Governance and Public Accountability (CGPA)**, which comprise the statement of financial position as at **June 30, 2024**, and the statement of income and expenditure, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of changes in net assets and the statement of cash flows together with the notes forming part thereof conform with the Accounting Standard for Not for Profit Organisation (NPO's as applicable in Pakistan), in the manner so required and respectively give a true and fair view of the state of the Society's affairs as at June 30, 2024 and of the surplus, the changes in net assets and its cash flows for the year then ended.

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 Society 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 Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Accounting Standard for Not for Profit Organisations (NPOs) issued by the ICAP, and for such internal control as the Committee determine(s) is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's 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 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 Society'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 Society'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

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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 Society 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 those charged with governance 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 **Rizwan Saeed**.

Rizwan Saeed

RIZWAN SAEED & CO
Chartered Accountants



Islamabad

Date: February 24, 2025

UDIN: AR202410317p8B3lhSCY

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**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024 ----- Rupees -----	2023
ASSETS			
NON-CURRENT ASSETS			
Operating fixed asset	4	647,907	719,897
CURRENT ASSETS			
Advances, deposits and other receivables	5	1,350,000	555,000
Cash and bank balances	6	27,743,984	24,593,459
		29,093,984	25,148,459
TOTAL ASSETS		29,741,891	25,868,356
LIABILITIES			
CURRENT LIABILITIES			
Unutilized donor's fund - restricted	7	21,336,801	20,675,325
Accrued and other liabilities	8	5,290,465	2,904,340
TOTAL LIABILITIES		26,627,266	23,579,665
NET ASSETS		3,114,626	2,288,691
CONTINGENCIES AND COMMITMENTS	9	-	-
REPRESENTED BY:			
General fund		3,114,626	2,288,691

The annexed notes from 1 to 13 form an integral part of these financial statements.


Executive Director




Finance Manager

**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 ----- Rupees -----	2023
INCOME			
Grants amortized - Restricted	7	144,126,779	85,672,248
Other Income		5,312	-
		144,132,091	85,672,248
EXPENDITURE			
Project expenses	10	131,137,316	83,473,750
Administrative and general expenses	11	12,168,840	1,421,865
		143,306,156	84,895,615
SURPLUS/ (DEFICIT) FOR THE YEAR		825,935	776,633

The annexed notes from 1 to 13 form an integral part of these financial statements.


Executive Director




Finance Manager

**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/ (Deficit) before tax for the year	825,935	776,633
Non-cash adjustments		
Depreciation and Amortization	4.1 <u>71,990</u>	<u>79,989</u>
Operating Cash Flows before working capital	<u>897,924</u>	<u>856,622</u>
Changes in working fund		
(Increase)/Decrease In Current Assets		
Deposits, prepayments and other receivables	(795,000)	(142,555)
Increase/(Decrease) in Funds and Liabilities		
Restricted grant funds	661,476	6,268,439
Accrued and other liabilities	2,386,125	1,436,659
NET CASH FROM OPERATING ACTIVITIES	<u>3,150,525</u>	<u>8,419,165</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	-	-
Net cash used in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Net increase in cash and cash equivalents	<u>3,150,525</u>	<u>8,419,165</u>
Cash and cash equivalents at the beginning of the year	24,593,459	16,174,294
Cash and cash equivalents at the end of the year	6 <u><u>27,743,984</u></u>	<u><u>24,593,459</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.



Executive Director

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Finance Manager

**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Total
	----- Rupees -----	
Balance at 30 June 2022	1,512,058	1,512,058
Surplus for the year	776,633	776,633
Balance at 30 June 2023	<u>2,288,691</u>	<u>2,288,691</u>
Surplus for the year	825,935	825,935
Balance at 30 June 2024	<u>3,114,626</u>	<u>3,114,626</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


Executive Director




Finance Manager

**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. LEGAL STATUS AND NATURE OF BUSINESS

Centre for Governance and Public Accountability (CGPA) is a non partisan, non profit and non governmental organization, established in 2011 and registered under section 20 of Societies Act 1860. The organization works to help improve local governance and public accountability in Khyber Pakhtunkhwa. The head office of the organization is situated at 402, Block C, City Tower, University Road, Peshawar, Pakistan.

Centre for Governance and Public Accountability (CGPA) has signed Memorandum of Understanding (MOU) with Ministry of Interior on October 25, 2023 vide File no.2 (786)NGO/EAD/2020 for the period up to April 30, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- Revised Accounting and Financial Reporting Standard for Small & Medium Sized Entities (IFRS for SMEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) in 2015; and
- Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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3. MATERIAL ACCOUNTING POLICIES INFORMATION

3.1 Operating Fixed Asset

Operating Fixed Assets are stated at cost less accumulated depreciation and impairment loss if any. Cost of an asset comprises; (a) purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on all property plant and equipment is charged to statement of income and expenditure using diminishing balance method. Depreciation is charged from the month when the asset is available for use and no depreciation is charged for the month in which the asset is disposed. Gain / (loss) from disposal of fixed assets is recognized in the statement of income and expenditure.

3.2 Cash and bank balances

Cash and cash equivalents comprise cash in hand and cash at bank in current and other short term highly liquid instruments that are readily convertible into known amounts of cash.

3.3 Taxation

Being a non profit organization, income of the trust is eligible for tax credit equal to one hundred percent under sub-section 2(e) of section 100-C of the income tax ordinance 2001 being an organization not for profit.

3.4 Grants recognition

(i) Recurring grants received from Government and other donors are recognized as income during the year of receipt.

(ii) Restricted grants

Grant received for specific purposes are classified as restricted grant. Such grants are transferred to income to the extent of actual expenditure incurred there against. Unspent portion of such grant is reflected as unutilized donor fund in the statement of financial position.

Expenditure incurred against Grant committed but not received is accrued and recognized in income and is reflected as grant receivable where there is reasonable assurance that the organization will comply with the conditions attached and that the Grants will be received.

Grant that relate to purchase, construction, or otherwise acquisition of long-lived assets including intangible assets are recognized by the Grant as deferred income. Deferred income is recognized in the income statement on a systematic and rational basis over the shorter of project life or useful of the asset in case, project budget specifies purchase of asset necessary to meet the objectives of the Grant contract for that specific period, then such purchase is treated as period cost

Non monetary Grants that are intended to compensate the organization for the specific cost is recognized systematically as income over the periods necessary to match those Grants with the cost that are intended to compensate non-monetary Grants are reported at fair value is determinable otherwise non monetary Grants are reported at nominal amounts.

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Grants related to assets are presented in financial statements as "Deferred capital grant" and recognized in the statement of income and expenditure on a systematic basis over the period in which their related costs are recognized as "expenses" i.e. annual depreciation.

Grants other than for assets are recognized in the statement of income and expenditure of the year as "other income" to match the expenses covered against the grant.

Grants received from donors for specific purposes are used in accordance with the stipulations attached thereto.

- (iii) Donations in kind are stated at fair value and presented in financial statements as "Deferred grants" and recognized in the statement of income and expenditure on a systematic basis over the period in which their related costs are recognized as expense - i.e. annual depreciation.
- (iv) Grants if committed by donors but not received during the year are recorded as Accrued Grant Income.

3.5 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using exchange rates applicable at the statement of financial position date. All gains and losses on settlement and translation at year end are recognized in the statement of income and expenditure.

3.6 Financial Instruments

The organization has adopted section 11 and 12 of IFRS for SME, in full to account for all of its financial instruments. All the financial assets and liabilities are recognized at the time when the organization becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the organization loses control of the contractual right that comprises the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to the statement of profit or loss, currently.

3.7 Advances, deposits and other receivables

These are stated at cost which is the fair value of consideration and subsequently measured at amortized cost using the effective interest rate method less provision for impairment, if any.

3.8 Creditors, accrued and other liabilities

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

3.9 Foreign currency transactions

Transactions in currencies other than Pakistani Rupee are recorded at the rate of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date.

3.10 Provisions

Provisions are recognized when the organization has a present, legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each

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statement of financial position date and adjusted to reflect the current best estimates.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the organization has a legally enforceable right to set off the recognized amounts and the organization intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.12 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at normal commercial terms and conditions; related parties of the organization comprise of key management only.

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4 OPERATING FIXED ASSETS

	Computer & Office Equipments	Furniture and Fixtures	Books	TOTAL
----- Rupees -----				
Net Carrying Value Basis				
Year ended June 30, 2024				
Opening Net Book Value	413,201	277,825	28,871	719,897
Additions (at cost)	-	-	-	-
Disposal	-	-	-	-
Depreciation	(41,320)	(27,783)	(2,887)	(71,990)
Closing Net Book Value	371,881	250,043	25,984	647,907
Gross Carrying Value Basis				
As at June 30, 2024				
Cost	1,155,429	768,033	92,000	2,015,462
Accumulated Depreciation	(783,548)	(517,991)	(66,016)	(1,367,555)
Closing Net Book Value	371,881	250,043	25,984	647,908
Net Carrying Value Basis				
Year ended June 30, 2023				
Opening Net Book Value	459,112	308,695	32,079	799,886
Additions (at cost)	-	-	-	-
Depreciation	(45,911)	(30,869)	(3,208)	(79,989)
Closing Net Book Value	413,201	277,825	28,871	719,897
Gross Carrying Value Basis				
As at June 30, 2023				
Cost	1,155,429	768,033	92,000	2,015,462
Accumulated depreciation	(742,228)	(490,208)	(63,129)	(1,295,565)
Closing Net Book Value	413,201	277,825	28,871	719,897
Depreciation rate	10%	10%	10%	

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	Notes	2024	2023
		----- Rupees -----	
5 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Prepaid rent		900,000	-
Security with tourism promotion services		300,000	
Security with M/S gas zone filling station		150,000	450,000
Advances to staff		-	105,000
		<u>1,350,000</u>	<u>555,000</u>
6 CASH AND BANK BALANCES			
Cash at bank:			
- Current Account		15,262,242	7,623,361
- Savings Account		12,481,743	16,970,098
		<u>27,743,984</u>	<u>24,593,459</u>
7 UNUTILIZED DONOR'S FUND - RESTRICTED			
Balance at beginning of year		20,675,325	19,898,692
Grants received during the year		144,788,255	85,672,248
Grant income recognized during the year		(144,126,779)	(84,895,615)
Balance at ending of year		<u>21,336,801</u>	<u>20,675,325</u>

7.1 Details of grants received during the year is as follows:

	As at July 01, 2023	Received during the year	Funds utilized during the year	As at June 30, 2024
	----- Rupees -----			
Centre for International Private Enterprise	3,551,403	11,678,586	(15,923,134)	(693,146)
Gesellschaft fur Internationale	(200,000)	80,098,749	(66,759,120)	13,139,629
National Rural Support Program	(834,200)	17,511,750	(19,509,648)	(2,832,098)
National Endowment for Democracy	11,089,659	30,211,034	(29,578,277)	11,722,416
Foundation Open Society Institute	7,068,463	-	(7,068,463)	-
Oxford Policy Management Pakistan (Pvt)	-	5,288,137	(5,288,137)	-
	<u>20,675,325</u>	<u>144,788,255</u>	<u>(144,126,779)</u>	<u>21,336,801</u>

8 ACCRUED AND OTHER LIABILITIES

Loan from director's	8.1	4,766,317	-
Others		424,147	2,854,340
Audit fee payable		100,000	50,000
		<u>5,290,465</u>	<u>2,904,340</u>

8.1 RELATED PARTY TRANSACTION

The related parties comprise of key management personnel. Transactions carried out with related parties other than disclosed in respective notes are as follows:

Name	Nature of relationship	Nature of transaction	2024	2023
			----- Rupees -----	
Mr. Muhammad Anwar	Board of Director	Loan provided to CGPA	4,766,317	-

9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the current year end. (2023: Nil)

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	Note	2024	2023
		----- Rupees -----	
10 PROJECT EXPENSES			
Salaries and other benefits		38,066,125	44,109,535
Consultancy charges		45,818,628	6,574,494
Travelling & lodging		26,546,016	11,920,312
Awareness, counseling and training sessions		14,634,927	15,672,500
Meetings & monitoring		1,825,439	1,558,700
Communication and postage		1,045,307	1,630,864
Utilities		1,466,429	-
Facilities rent		928,060	-
Vehicle fuel and maintenance		493,920	1,917,345
Overhead costs		181,225	-
KPRA charges		81,240	-
Miscellaneous expenses		50,000	90,000
		131,137,316	83,473,750
11 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and other benefits		4,662,233	-
Overhead cost		3,958,467	76,399
Office rent		1,020,000	-
Office supplies and stationery		1,650,879	-
Legal and professional charges		390,000	1,215,477
Office repair and maintenance		200,000	-
Office utilities		115,271	-
Audit remuneration		100,000	50,000
Depreciation expense		71,990	79,989
		12,168,840	1,421,865

12 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 21st February, 2025 by of the organization.

13 GENERAL

Figures have been rounded off to the nearest rupees.


Executive Director




Finance Manager