

**CENTRE FOR PEACE  
AND DEVELOPMENT INITIATIVES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR  
ENDED JUNE 30, 2021**



## 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, 2021, 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, 2021 and of the deficit 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 are 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*

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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, 2021

		Amounts in PKR	
	Note	June 30, 2021	June 30, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,197,715	5,018,429
Long-term investment	4	28,435,098	27,971,850
		32,632,813	32,990,279
<b>Current assets</b>			
Loans and advances	5	342,024	2,742,933
Trade deposits and short-term prepayments	6	442,148	463,641
Advance tax	7	40,570	-
Cash and bank balances	8	33,484,447	45,631,927
		34,309,189	48,838,501
<b>Total assets</b>		<b>66,942,002</b>	<b>81,828,780</b>
<b>EQUITY AND LIABILITIES</b>			
General fund	9	12,416,858	15,420,154
<b>Non-current liabilities</b>			
Restricted grant	10	41,937,931	63,723,010
Provision for gratuity	11	5,365,494	2,510,349
		47,303,425	66,233,359
<b>Current liabilities</b>			
Trade and other payables	12	7,221,719	175,268
Contingencies and commitments	13	-	-
<b>Total equity and liabilities</b>		<b>66,942,002</b>	<b>81,828,780</b>

The Auditor's report is set out on pages 1 to 3.  
The annexed notes 1 to 30 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
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, 2021

		Amounts in PKR	
	Note	For the year ended June 30, 2021	For the year ended June 30, 2020
<b>Income</b>			
Restricted grant	14	73,202,814	82,605,608
Donation in kind		-	-
		<b>73,202,814</b>	<b>82,605,608</b>
<b>Expenses</b>			
Project	15	(73,202,814)	(82,605,608)
Administration and selling	15	(7,157,919)	(11,056,881)
		<b>(80,360,733)</b>	<b>(93,662,489)</b>
<b>Operating result</b>		<b>(7,157,919)</b>	<b>(11,056,881)</b>
Other income	16	4,156,417	2,199,110
Deficit before tax		<b>(3,001,502)</b>	<b>(8,857,771)</b>
Income tax expense	17	(1,794)	-
<b>Deficit for the year</b>		<b>(3,003,296)</b>	<b>(8,857,771)</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 Other Comprehensive Income

For the year ended June 30, 2021

		Amounts in PKR	
	Note	For the year ended June 30, 2021	For the year ended June 30, 2020
Deficit for the year		(3,003,296)	(8,857,771)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(3,003,296)</b>	<b>(8,857,771)</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, 2021

Amounts in PKR

	Accumulated funds	Total
<b>Balance as at June 30, 2019</b>	<b>25,525,790</b>	<b>25,525,790</b>
Restatement of opening balance	(1,247,865)	(1,247,865)
Deficit for the year	(8,857,771)	(8,857,771)
<b>Balance as at June 30, 2020</b>	<b>15,420,154</b>	<b>15,420,154</b>
Deficit for the year	(3,003,296)	(3,003,296)
<b>Balance as at June 30, 2021</b>	<b>12,416,858</b>	<b>12,416,858</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 Cash Flows**  
For the year ended June 30, 2021

		Amounts in PKR	
	Note	For the year ended June 30, 2021	For the year ended June 30, 2020
<b>Cash flows from operating activities</b>			
Deficit for the year		(3,001,502)	(8,552,941)
Adjustments for:			
Depreciation	3.1	820,715	1,368,012
Gain on sale of assets		-	(353,930)
Provision for gratuity		3,294,325	1,867,741
Exchange gains		950,292	(781,520)
		<u>5,065,332</u>	<u>2,100,303</u>
		2,063,830	(6,452,638)
<b>Movement in Working Capital</b>			
<b>Decrease / (Increase) in current assets</b>			
Loans and advances		2,400,909	(1,164,722)
Trade deposits and short-term prepayments		21,493	(146,831)
Advance tax		(42,364)	-
		<u>2,380,038</u>	<u>(1,311,553)</u>
<b>Increase in current liabilities</b>			
Creditors, accrued and other liabilities		<u>7,046,451</u>	<u>15,898</u>
		9,426,489	(1,295,655)
Cash generated (used in) / from operations		11,490,319	(7,748,293)
Gratuity paid		(439,180)	(910,087)
<b>Net cash generated from / (used in) operating activities</b>		<b>11,051,139</b>	<b>(8,658,380)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sales of fixed assets		-	900,000
Long term investment increased		(463,248)	(16,076)
Payments for capital expenditure		-	(2,778,820)
<b>Net cash (used in) investing activities</b>		<b>(463,248)</b>	<b>(1,894,896)</b>
<b>Cash Flows from Financing Activities</b>			
Funds received		(21,785,078)	21,698,700
<b>Net cash (used in) / generated from financing activities</b>		<b>(21,785,078)</b>	<b>21,698,700</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(11,197,188)</b>	<b>11,145,424</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>45,631,927</b>	<b>33,704,984</b>
Effect of foreign currency (loss) / gain		(950,292)	781,520
<b>Cash and Cash Equivalents as at June 30</b>		<b>33,484,447</b>	<b>45,631,927</b>

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

The annexed notes 1 to 30 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
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, 2021

**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 House No. 1-A, Service Road East, National Police Foundation, Sector E-11/3, Islamabad.

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

**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, 2020 to June 30, 2021.

**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.

**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.

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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, 2021

**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**

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into accounts available tax credits or rebates, if any, in accordance with the Income Tax Ordinance, 2001. The charge for current tax includes adjustments to charge for prior years, if any. The Tax charge calculated under the provision of Section 100C(1A) of the Income Tax Ordinance, 2001 is compared with Alternative Corporate Tax (ACT) @17% of accounting profit under Section 113C and minimum tax @ 1.5% under Section 113 of the Income Tax Ordinance, 2001 whichever is higher is charged as current tax in the Income and Expenditure Account.

**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, 2021

**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, 2021

**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, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020
<b>3 Property, plant and equipment</b>	<b>3.1</b>	<b>4,197,715</b>	<b>5,018,429</b>

3.1 Following is the statement of property, plant and equipment:

Particulars	Cost				Rate %	Depreciation			Written Down Value As at June 30, 2021
	As at July 01, 2020	Additions during the year	Deletions during the year	As at June 30, 2021		As at July 01, 2020	Charge for the year	Deletions during the year	As at June 30, 2021
Furniture, fixtures and fittings	1,840,146	-	-	1,840,146	10	1,122,328	184,015		1,306,343
Computers & equipments	7,116,706	-	-	7,116,706	33	7,116,706	-	-	7,116,706
Motor vehicles	6,367,000	-	-	6,367,000	10	2,066,389	636,700		2,703,089
<b>June 30, 2021</b>	<b>15,323,852</b>	<b>-</b>	<b>-</b>	<b>15,323,852</b>		<b>10,305,423</b>	<b>820,715</b>	<b>-</b>	<b>11,126,137</b>

Particulars	Cost				Rate %	Depreciation			Written Down Value As at June 30, 2020
	As at July 01, 2019	Additions during the year	Deletions during the year	As at June 30, 2020		As at July 01, 2019	Charge for the year	Deletions during the year	As at June 30, 2020
Furniture, fixtures and fittings	1,846,326	13,820	(20,000)	1,840,146	10	957,929	184,399	(20,000)	1,122,328
Computers & equipments	7,116,706	-	-	7,116,706	33	6,651,399	465,307	-	7,116,706
Motor vehicles	4,731,800	2,765,000	(1,129,800)	6,367,000	10	1,931,814	718,305	(583,730)	2,066,389
<b>June 30, 2020</b>	<b>13,694,832</b>	<b>2,778,820</b>	<b>(1,149,800)</b>	<b>15,323,852</b>		<b>9,541,141</b>	<b>1,368,012</b>	<b>(603,730)</b>	<b>10,305,423</b>

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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, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020
<b>4 Long-term investment</b>			
<i>Available-for-Sale</i>			
- at fair value			
AKDN fund	4.1	231,798	218,150
- at cost			
Plots in Islamabad	4.2	28,203,300	27,753,700
		<b>28,435,098</b>	<b>27,971,850</b>
4.1	The Company holds 4,434 (2020: 4,230) units in AKD Aggressive Income Fund of AKD Investment Management Limited at Net Asset Value of Rs. 52.2773 per unit (2020: 51.5626)		
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		228,715	458,336
Projects		113,309	2,284,597
		<b>342,024</b>	<b>2,742,933</b>
<b>Considered doubtful</b>		-	-
		<b>342,024</b>	<b>2,742,933</b>
<b>6 Trade deposits and short-term prepayments</b>			
Trade deposits		370,000	350,000
Short-term prepayments		72,148	113,641
		<b>442,148</b>	<b>463,641</b>
<b>7 Advance tax</b>			
Advance tax		40,570	-
<b>8 Cash and bank balances</b>			
Cash with banks - local currency			
- current account		31,880,718	33,667,283
Cash with banks - foreign currency			
- current account		1,595,579	11,946,295
Cash in hand - PKR		8,150	18,349
		<b>33,484,447</b>	<b>45,631,927</b>
<b>9 General fund</b>			
Opening balance		16,956,774	25,525,791
(Deficit) for the year		(3,003,296)	(8,569,017)
Closing balance		<b>13,953,478</b>	<b>16,956,774</b>
<b>10 Restricted grant</b>			
Opening balance		63,723,010	42,024,310
Funds received during the year	10.1	51,547,121	104,304,308
Gants returned during the year		(129,385)	-
Charged to grant revenue		(73,202,814)	(82,605,608)
Closing balance		<b>41,937,931</b>	<b>63,723,010</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, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020
<b>10.1 Funds received during the year</b>			
DAI		-	-
European Union-CIME		-	32,951,112
IFES		15,390,538	2,007,000
Worldclearing		-	360,393
National Endowment for Democracy (NED)		30,932,708	30,542,177
European Union & Friedrich Naumann Foundation (FNF)		-	36,537,625
US Consulate		-	1,906,001
Common Wealth Foundation (CW)		5,173,875	
		<b>51,497,121</b>	<b>104,304,308</b>
<b>11 Provisions for gratuity</b>			
Opening balance		2,510,349	1,247,865
Provision for the year	11.1	3,294,325	2,172,571
Payments during the year		(439,180)	(910,087)
Net liability at end of the year		<b>5,365,494</b>	<b>2,510,349</b>
11.1	The Company is unable, without undue cost or effort, to use the projected unit credit method to measure its obligation and cost under defined benefits plans. The Company ignored the assumptions (i.e. estimated future salary increase, future service of current employees and possible in-service mortality of current employees between reporting date and the date employees are expected to begin receiving post-employment benefits) and has included vested and unvested benefits in measuring its defined benefits obligation.		
<b>12 Trade and other payables</b>			
Account payables	12.1	7,076,616	-
Accrued liabilities		144,890	175,268
Other payables		213	-
		<b>7,221,719</b>	<b>175,268</b>
12.1	It represents amount payables to implementing partners.		
<b>13 Contingencies and commitments</b>			
Contingencies and commitments	13.1	-	-
13.1	The company does not have any outstanding claims or capital commitments. (2020: NIL)		
<b>14 Revenue</b>			
Restricted grant		73,202,814	82,605,608
Grant in kind		-	-
		<b>73,202,814</b>	<b>82,605,608</b>

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Amounts in PKR

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Expenditure

PARTICULARS	Operating Expenses														TOTAL Project Expenses	June 30, 2021 Consolidated	June 30, 2020 Consolidated
		CW-CF Covid19	DLO-EU	EU-CIME	QIZ	IFES-NC	IFES-SL-P	IFES-WE	IPPCP-US	NED	NED 2020-21	OSF-CLE	Oxfam	Not Specified			
Salaries, wages and per diems	5,128,491	887,150	-	14,276,761	345,867	648,157	2,232,820	4,586,978	-	4,677,156	7,613,241	-	-	-	35,268,130	40,396,621	41,099,024
Seminar and workshops	-	-	-	4,413,729	-	-	476,984	-	-	230	290,150	-	-	-	5,181,093	5,101,093	2,379,621
Meetings	-	42,548	-	226,322	-	1,150	-	-	-	-	225,215	-	-	-	495,235	495,235	-
Travelling, boarding and lodging	74,755	1,620	-	424,117	-	557,852	18,822	-	9,814	681,712	2,344,692	-	-	-	4,038,629	4,113,384	6,657,061
Communications	41,616	16,950	-	-	-	9,630	66,630	25,544	-	134,020	238,905	-	-	-	491,679	533,295	1,476,775
Technical Services	315,962	-	-	-	-	-	1,991,800	2,302,600	-	595,000	3,951,800	1,038,340	-	-	9,879,540	10,195,502	5,694,600
Printing and stationery	1,660	2,600	-	507,500	-	3,990	19,215	-	-	1,105	52,757	-	-	-	587,167	588,827	820,568
Space and utilities	33,432	19,973	-	393,890	-	-	20,774	7,167	-	28,475	66,395	-	-	-	536,674	570,106	1,015,258
Bank charges	2,589	700	-	-	-	12,653	4,784	-	-	7,395	18,080	-	-	-	43,612	46,201	65,555
Repair & maintenance	203,732	-	-	-	-	-	-	-	-	1,500	5,580	-	-	-	7,080	210,812	462,456
Online services fee	6,556	5,933	-	-	-	-	38,926	36,400	-	80,629	54,946	-	-	-	216,836	223,392	848,403
Supplies and equipments	2,900	153,500	-	308,800	-	-	-	-	-	-	-	-	-	-	462,300	465,200	2,944,200
Office Rent	-	150,000	-	801,337	-	-	138,000	78,000	-	379,660	465,373	-	-	-	2,012,370	2,012,370	2,718,771
Office supplies	128,698	1,300	-	634,730	-	-	191,545	93,793	-	43,967	344,274	-	-	-	1,309,629	1,438,327	118,547
Fee and Subscription	21,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,630	56,128
Advocacy	147,951	-	-	162,350	-	28,000	-	-	-	-	3,521,400	-	-	-	3,711,750	3,859,701	13,624,640
Newspaper and periodicals	15,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,555	13,230
Professional charges	42,000	-	-	305,000	-	-	-	-	-	-	-	-	-	-	305,000	347,000	350,517
Miscellaneous	20,077	-	-	1,796,507	-	-	-	-	-	-	-	-	-	-	1,796,507	1,816,584	179,383
Survey & Research	12,100	-	-	397,978	-	833,023	-	-	-	-	1,360,000	-	-	-	2,591,001	2,603,101	9,947,445
Consultancy Fee	-	-	-	4,268,582	-	-	-	-	-	-	-	-	-	-	4,268,582	4,268,582	-
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.1 Auditor's remuneration - statutory audit	137,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	137,500
Depreciation	820,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	820,715	1,368,012
<b>Total</b>	<b>7,167,919</b>	<b>1,282,274</b>	<b>-</b>	<b>28,917,603</b>	<b>345,867</b>	<b>2,094,455</b>	<b>5,200,300</b>	<b>7,130,482</b>	<b>9,814</b>	<b>6,630,869</b>	<b>20,552,810</b>	<b>1,038,340</b>	<b>-</b>	<b>-</b>	<b>73,202,814</b>	<b>80,360,733</b>	<b>93,357,659</b>

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Notes to the Financial Statements  
For the year ended June 30, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020
<b>15.1 Auditor's remuneration</b>			
Annual audit fee		137,500	137,500
Other services		-	-
		<b>137,500</b>	<b>137,500</b>
<b>16 Other income</b>			
Contribution for services		4,973,450	1,047,584
Profit on bank		119,611	-
Exchange gain/loss		(950,292)	781,520
Gain on sale of asset		-	353,930
Revaluation of investment		13,648	16,076
		<b>4,156,417</b>	<b>2,199,110</b>

**17 Taxation**

Current tax	17.1	1,794	-
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- 17.1 Current tax has been calculated of Rs. 1,794 (2020: Rs. Nil) turnover tax @1.5% of the profit on debt under section 113 of the Income Tax Ordinance, 2001.
- 17.2 The applicable tax rate is 23% (2020: 24%) for the current year presented, as provided in the provisions of the Income Tax Ordinance, 2001.
- 17.3 Deferred tax asset of Rs. 2,559,011 (2020: Rs. Nil) on account of operating assets 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 the Company shall be 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

**18 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 18.1.

**18.1 Remuneration of chief executive and executives**

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

	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees)		(Rupees)	
Remuneration paid	8,283,578	15,021,455	8,978,047	12,447,214
Allowances paid and contribution to gratuity fund	350,363	576,450	452,081	1,041,645
Total	<b>8,633,941</b>	<b>15,597,905</b>	<b>9,430,128</b>	<b>13,488,859</b>
No. of persons	1	8	1	5

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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, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020

**19 Restatement of comparative figures**

Comparative figures of the following statement of financial position items have been restated to comply with the requirements of IFRS for SMEs. The gratuity for the year ended June 30, 2019 was not recorded and was under-stated for the year ended June 30, 2020. This is now corrected by restating the comparative figures. This has resulted a decrease in accumulated funds by Rs. 1,552,695.

The effect of change in accounting estimate is summarized below:

	As at July 1, 2019		
	As previously	As restated	Re-statement
<b>Effect on statement of financial position</b>			
Provision for gratuity	-	1,247,865	1,247,865
Accumulated funds	25,525,790	24,277,925	1,247,865
	As at June 30, 2020		
	As previously	As restated	Re-statement
<b>Effect on statement of financial position</b>			
Provision for gratuity	957,654	2,510,349	1,552,695
	For the year ended June 30, 2020		
	As previously	As restated	Re-statement
<b>Effect on statement of profit or loss</b>			
Administration and selling expenses	10,752,951	11,057,781	304,830

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

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

Financial assets	34,196,471	48,838,501
Financial liabilities	7,221,719	175,268
<b>Net financial assets / (liabilities)</b>	<b>26,974,752</b>	<b>48,663,233</b>

**21 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 22 to 25 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

**22 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 .

**22.1 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		-	-	-		370,000	370,000	370,000
Advances - unsecured		-	-	-	342,024	-	342,024	342,024
Cash and bank balances		-	-	-	33,484,447	-	33,484,447	33,484,447
		-	-	-	33,826,471	370,000	34,196,471	34,196,471
<b>Financial liabilities</b>								
Trade and other payables		-	-	-	7,221,719	-	7,221,719	7,221,719
		-	-	-	7,221,719	-	7,221,719	7,221,719
<b>Net financial assets / (liabilities) - Jun. 30, 2021</b>		-	-	-	<b>26,504,752</b>	<b>370,000</b>	<b>26,974,752</b>	<b>26,974,752</b>
<b>Net financial assets / (liabilities) - Jun. 30, 2020</b>		-	-	-	<b>48,313,233</b>	<b>350,000</b>	<b>48,663,233</b>	<b>48,663,233</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, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020

**23 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.

**23.1 Exposure to foreign currency risk**

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

	Amounts in USD	
	As at June 30, 2021	As at June 30, 2020
Bank balances	10,089	70,877
Other financial assets	-	-
Gross statement of financial position exposure	10,089	70,877

Following significant exchange rates were used:

	Amounts in PKR	
	As at June 30, 2021	As at June 30, 2020
US Dollars -as at statement of financial position date	158.15	168.55

**23.2 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	159,558	1,194,630
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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.

**24 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.

**25 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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Centre for Peace and Development Initiatives  
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Notes to the Financial Statements  
For the year ended June 30, 2021

		Amounts in PKR	
	Note	As at June 30, 2021	As at June 30, 2020
<b>26 Impact of Covid-19 (Coronavirus)</b>			
Late in 2019 news emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. To date the operations of the organization have continued uninterrupted during this pandemic. The management considers that the pandemic does not have any material adverse impact on consolidated financial position, the results of operations and cash flows for the year ended June 31, 2021. Management will continue to monitor the potential impacts and will take all steps possible to mitigate any effects.			
<b>27 Cash and cash equivalents at the end of the year</b>			
Cash and bank balances	8	33,484,447	45,631,927
<b>28 Number of employees</b>			
The number of employees as of statement of financial position date		31	31
Average number of employees during the year		31	29
<b>29 Date of authorization</b>			
These financial statements were authorized by Board of Directors on <b>05 OCT 2021</b> . These financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.			
<b>30 General</b>			
Figures have been rounded off to the nearest rupee.			
Comparative figures have been re-stated, wherever necessary, for the purposes of comparison.			

  
CHIEF EXECUTIVE

  
DIRECTOR