

**CENTRE FOR PEACE  
AND  
DEVELOPMENT INITIATIVES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR  
ENDED JUNE 30, 2019**

## INDEPENDENT AUDITOR'S REPORT

To the members of Centre for Peace and Development Initiatives

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Centre for Peace and Development Initiatives** ("the Company"), which comprise the statement of financial position as at June 30, 2019, and income and expenditure statement, and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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, statement of profit or loss and other comprehensive income or the income or expenditure statement, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the surplus and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with 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 Company 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 / Institute of Cost and management Accountants (the Code)<sup>iv</sup> 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.

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### **Responsibilities of Management and Board of Directors for the Financial Statements**

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 Companies Act, 2017(XIX of 2017) and for such internal control as management determines 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, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company'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 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.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Omer Adil, FCA.

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*Omer Adil*

Islamabad

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Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
Statement of Financial Position  
As at June 30, 2019

		Amounts in PKR	
	Note	June 30, 2019	June 30, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,153,691	3,644,360
Long-term investment	4	27,955,774	27,947,423
		<b>32,109,465</b>	<b>31,591,783</b>
<b>Current assets</b>			
Loans and advances	5	1,578,211	2,600,811
Trade deposits and short-term prepayments	6	316,810	118,584
Cash and bank balances	7	33,704,984	46,262,833
		<b>35,600,005</b>	<b>48,982,228</b>
<b>Total assets</b>		<b>67,709,470</b>	<b>80,574,011</b>
<b>EQUITY AND LIABILITIES</b>			
General fund	8	25,525,790	21,228,730
<b>Non-current liabilities</b>			
Unutilized grant	9	42,024,310	59,182,821
<b>Current liabilities</b>			
Trade and other payables	10	159,370	162,460
Contingencies and commitments	11	-	-
<b>Total equity and liabilities</b>		<b>67,709,470</b>	<b>80,574,011</b>

The Auditor's report is set out on pages 1 to 3.  
The annexed notes 1 to 27 form an integral part of these financial statements.

CHIEF EXECUTIVE



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DIRECTOR

# Centre for Peace and Development Initiatives

(A company licensed under section 42 of the Companies Act, 2017)

## Income and Expenditure Statement

For the year ended June 30, 2019

		Amounts in PKR	
	Note	For the year ended June 30, 2019	For the year ended June 30, 2018
<b>Income</b>			
Restricted grant	12	78,763,403	61,116,650
Consultancies		-	753,480
Grant in kind		3,060,000	-
<b>Expenses</b>			
Project expenses	13	(78,763,403)	(61,116,650)
Consultancy expenses	13	(452,500)	(1,183,435)
Administration and selling expenses	13	(4,522,706)	(6,382,862)
<b>Operating result</b>		<b>(1,915,206)</b>	<b>(6,812,817)</b>
Other income	14	6,212,266	3,352,282
<b>Surplus / deficit for the year</b>		<b>4,297,060</b>	<b>(3,460,535)</b>

The Auditor's report is set out on pages 1 to 3.

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CHIEF EXECUTIVE



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DIRECTOR

# Centre for Peace and Development Initiatives

(A company licensed under section 42 of the Companies Act, 2017)

## Statement of Other Comprehensive Income

For the year ended June 30, 2019

		Amounts in PKR
	Note	
	For the year ended June 30, 2019	For the year ended June 30, 2018
Surplus / deficit for the year	4,297,060	(3,460,535)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>4,297,060</b>	<b>(3,460,535)</b>

The Auditor's report is set out on pages 1 to 3.

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CHIEF EXECUTIVE



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DIRECTOR



Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
**Statement of Cash Flows**  
For the year ended June 30, 2019

		Amounts in PKR	
	Note	For the year ended June 30, 2019	For the year ended June 30, 2018
<b>Cash flows from operating activities</b>			
Surplus / deficit for the year		4,297,060	(3,460,535)
Adjustments for;			
Depreciation	3.1	1,169,419	1,151,288
Gain on sale of assets		122,250	(465,597)
Exchange gains		6,203,915	3,326,535
		<u>7,495,584</u>	<u>4,012,226</u>
		11,792,644	551,691
<b>Movement in Working Capital</b>			
<b>Decrease / (increase) in current assets</b>			
Loans and advances		1,022,600	(1,635,658)
Trade deposits and short-term prepayments		<u>(198,226)</u>	<u>577,113</u>
		824,374	(1,058,545)
<b>(Decrease) in current liabilities</b>			
Creditors, accrued and other liabilities		(3,090)	(411,174)
		<u>821,284</u>	<u>(1,469,719)</u>
Cash generated from / (used in) operations		12,613,928	(918,028)
<b>Net cash generated from / (used in) operating activities</b>		<b>12,613,928</b>	<b>(918,028)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sales of fixed assets		1,350,000	1,710,097
Long term investment increased		(8,351)	(5,520,617)
Payments for capital expenditure	3.1	<u>(3,151,000)</u>	<u>(866,700)</u>
<b>Net cash (used in) investing activities</b>		<b>(1,809,351)</b>	<b>(4,677,220)</b>
<b>Cash Flows from Financing Activities</b>			
Net grant received		(17,158,511)	15,144,213
<b>Net cash (used in) / generated from financing activities</b>		<b>(17,158,511)</b>	<b>15,144,213</b>
Net (decrease) / increase in cash and cash equivalents		(6,353,934)	9,548,965
Cash and cash equivalents at the beginning of the year		46,262,833	40,040,403
Effect of foreign currency gain		(6,203,915)	(3,326,535)
<b>Cash and Cash Equivalents as at June 30</b>		<b>33,704,984</b>	<b>46,262,833</b>

The Auditor's report is set out on pages 1 to 3.  
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CHIEF EXECUTIVE

DIRECTOR



Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
Statement of Changes in Accumulated Funds  
For the year ended June 30, 2019

	Amounts in PKR
Balance as at June 30, 2017	24,689,265
Deficit for the year	(3,460,535)
Balance as at June 30, 2018	21,228,730
Surplus for the year	4,297,060
Balance as at June 30, 2019	25,525,790

The Auditor's report is set out on pages 1 to 3.  
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CHIEF EXECUTIVE



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DIRECTOR

**Centre for Peace and Development Initiatives**  
(A company licensed under section 42 of the Companies Act, 2017)  
**Notes to the Financial Statements**  
**For the year ended June 30, 2019**

**1 Status and Nature of Business**

The company was incorporated as a company limited by guarantee on July 17, 2008 under section 42 of the Companies Ordinance, 1984 (deemed to be registered under Companies ACT, 2017) as an association for not for profit, with the object to promote and initiate steps for developing consensus of opinion on various social and development issues, to strengthen peace and develop initiatives for well being of among the people of Pakistan.

The registered office of the Company is situated at 601 Abu Dhabi Tower, Block B 6th floor F-11 Markaz Islamabad

These financial statements cover only the individual activities of Centre for Peace & Development Initiatives.

**1.1 Summary of significant events and transactions in the current reporting period**

The Company's financial position and performance was affected by any events and transactions during the reporting period.

- Grants received during the year are amounting Rs. 64,331,071

- Assets purchased of amount Rs. 3,151,000 during the year.

**2 Summary of Significant Accounting Policies**

Following are the details of significant accounting policies applied:

**2.1 Statement of compliance**

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

- International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organization (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of preparation**

These financial statements have been prepared under the historical cost convention on accrual basis of accounting.

The preparation of financial statements in conformity with approved accounting standards requires management make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and based on historic experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

**2.3 Management responsibility for financial statements**

The Management of the Company is responsible for the preparation and presentation of financial statements. These financial statements of the Company have been prepared for the year from July 01, 2018 to June 30, 2019.

**2.4 Functional and presentation currency**

Items included in financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

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Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
Notes to the Financial Statements  
For the year ended June 30, 2019

**2.5 Foreign currency translations**

Transactions denominated in foreign currencies are translated to Pak Rupees at the foreign exchange rate (average rate) ruling at the last day of the preceding month. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates prevailing at the statement of financial position date and the resultant exchange gains and losses are charged to income and expenditure statement in the year in which they arise.

**2.6 Property, plant and equipment and depreciation**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Depreciation charge is based on straight-line method at the rates mentioned in the note 3 of these financial statements, whereby the cost of an asset is written off to income and expenditure statement over its estimated useful life without taking into account any residual value, if material. Depreciation on additions is charged from the month in which the asset is available for use and on disposal up to the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the assets are reviewed at each statement of financial position date and adjusted, if appropriate.

Normal repairs, maintenance, renewals and improvements are charged to income and expenditure statement as and when incurred. Improvements are capitalized when it is probable that respective future economics benefits will flow to the Company and cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of property, plant and equipment are taken to the income and expenditure statement in the year of disposal.

**2.7 Trade debts and other receivables**

Trade debts and other receivable are recognized at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

**2.8 Taxation**

**Current**

The Company is eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Company on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001.

**Deferred**

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the Company is eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Company on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001

**2.9 Cash and cash equivalents**

Cash and cash equivalents comprises of cash in hand and current and deposit accounts held with banks.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
**Notes to the Financial Statements**  
**For the year ended June 30, 2019**

**2.10 Impairment**

**Financial assets**

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income and expenditure statement and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income and expenditure statement.

**Non-financial assets**

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in income and expenditure statement.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**2.11 Trade and other payables**

Trade and other payables are recognized initially at fair value net of directly attributable cost, if any.

**2.12 Borrowings and their cost**

Borrowings are recognized initially at fair value, net of transaction cost incurred. All types of borrowing costs are charged to income and expenditure statement as and when incurred.

**2.13 Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, reliable estimate can be made of obligation. The amount recognized as a provision reflect the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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**Centre for Peace and Development Initiatives**  
(A company licensed under section 42 of the Companies Act, 2017)  
**Notes to the Financial Statements**  
**For the year ended June 30, 2019**

**2.14 Financial assets and liabilities**

All financial assets and liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost

**2.15 Revenue recognition**

**2.15.1 Restricted Grants**

Revenue from restricted grants is recognized using restricted fund method.

Restricted grants are accounted for as income when the institute complies with the conditions attaching thereon and the amount is receivable. This grant is recognized as income to the extent of expenditure incurred during the year. However restricted amount at year end is carried as restricted grant.

**2.15.2 Unrestricted Grants**

Unrestricted grants and consultancy income are recognized when they are received.

**2.16 Related party relationships and transactions**

All known related party relationships are disclosed in these financial statements. Transactions with related parties, if any, are entered into and recorded on an arm's length basis at fair value.

**2.17 Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These are derecognized when the Company ceases to be party to contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at fair value. These financial assets and financial liabilities are subsequently measured at amortized cost.

**2.18 Financial expense and financial income**

Financial expenses comprise foreign currency losses and markup/interest expense on borrowings. Markup / interest expense on borrowings is recognized as it accrues in the income and expenditure statement, using the effective interest rate method.

Financial income comprises interest income on funds invested. Markup / interest income is recognized as it accrues in income and expenditure statement, using the effective interest rate method.

**2.19 Off-setting**

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is, legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

**2.20 Long term investments**

The Company has invested in land which is carried at cost.

Investment in units of mutual fund are revalued using market rate.

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Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
Notes to the Financial Statements  
For the year ended June 30, 2019

										Amounts in PKR		
										As at June 30, 2019	As at June 30, 2018	
										Note		
3	Property, plant and equipment									3.1	4,153,691	3,644,360
3.1 Following is the statement of property, plant and equipment:												
Particulars	Cost				Rate %	Depreciation				Written Down Value		
	As at July 01, 2018	Additions during the year	Deletions during the year	As at June 30, 2019		As at July 01, 2018	Charge for the year	Deletions during the year	As at June 30, 2019	As at June 30, 2019		
Furniture, fixtures and fittings	1,824,326	22,000	-	1,846,326	10	774,580	183,349	-	957,929	888,397		
Computers & equipments	7,047,706	69,000	-	7,116,706	33	6,176,259	475,140	-	6,651,399	465,307		
Motor Vehicles	3,181,800	3,060,000	1,510,000	4,731,800	10	1,458,634	510,930	37,750	1,931,814	2,799,987		
June 30, 2019	12,053,832	3,151,000	1,510,000	13,694,832		8,409,472	1,169,419	37,750	9,541,141	4,153,691		
June 30, 2018	14,486,102	866,700	3,298,970	12,053,832		9,312,654	1,151,288	2,054,470	8,409,472	3,644,360		
Particulars	Cost				Rate %	Depreciation				Written Down Value		
	As at July 01, 2017	Additions during the year	Deletions during the year	As at June 30, 2018		As at July 01, 2017	Charge for the year	Deletions during the year	As at June 30, 2018	As at June 30, 2018		
Furniture, fixtures and fittings	1,824,326	-	-	1,824,326	10	592,147	182,433	-	774,580	1,049,746		
Computers & equipments	7,779,976	866,700	1,598,970	7,047,706	33	7,438,387	324,842	1,586,970	6,176,259	871,447		
Motor Vehicles	4,881,800	-	1,700,000	3,181,800	10	1,282,120	644,013	467,500	1,458,634	1,723,167		
June 30, 2018	14,486,102	866,700	3,298,970	12,053,832		9,312,654	1,151,288	2,054,470	8,409,472	3,644,360		
June 30, 2017	21,714,286	1,317,118	8,545,302	14,486,102		12,801,711	1,161,891	4,650,948	9,312,654	5,173,448		
Administration and selling expenses - note 15										1,169,419	1,151,288	



Centre for Peace and Development Initiatives  
(A company licensed under section 42 of the Companies Act, 2017)  
Notes to the Financial Statements  
For the year ended June 30, 2019

		Amounts in PKR	
	Note	As at June 30, 2019	As at June 30, 2018
<b>4 Long-term investment</b>			
<i>Available-for-Sale</i>			
- at fair value			
AKDN mutual fund	4.1	202,074	193,723
- at cost			
Plots in Islamabad	4.2	27,753,700	27,753,700
		<b>27,955,774</b>	<b>27,947,423</b>
4.1 The Company holds 3,766 (2018: 3,766) units in AKD Aggressive Income Fund of AKD Investment Management Limited at Net Asset Value of Rs. 51.4394 per unit (2018: 51.439)			
4.2 The Company holds 4 plots in Multi professional Cooperative Housing Society (MPCHS) B-17 Islamabad.			
<b>5 Loans and advances</b>			
<b>Considered good</b>			
Advances to:			
Directors		-	-
Employees		777,792	952,866
Projects		800,419	1,647,945
		<b>1,578,211</b>	<b>2,600,811</b>
<b>Considered doubtful</b>		-	-
		<b>1,578,211</b>	<b>2,600,811</b>
<b>6 Trade deposits and short-term prepayments</b>			
Trade deposits		230,000	50,000
Short-term prepayments		86,810	68,584
		<b>316,810</b>	<b>118,584</b>
<b>7 Cash and bank balances</b>			
Cash with banks - local currency			
- current account		16,132,592	14,947,063
Cash with banks - foreign currency			
- current account		17,543,183	31,300,349
Cash in hand - PKR		29,209	15,421
		<b>33,704,984</b>	<b>46,262,833</b>
<b>8 General fund</b>			
Opening balance		21,228,731	24,689,265
Surplus / deficit for the year		4,297,060	(3,460,535)
Closing balance		<b>25,525,791</b>	<b>21,228,731</b>

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Centre for Peace and Development Initiatives  
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Notes to the Financial Statements  
For the year ended June 30, 2019

		Amounts in PKR	
	Note	As at June 30, 2019	As at June 30, 2018
<b>9 Unutilized grant</b>			
Opening balance		59,182,821	44,038,607
Funds received during the year	9.1	64,331,071	76,260,864
Grants returned during the year		(2,726,180)	-
Charged to grant revenue		(78,763,403)	(61,116,650)
Closing balance		42,024,310	59,182,821
<b>9.1 DAI</b>		66,722	-
Worldlearning		649,950	271,650
National Endowment for Democracy (NED)		30,828,560	22,700,650
Foundation Open Society Institute (FOSI)		-	33,539,700
European Union & Friedrich Naumann Foundation (FNF)		25,217,456	18,271,101
US Consulate		3,945,495	-
UNDP-CIAF		-	900,285
TDEA-DESP		-	441,279
Oxfam		3,622,888	-
Center for regulation policy and governance		-	136,199
		64,331,071	76,260,864
<b>10 Trade and other payables</b>			
Accrued liabilities		21,870	24,960
Other liabilities		137,500	137,500
		159,370	162,460
<b>11 Contingencies and commitments</b>			
Contingencies and commitments	11.1	-	-
11.1 The company does not have any outstanding claims or capital commitments. (2018: NIL)			
<b>12 Revenue</b>			
Restricted grant		78,763,403	61,116,650
Grant in kind		3,060,000	-
Consultancies		-	753,480
		81,823,403	61,870,130

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PARTICULARS	Operating Expense	Consultancy Expenses	Project Expenses									TOTAL Project Expenses	June 30, 2019 Consolidated	June 30, 2018 Consolidated
			DLG-EU	Election Watch	IPPEP-US	NED 2018-0090	NED 2019-0065	OSF-CLE	OSF-RTI	Oxfam	Rule of Law			
Salaries, wages and per diems	128,777	-	9,591,928	2,300,326	1,838,485	5,813,733	5,109,998	-	8,860,030	676,720	1,899,562	36,090,782	36,219,559	36,796,800
Seminar and workshops	-	-	12,082,235	-	601,544	8,887,922	-	639,027	622,192	669,509	-	23,502,429	23,502,429	15,536,976
Travelling, boarding and lodging	426,492	-	1,648,604	-	68,527	2,039,797	350,265	288,201	809,175	385,720	-	5,590,289	6,016,781	3,020,399
Communications	-	-	629,350	-	15,577	179,488	114,239	280	241,029	-	-	1,179,963	1,179,963	1,114,277
Consultancy and contractual services	480,500	-	-	-	250,000	5,908,000	60,000	405,000	115,000	1,533,750	-	8,271,750	8,752,250	2,135,040
Insurance Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	630,096
Printing and stationery	7,455	-	94,059	-	-	100,937	755	-	2,825	10,044	-	208,620	216,075	450,315
Space and utilities	826,084	-	475,019	-	-	649,355	540,177	-	544,383	-	-	2,208,934	3,035,018	2,825,263
Bank charges	362	-	2,025	-	-	19,390	812	-	90,125	580	-	112,932	113,294	133,557
Repair & maintenance	306,418	-	33,000	-	-	18,970	5,380	-	101,000	-	-	158,350	464,768	376,423
Online services fee	99,527	-	451,068	-	-	3,844	50,833	-	105,782	-	-	611,527	711,054	810,594
Production and broadcasting	-	-	-	-	-	-	-	-	-	-	-	-	-	185,000
Supplies and equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	181,065
Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	103,841
Boarding and lodging	-	-	-	-	-	-	-	-	-	-	-	-	-	14,860
Office supplies	51,271	-	22,320	-	-	620,917	56,084	-	42,940	-	-	742,261	793,532	942,435
Fee and Subscription	114,966	-	-	-	-	-	-	-	5,585	-	-	5,585	120,551	221,236
Food and refreshment	21,988	-	-	-	-	2,290	5,680	-	17,557	-	-	25,527	47,515	63,686
Newspaper and periodicals	10,975	-	-	-	-	-	-	-	-	-	-	-	10,975	7,954
Professional charges	137,500	-	-	-	-	-	-	-	-	-	-	-	137,500	1,005,095
Miscellaneous	228,360	-	-	-	-	-	-	-	14,976	-	-	14,976	243,336	79,705
Tolls and taxes	252,862	-	-	-	-	-	-	-	39,478	-	-	39,478	292,340	329,636
Consultancy and contractual services	-	452,500	-	-	-	-	-	-	-	-	-	-	452,500	895,503
Loss on sale of fixed assets	122,250	-	-	-	-	-	-	-	-	-	-	-	122,250	(465,597)
13.1 Auditor's remuneration - statutory audit fee	137,500	-	-	-	-	-	-	-	-	-	-	-	137,500	137,500
Depreciation	1,169,419	-	-	-	-	-	-	-	-	-	-	-	1,169,419	1,151,288
<b>Total</b>	<b>4,522,706</b>	<b>452,500</b>	<b>25,029,608</b>	<b>2,300,326</b>	<b>2,774,133</b>	<b>24,244,643</b>	<b>6,294,223</b>	<b>1,332,508</b>	<b>11,612,077</b>	<b>3,276,323</b>	<b>1,899,562</b>	<b>78,763,403</b>	<b>83,738,609</b>	<b>68,682,947</b>

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Notes to the Financial Statements  
For the year ended June 30, 2019

		Amounts in PKR	
	Note	As at June 30, 2019	As at June 30, 2018
<b>13.1 Auditor's remuneration</b>			
<b>Audit services</b>			
Annual audit fee		137,500	137,000
Out of pocket expenses		-	-
		<b>137,500</b>	<b>137,000</b>
<b>14 Other income</b>			
Other income - miscellaneous		-	20,630
Exchange gain		6,203,915	3,326,535
Revaluation of investment		8,351	5,117
		<b>6,212,266</b>	<b>3,352,282</b>

**15 Taxation**

15.1 As per sub-section 2 of section 100C, non-profit organizations, trust or welfare organization shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum and final tax payable under any of the provision of Income Tax Ordinance, 2001, subject to the following conditions, namely:

- a) return has been filed;
- b) tax required to be deducted or collected has been deducted or collected and paid; and
- c) withholding tax statements for the immediately preceding tax year have been filed.
- d) the administrative and management expenditure does not exceed 15% of the total receipts:

The operations for the Company fall within the purview of clause (a) & (e) of sub-section 2 of Section 100C of the Income Tax Ordinance, 2001 and the Institute intends to comply with the above-mentioned requirements, hence the Company will be eligible to claim tax credit equal to one hundred percent of the tax payable on donations and interest income on investments by the Company. Tax credit of one hundred percent is allowed under Section 100C of Income Tax Ordinance, 2001 in respect of tax payable including final taxes payable and consequently no charge has been recognized in these financial statement for the period ended June 30, 2019.

15.2 No provision for taxation has been created as the Company is eligible for hundred percent (100%) tax credit on taxes payable on donation and interest income on investments by the Company on donations under clause (a) & (e) of sub-section 2 of section 100C of Income Tax Ordinance, 2001.

	2018	2017	2016
Income tax provisions for the year - accounts	-	-	-
Income tax provisions as per tax assessment	-	-	-

**16 Related party relationships and transactions**

The related parties comprise of directors, key management personnel and entities over the which the directors are able to exercise influence.

Balances and transactions with related parties during the year are given below. Remuneration of chief executive and director are also disclosed separately in the note 17.

Relationship with party	Nature of transactions	2019	2018
Key management - director	advance disbursed	-	3,000,000
	receipts	-	(3,000,000)
		-	-

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**17 Remuneration of Chief Executive, Directors and Executives**

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the chief executive, directors and executives of the Company are given below:-

	2019			2018		
	Chief Executive	Directors (Rupees)	Executives	Chief Executive	Directors (Rupees)	Executives
Managerial remuneration	8,011,270	-	8,826,202	7,926,174	-	8,042,186
Allowances	-	-	-	-	-	-
<b>Total</b>	<b>8,011,270</b>	<b>-</b>	<b>8,826,202</b>	<b>7,926,174</b>	<b>-</b>	<b>8,042,186</b>
No. of persons	1	1	5	1	1	5

**18 Fair value of financial assets and liabilities**

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

Financial assets	35,600,005	48,982,228
Financial liabilities	159,370	162,460
<b>Net financial assets / (liabilities)</b>	<b>35,440,635</b>	<b>48,819,768</b>

**19 Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk associated with various financial assets and liabilities respectively, as referred to in notes 20 to 23 below. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

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Amounts in PKR

20 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk .

20.1 Interest / Mark up Rate Risk Management

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income bearing financial assets and interest / mark-up bearing financial liabilities, the following table indicates their effective interest / mark-up rates at the balance sheet date and the periods in which they will re-price or mature:

	Effective mark up rates (%)	Interest / Mark-up bearing			Non-Interest / Mark-up bearing			Total
		Maturity up to one year	Maturity one to five years	Sub-total	Maturity up to one year	Maturity one to five years	Sub-total	
<b>Financial assets</b>								
Trade deposits	-	-	-	-	86,810	230,000	316,810	316,810
Advances - unsecured	-	-	-	-	1,578,211	-	1,578,211	1,578,211
Cash and bank balances	-	-	-	-	33,704,984	-	33,704,984	33,704,984
	-	-	-	-	35,370,005	230,000	35,600,005	35,600,005
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	-	159,370	-	159,370	159,370
	-	-	-	-	159,370	-	159,370	159,370
<b>Net financial assets / (liabilities) - Jun. 30, 2019</b>	-	-	-	-	<b>35,210,635</b>	<b>230,000</b>	<b>35,440,635</b>	<b>35,440,635</b>
Net financial assets / (liabilities) - Jun. 30, 2018	-	-	-	-	48,769,768	50,000	48,819,768	48,819,768

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Notes to the Financial Statements  
For the year ended June 30, 2019

		Amounts in PKR	
	Note	As at June 30, 2019	As at June 30, 2018

**21 Foreign currency risk**

Foreign 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. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. The Company considered the foreign currency risk to be immaterial currently.

**21.1 Exposure to foreign currency risk**

The Company's exposure to foreign currency risk was as follows based on following amounts:

		Amounts in USD	
	Note	As at June 30, 2019	As at June 30, 2018
Bank balances		109,508	252,973
Other financial assets		-	-
Gross statement of financial position exposure		109,508	252,973

Following significant exchange rates were used:

		Amounts in PKR	
	Note	As at June 30, 2019	As at June 30, 2018
US Dollars -as at statement of financial position date		160.20	123.73

**21.2 Sensitivity analysis**

A 10 percent weakening of the PKR against the foreign currencies at 30 June would have increased accumulated funds and income and expenditure statement by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

income and expenditure statement	1,754,318	3,130,035
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A 10 percent strengthening of the Rupee against the respective foreign currencies at 30 June would have had the equal but opposite effect on respective foreign currencies to the amounts shown above, on the basis that all other variables remain constant.

**22 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed completely to perform as contracted.

The Company's credit risk is primarily attributable to its placements with banks. The Company's placements are with banks having high credit. Due to the high credit worthiness of counter parties the credit risk is considered minimal.

**23 Liquidity risk**

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for meeting new commitments and requirements. As a result the Company saw a significantly improved cash flows from all the operations and hence liquidity risk is considered minimal.

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Notes to the Financial Statements  
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		Amounts in PKR		
	Note	As at June 30, 2019	As at June 30, 2018	
24	Cash and cash equivalents at the end of the year			
	Cash and bank balances	7	33,704,984	46,262,833
25	Number of employees			
	The number of employees as of statement of financial position date	27		34
	Average number of employees during the year	31		31

**26 Date of authorization**

These financial statements were authorized by Board of Directors on 03 OCT 2019. These financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.

**27 General**

Figures have been rounded off to the nearest rupee.

Comparative figures have been re-stated, wherever necessary, for the purposes of comparison.

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CHIEF EXECUTIVE

*[Signature]*

DIRECTOR