

**CENTRE FOR PEACE  
AND DEVELOPMENT INITIATIVES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR  
ENDED JUNE 30, 2023**



## 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, 2023, 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, 2023 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) 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.

*Omer Adil*

*Omer Adil*

Islamabad

October 04, 2023

UDIN: AR202310351fNsurZwVv



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, 2023

	Note	2023 (Rupees)	2022 (Rupees) (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	31,831,082	4,119,476
Investment property	4	21,323,300	28,203,300
Long-term investment	5	252,510	241,406
		53,406,892	32,564,182
<b>Current assets</b>			
Receivable from donors	6	15,376,727	7,583,943
Loans and advances	7	15,748,965	948,840
Trade deposits and short-term prepayments	8	1,840,650	1,246,521
Taxation - net	9	1,798,159	(545,937)
Cash and bank balances	10	111,525,861	56,823,447
		146,290,362	66,056,814
<b>Total assets</b>		<b>199,697,254</b>	<b>98,620,996</b>
<b>EQUITY AND LIABILITIES</b>			
General fund	11	55,175,188	16,928,520
		55,175,188	16,928,520
<b>Non-current liabilities</b>			
Restricted grant	12	143,367,270	67,939,920
<b>Current liabilities</b>			
Trade and other payables	13	1,154,796	13,752,556
Contingencies and commitments	14	-	-
<b>Total equity and liabilities</b>		<b>199,697,254</b>	<b>98,620,996</b>

The Auditor's report is set out on pages 1 to 3.  
The annexed notes 1 to 31 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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
<b>Income</b>			
Restricted grant	15	225,703,365	161,502,371
Unrestricted grant		-	-
		<b>225,703,365</b>	<b>161,502,371</b>
<b>Expenses</b>			
Project cost	16	(225,703,365)	(161,502,371)
Administration and selling	16	(6,293,167)	(8,858,148)
		<b>(231,996,531)</b>	<b>(170,360,518)</b>
<b>Operating result</b>		<b>(6,293,167)</b>	<b>(8,858,148)</b>
Other income	17	44,539,834	14,293,886
Surplus before tax		<b>38,246,667</b>	<b>5,435,738</b>
Income tax	18	-	(924,076)
<b>Surplus for the year</b>		<b>38,246,667</b>	<b>4,511,662</b>

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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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Surplus for the year		38,246,667	4,511,662
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>38,246,667</b>	<b>4,511,662</b>

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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, 2023

	Accumulated funds (Rupees)	Total (Restated)
Balance as at June 30, 2021	12,416,858	12,416,858
Surplus for the year	4,511,662	4,511,662
Balance as at June 30, 2022	16,928,520	16,928,520
Surplus for the year	38,246,667	38,246,667
Balance as at June 30, 2023	55,175,188	55,175,188

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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
<b>Cash flows from operating activities</b>			
Surplus for the year		38,246,667	5,435,738
Adjustments for;			
Depreciation	3.1	1,574,043	879,339
Gain on sale of assets		(31,100)	(88,257)
Gain on sale of property		(23,120,000)	-
Remeasurement of investment		(11,104)	-
Exchange (gain)		(818,400)	(471,075)
		(22,406,561)	320,007
		15,840,107	5,755,745
<b>Movement in Working Capital</b>			
<i>(Increase) in current assets</i>			
Receivable from donors		(7,792,784)	(7,583,943.00)
Loans and advances		(14,800,125)	(606,816)
Trade deposits and short-term prepayments		(594,129)	(804,373)
		(23,187,038)	(8,995,132)
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		(12,597,760)	1,165,344
		(12,597,760)	1,165,344
<b>Net working capital changes</b>		<b>(35,784,798)</b>	<b>(7,829,788)</b>
Cash generated from operations		(19,944,691)	(2,074,043)
Tax paid		(2,344,096)	(337,569)
<b>Net cash (used in) operating activities</b>		<b>(22,288,787)</b>	<b>(2,411,612)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sales of fixed assets		31,100	110,257
Proceeds from sales of property		30,000,000	-
Long term investment made		-	(9,608)
Payments for capital expenditure		(29,285,650)	(823,100)
<b>Net cash generated from / (used in) investing activities</b>		<b>745,450</b>	<b>(722,451)</b>
<b>Cash Flows from Financing Activities</b>			
Funds received		75,427,350	26,001,989
<b>Net cash generated from financing activities</b>		<b>75,427,350</b>	<b>26,001,989</b>
<b>Net increase in cash and cash equivalents</b>		<b>53,884,014</b>	<b>22,867,925</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>56,823,447</b>	<b>33,484,447</b>
Effect of foreign currency gain / (loss)		818,400	471,075
<b>Cash and Cash Equivalents as at June 30</b>	28	<b>111,525,861</b>	<b>56,823,447</b>

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

The annexed notes 1 to 31 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, 2023

**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. 13, Street 788, G-13/4, 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, 2022 to June 30, 2023.

**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, 2023

**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**

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 are 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) under Section 113C and minimum tax 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  
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Notes to the Financial Statements  
For the year ended June 30, 2023

## 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.

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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, 2023

**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.

**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**

**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.

**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, 2023

		Amounts in PKR	
	Note	2023 (Rupees)	2022 (Rupees)
<b>3 Property, plant and equipment</b>	3.1	<b>31,831,082</b>	<b>4,119,476</b>

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

Particulars	Cost				Rate %	Depreciation			Written Down Value	
	As at July 01, 2022	Additions during the year	Deletions during the year	As at June 30, 2023		As at July 01, 2022	Charge for the year	Deletions during the year	As at June 30, 2023	As at June 30, 2023
Land	-	28,809,000	-	28,809,000	-	-	-	-	-	28,809,000
Furniture, fixtures and fittings	1,898,446	145,500	-	2,043,946	10	1,464,810	197,535	-	1,662,344	381,602
Computers & equipments	6,954,936	331,150	(311,000)	6,975,086	33	6,296,308	739,809	(311,000)	6,725,117	249,969
Motor vehicles	6,367,000	-	-	6,367,000	10	3,339,789	636,700	-	3,976,489	2,390,512
<b>June 30, 2023</b>	<b>15,220,382</b>	<b>29,285,650</b>	<b>(311,000)</b>	<b>44,195,032</b>		<b>11,100,906</b>	<b>1,574,043</b>	<b>(311,000)</b>	<b>12,363,950</b>	<b>31,831,082</b>

Particulars	Cost				Rate %	Depreciation			Written Down Value	
	As at July 01, 2021	Additions during the year	Deletions during the year	As at June 30, 2022		As at July 01, 2021	Charge for the year	Deletions during the year	As at June 30, 2022	As at June 30, 2022
Furniture, fixtures and fittings	1,840,146	102,300	(44,000)	1,898,446	10	1,306,343	180,467	(22,000)	1,464,810	433,636
Computers & equipments	7,116,706	720,800	(882,570)	6,954,936	33	7,116,706	62,172	(882,570)	6,296,308	658,628
Motor vehicles	6,367,000	-	-	6,367,000	10	2,703,089	636,700	-	3,339,789	3,027,212
<b>June 30, 2022</b>	<b>15,323,852</b>	<b>823,100</b>	<b>(926,570)</b>	<b>15,220,382</b>		<b>11,126,137</b>	<b>879,339</b>	<b>(904,570)</b>	<b>11,100,906</b>	<b>4,119,476</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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
<b>4 Investment property</b>			
- at cost			
Opening balance		28,203,300	28,203,300
Addition during the year		-	-
Disposals during the year		(6,880,000)	-
Closing balance	4.1	21,323,300	28,203,300
4.1 The Company has multiple plots in Multi Professional Cooperative Housing Society (MPCHS) in sector B-17, Islamabad. The Organization has sold Plot No. 402 located in Jhang Bahtar.			
<b>5 Long-term investment</b>			
- fair value through profit and loss			
AKDN fund	5.1	252,510	241,406
5.1 The Company holds 4,724 (2022: 4,665) units in AKD Aggressive Income Fund of AKD Investment Management Limited at Net Asset Value of Rs. 53.45 per unit (2022: 51.75)			
<b>6 Receivable from donors</b>			
Considered good			
Secured		-	-
Unsecured		15,376,727	7,583,943
		15,376,727	7,583,943
Considered doubtful		-	-
		15,376,727	7,583,943
Provision for doubtful trade debts		-	-
		15,376,727	7,583,943
<b>7 Loans and advances</b>			
Considered good			
Advances to:			
Employees		1,060,000	730,250
Projects		14,688,965	218,590
		15,748,965	948,840
Considered doubtful		-	-
		15,748,965	948,840
<b>8 Trade deposits and short-term prepayments</b>			
Trade deposits		996,950	1,206,770
Short-term prepayments		843,700	39,751
		1,840,650	1,246,521
<b>9 Taxation - net</b>			
Opening balance		(545,937)	40,570
Less: charge for the year	18.1	-	(924,076)
Add: paid during the year		2,344,096	337,569
		1,798,159	(545,937)

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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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
<b>10 Cash and bank balances</b>			
Cash with banks - local currency			
- current account		59,656,076	43,192,294
Cash with banks - local currency			
- saving account		48,958,425	11,555,814
Cash with banks - foreign currency			
- current account		2,884,443	2,066,043
Cash in hand - PKR		26,917	9,296
		<b>111,525,861</b>	<b>56,823,447</b>
<b>11 General fund</b>			
Opening balance		16,928,520	12,416,858
Surplus for the year		38,246,667	4,511,662
Closing balance		55,175,188	16,928,520
<b>12 Restricted grant</b>			
Opening balance		67,939,920	41,937,931
Funds received during the year	12.1	300,926,258	180,182,753
Funds receivable		7,526,064	7,321,607
Charged to grant revenue		(225,703,365)	(161,502,371)
Charged to receivable		(7,321,607)	-
Closing balance		143,367,270	67,939,920
<b>12.1 Funds received during the year</b>			
Sub-National Governance Programme (SNG)		19,784,939	5,937,758
European Union-CIME		12,889,606	48,254,805
International Foundation for Electoral System (IFES)		-	26,483,936
Deutsche Gesellschaft für International Zusammenarbeit (GIZ)		107,070,126	61,661,763
National Endowment for Democracy (NED)		49,114,938	34,739,572
European Union-DLG		-	2,777,919
DRL		94,291,864	-
US Consulate Peshawar		6,002,460	-
TARA		11,772,326	-
Common Wealth Foundation (CW)		-	327,000
		<b>300,926,258</b>	<b>180,182,753</b>
<b>13 Trade and other payables</b>			
Account payables		476,004	8,849,298
Accrued liabilities		678,792	4,756,827
Other payables		-	146,431
		<b>1,154,796</b>	<b>13,752,556</b>

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	Note	2023 (Rupees)	2022 (Rupees)
<b>14</b>	<b>Contingencies and commitments</b>		
	Contingencies and commitments	14.1	-
14.1	The company does not have any outstanding claims or capital commitments at year end (2022: Nil).		
<b>15</b>	<b>Revenue</b>		
	Restricted grant	225,703,365	161,502,371
	Unrestricted grant	-	-
		<b>225,703,365</b>	<b>161,502,371</b>

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Centre for Peace and Development Initiatives  
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Amounts in PKR

Expenditure															
PARTICULARS	Operating Expense												TOTAL Project Expenses	June 30, 2023 Consolidated	June 30, 2022 Consolidated
		DRL	EU-CIME	US Consulate Peshawar	GHAJ	GIZ - LOGO	GIZ - PLG	GIZ-TH	NED 2022-24	NED 2021-22	SNG	TARA			
Salaries, wages and per diems	128,968	17,097,630	8,392,527	2,398,640	412,656	4,000,325	7,270,377	10,421,936	13,858,214	1,040,524	6,075,546	803,421	71,771,796	71,900,764	63,755,824
Seminar and workshops	676,496	18,305,124	6,389,095	2,383,812	-	19,322,045	1,000,121	9,305,698	4,851,158	2,510,438	7,228,848	-	71,296,339	71,972,835	67,695,010
Meetings	-	-	41,000	-	-	-	-	-	4,320,000	-	-	-	4,361,000	4,361,000	1,052,480
Travelling, boarding and lodging	854,960	7,047,402	2,105,690	1,114,142	5,635	493,890	502,160	4,385,880	4,621,651	592,142	957,615	-	21,827,207	22,682,167	10,440,521
Communications	3,986	172,894	41,274	48,010	320	82,489	50,737	155,931	602,560	1,190	29,006	-	1,184,411	1,188,397	802,737
Printing and stationery	7,250	300,476	466,900	110,966	-	829,820	15,680	1,234,583	1,624,460	-	600	2,400	4,585,885	4,593,135	724,071
Utilities	7,979	62,418	190,058	-	6,309	48,983	62,414	108,086	382,434	-	64,820	6,309	931,831	939,810	813,903
Bank charges	11,153	11,600	-	-	-	-	41	35,445	58,305	8,762	5,336	-	119,489	130,642	107,759
Repair & maintenance	279,226	12,900	23,360	-	-	2,320	4,851	44,190	288,630	750	6,785	-	383,786	663,012	341,802
Online services fee	72,722	86,519	198,819	52,217	1,110	-	64,649	46,091	355,713	-	30,506	1,110	837,134	909,856	761,295
Supplies and equipments	930,063	2,030,235	485,718	739,770	-	84,981	-	1,065,424	2,616,890	-	268,386	-	7,291,404	8,221,467	6,314,881
Office Rent	289,751	433,550	446,275	-	47,500	144,500	433,550	1,063,050	603,050	-	253,000	104,500	3,528,975	3,818,726	2,441,732
Fee and Subscription	139,694	-	-	-	-	-	-	-	-	-	-	-	-	139,694	635,213
Advocacy	-	76,000	-	168,000	-	225,000	-	-	-	-	-	-	469,000	469,000	1,602,187
Legal and professional fees	591,951	-	306,225	-	-	-	-	-	5,000	-	-	-	311,225	903,176	461,472
Sub-grants - Individual and Trust	-	13,518,187	-	-	-	-	-	-	-	-	-	-	13,518,187	13,518,187	-
Sub-grants - CSOs	-	17,206,801	-	-	-	-	-	-	-	-	-	-	17,206,801	17,206,801	-
Miscellaneous	535,174	4,507,391	-	1,025	-	54,347	41,786	949,775	208,790	2,121	313,600	-	6,078,895	6,614,069	7,318,167
Survey & Research	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,062,125
Auditor's remuneration - statutory audit	189,750	-	-	-	-	-	-	-	-	-	-	-	-	189,750	150,000
Depreciation	1,574,043	-	-	-	-	-	-	-	-	-	-	-	-	1,574,043	879,339
Total	6,293,167	80,869,127	19,087,941	7,016,582	473,530	25,288,700	9,446,366	28,816,089	34,396,855	4,155,927	15,234,508	917,740	225,703,365	231,996,531	170,360,518

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Notes to the Financial Statements  
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	Note	2023 (Rupees)	2022 (Rupees)
<b>16.1 Auditor's remuneration</b>			
Annual audit fee		189,750	150,000
Other services		-	-
		<b>189,750</b>	<b>150,000</b>
<b>17 Other income</b>			
Contribution for services		16,393,492	11,332,353
Contribution by partners		345,625	1,449,238
Donation		5,000	-
Profit on bank deposits		3,815,113	943,355
Exchange gain / (loss)		818,400	471,075
Gain on sale of fixed asset		31,100	88,257
Gain on sale of investment property		23,120,000	-
Revaluation of investment		11,104	9,608
		<b>44,539,834</b>	<b>14,293,886</b>
<b>18 Taxation</b>			
Current tax	18.1	-	924,076
18.1	Current tax has been calculated of Rs. Nil (2022: Rs. 924,076) as the Organization has one hundred percent (100%) tax credit under section 100C of the ordinance granted by the Federal Board of Revenue under power of section 2(36)c of the Income Tax Ordinance, 2001 read with rule 212 of the Income Tax Rules, 2002.		
18.2	The applicable tax rate is 20% (2022: 21%) for the current year presented, as provided in the provisions of the Income Tax Ordinance, 2001.		
18.3	The management of the Organization considers that the tax provision created for current tax expense during the period is sufficient to cover the Organization's tax liability towards the Federal Board of Revenue, Government of Pakistan.		
		<b>2022</b>	<b>2021</b>
Provision for taxation as per accounts		924,076	1,794
Tax assessment		924,076	1,794

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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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
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**19 Change in accounting policy - Provision for staff gratuity**

Comparative figures of the following statement of financial position items have been restated to comply with the requirements of IFRS for SMEs. The Organization 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. The provision for gratuity recorded by the organization was in fact bonus equivalent to one month's salary payable to employees for the year ended June 30, 2019, 2020, 2021 and 2022. This has resulted in change of accounting policy and comparative figures have been respectively restated for the year ended June 30, 2019, 2020, 2021 and 2022. This results in more accurate, reliable and relevant information for the current period and each prior period presented. The accumulated funds remain unaffected because of this change in accounting policy.

The effect of change in accounting policy is summarized below:

Effect on statement of financial position	As at July 1, 2019		
	As previously	As restated	Re-statement
Provision for gratuity	1,247,865	-	(1,247,865)
Trade and other payables	159,370	1,407,235	1,247,865

Effect on statement of financial position	As at June 30, 2020		
	As previously	As restated	Re-statement
Provision for gratuity	2,510,349	-	(2,510,349)
Trade and other payables	175,268	2,685,617	2,510,349

Effect on statement of financial position	As at June 30, 2021		
	As previously	As restated	Re-statement
Provision for gratuity	5,365,494	-	(5,365,494)
Trade and other payables	7,221,719	12,587,213	5,365,494

Effect on statement of financial position	As at June 30, 2022		
	As previously	As restated	Re-statement
Provision for gratuity	4,600,098	-	(4,600,098)
Trade and other payables	9,152,458	13,752,556	4,600,098

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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, 2023

	Note	2023 (Rupees)	2022 (Rupees)
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**20 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 20.1.

**20.1 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:

	2023		2022	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees)		(Rupees)	
Remuneration paid	10,010,418	43,871,392	9,100,382	18,210,365
Allowances	187,653	928,651	324,936	824,900
Total	10,198,071	44,800,043	9,425,318	19,035,265
No. of persons	1	21	1	10

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

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

Financial assets	144,492,203	59,018,808
Financial liabilities	1,154,796	9,152,458
Net financial assets / (liabilities)	143,337,407	49,866,351

**22 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 23 to 26 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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**23 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.

**23.1 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	
Financial assets								
Receivable from donors					15,376,727	-	15,376,727	15,376,727
Trade deposits		-	-	-	-	1,840,650	1,840,650	1,840,650
Advances - unsecured		-	-	-	15,748,965	-	15,748,965	15,748,965
Cash and bank balances	12.6%	48,958,425	-	48,958,425	62,567,436	-	62,567,436	111,525,861
		<u>48,958,425</u>	<u>-</u>	<u>48,958,425</u>	<u>78,316,401</u>	<u>1,840,650</u>	<u>80,157,051</u>	<u>144,492,203</u>
Financial liabilities								
Trade and other payables		-	-	-	1,154,796	-	1,154,796	1,154,796
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,796</u>	<u>-</u>	<u>1,154,796</u>	<u>1,154,796</u>
Net financial assets / (liabilities) - Jun. 30, 2023		<u>48,958,425</u>	<u>-</u>	<u>48,958,425</u>	<u>77,161,605</u>	<u>1,840,650</u>	<u>79,002,255</u>	<u>127,960,680</u>
Net financial assets / (liabilities) - Jun. 30, 2022		11,555,814	-	11,555,814	37,064,015	1,246,521	38,310,536	49,866,351

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Centre for Peace and Development Initiatives  
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Notes to the Financial Statements  
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	Note	2023 (Rupees)	2022 (Rupees)
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**24 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 Organization is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. The Organization considered the foreign currency risk to be immaterial currently.

**24.1 Exposure to foreign currency risk**

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

24.1.1 US Dollars	2023 (USD)	2022 (USD)
Bank balances	10,086	10,086
Gross statement of financial position exposure	10,086	10,086

Following significant exchange rates were used:

	2023 (Rupees)	2022 (Rupees)
US Dollars -as at statement of financial position date	285.99	204.85

24.1.2 Euros	2023 (Euro)	2022 (Euro)
Receivable from donors	50,333	-
Gross statement of financial position exposure	50,333	-

Following significant exchange rates were used:

	2023 (Rupees)	2022 (Rupees)
Euros -as at statement of financial position date	305.50	-

**24.2 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	1,826,117	206,604
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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.

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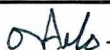
	Note	2023 (Rupees)	2022 (Rupees)
<b>25 Credit risk</b>			
<p>Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed completely to perform as contracted. The Organization is exposed to credit risk on the financial assets of Rs. 144,492,203 (June 30, 2022: Rs. 59,018,808). The credit risk on receivable from donors amounting to Rs. 15,376,727 (June 30, 2022: Rs. 7,583,943) , trade deposits and prepayments amounting to Rs. 1,840,650 (June 30, 2022: Rs. 1,246,521) and advances of Rs. 15,748,965 (June 30, 2022: Rs. 948,840) and balances at banks of Rs. 62,567,436 (June 30, 2022: Rs. 56,823,447) constitute the major part of this risk. . However, the credit risk of the parties is considered to be negligible. Advances are held with the parties which have long association with the Organization and have a good credit history. The credit risk on liquid bank deposits is limited because the counter parties are banks with reasonably high credit ratings.</p>			
<b>26 Liquidity risk</b>			
<p>Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Organization 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 Organization saw a significantly improved cash flows from all the operations and hence liquidity risk is considered minimal.</p>			
<b>27 Impact of Covid-19 (Coronavirus)</b>			
<p>The Company has taken appropriate measures to keep its human resource and assets safe and secure. Further, the Company is continuously monitoring the situation to counter act the changed environment. The management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these financial statements. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosures in these financial statements.</p>			
<b>28 Cash and cash equivalents at the end of the year</b>			
Cash and bank balances	10	111,525,861	56,823,447

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	Note	2023 (Rupees)	2022 (Rupees)
<b>29</b>	<b>Number of employees</b>		
		<b>Number of employees</b>	
	The number of employees as of statement of financial position date	41	46
	Average number of employees during the year	44	50
<b>30</b>	<b>Date of authorization</b>		
	These financial statements were authorized by Board of Directors on <u>10 OCT 2023</u> . These financial statements are issued by their express approval and any subsequent amendment shall be likewise approved by them also.		
<b>31</b>	<b>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