

**PEACE FOUNDATION**

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**Consolidated Financial Statements  
For the year ended  
December 31, 2014**

## AUDITORS' REPORT TO THE MANAGING COMMITTEE

We have audited the accompanying financial statements of **Peace Foundation** (the Association) which comprise of consolidated balance sheet as at December 31, 2014 and the related consolidated income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Managing Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards applicable in Pakistan, and for such internal control as the Managing committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Managing Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion the consolidated financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2014 and its financial performance for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

### **Other Matter**

The financial statements of the Association for the year ended December 31, 2013 were audited by another auditors.

  
Chartered Accountants

Audit Engagement Partner: Younus Mohiuddin

Date: 12 NOV 2015

Karachi.

PEACE FOUNDATION  
CONSOLIDATED BALANCE SHEET  
AS AT DECEMBER 31, 2014

	Note	2014 Rupees	2013 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	1,279,577	169,252
Intangibles	6	193,200	-
		<u>1,472,777</u>	<u>169,252</u>
<b>CURRENT ASSETS</b>			
Accrued profit on saving account		136,855	-
Cash at banks	7	3,754,779	1,952,246
		<u>3,891,634</u>	<u>1,952,246</u>
<b>TOTAL ASSETS</b>		<u><u>5,364,411</u></u>	<u><u>2,121,498</u></u>
<b>FUNDS AND LIABILITIES</b>			
Grants- restricted	8	3,830,134	1,952,246
Deficit for the year		(50,830)	-
		<u>3,779,304</u>	<u>1,952,246</u>
<b>NON CURRENT LIABILITY</b>			
Deferred capital grants	9	1,472,777	169,252
<b>CURRENT LIABILITIES</b>			
Accrued liabilities		61,500	-
Provision for taxation		50,830	-
		<u>112,330</u>	<u>-</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>5,364,411</u></u>	<u><u>2,121,498</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
PRESIDENT

  
GEN. SECRETARY

  
TREASURER

PEACE FOUNDATION  
 CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 <i>Rupees</i>	2013 <i>Rupees</i>
<b>INCOME</b>		
Transferred from grants- restricted	2,441,188	1,567,707
Other income	346,518	13,241
	<b>2,787,706</b>	<b>1,580,948</b>
<b>EXPENDITURE</b>		
<b>Operational expenses:</b>		
Salaries and allowances	1,052,980	643,299
Training and counselling	834,375	532,355
Rent, rates and taxes	60,000	66,250
Utilities	38,010	13,477
Printing and stationery	56,286	183,927
Travelling expense	162,950	32,306
Medical expense	349,460	-
Monitoring expense	40,000	-
Repair and maintenance	24,983	12,601
Communication	22,506	37,988
Entertainment	28,153	-
Depreciation and amortization	630,961	83,363
Audit fee	50,000	35,000
Bank charges	4,875	-
Miscellaneous	63,128	23,745
<b>Total expenditure</b>	<b>3,418,667</b>	<b>1,664,311</b>
<b>Excess of expenditure over income</b>	<b>(630,961)</b>	<b>(83,363)</b>
Deferred capital grant	630,961	83,363
<b>Taxation:</b>		
Current	34,187	-
Prior	16,643	-
	<b>(50,830)</b>	<b>-</b>
<b>Deficit for the year</b>	<b>(50,830)</b>	<b>-</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
 PRESIDENT

  
 GEN. SECRETARY

  
 TREASURER

**PEACE FOUNDATION  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**1 Status and Activities**

Peace Foundation (the Association) was registered with Joint Stock Companies Hyderabad Region, Hyderabad, on March 09, 2010 under Societies Registration Act XXI of 1860. The registered office is situated at House No.4-A, Block 14-C, Pak Colony, Satellite Town, Mirpurkhas. The Association has a wide range of projects in order to develop education and improve life for healthy society in rural areas and enhance other planning to repudiate the curse of society.

**2 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and approved Rules and Regulations of the Association.

**3 Basis of preparation**

These financial statements have been prepared under the historical cost convention.

**4 Summary of significant accounting policies**

The significant accounting policies applied in the preparation of these financial statements are set out below.

**4.1 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to income and expenditure account under straight line method at rates specified in note 5 to these financial statements. Depreciation on additions to property, plant and equipment is charged from the year of acquisition to the year of disposal on quarterly rates.

Normal repairs are charged to income and expenditure account as and when incurred, whereas major repairs and renewals are capitalized. Gain and losses on disposal of an item of property, plant and equipment are taken to income and expenditure account currently.

**4.2 Deferred capital grants**

Deferred capital grants are stated at cost less accumulated amortization. Amortization is charged to income and expenditure account under straight line method over a estimated useful life of capital grants.

**4.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at banks.

**4.4 Grant- Restricted**

Grants are recorded on receipt basis and an amount equal to expenses incurred during the year is transferred to income at end of the year, the excess of expenses over the income is recorded as receivable from the donor.

**4.5 Taxation**

Charge for current taxation is based on income at the current rates of taxation under section 113(2)(b) of the Income Tax Ordinance, 2001.

**5 PROPERTY, PLANT AND EQUIPMENT**

	Cost			Rate	Depreciation			Written down value
	As on Jan 01,	Additions	As at Dec 31,		As on Jan 01,	Charge for the year	As at Dec 31,	As at Dec 31,
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
<b>Restricted</b>								
Furniture & fixtures	-	166,238	166,238	20%	-	33,248	33,248	132,990
Vehicles	-	500,000	500,000	20%	-	100,000	100,000	400,000
Office equipment	252,615	992,248	1,244,863	33%	83,363	414,913	498,276	746,587
<b>2014</b>	<b>252,615</b>	<b>1,658,486</b>	<b>1,911,101</b>		<b>83,363</b>	<b>548,161</b>	<b>631,524</b>	<b>1,279,577</b>
<b>2013</b>	<b>-</b>	<b>252,615</b>	<b>252,615</b>		<b>-</b>	<b>83,363</b>	<b>83,363</b>	<b>169,252</b>

*Sign*



## 6 INTANGIBLES

	Cost			Rate	Amortization			Written down value As at Dec 31.
	As on Jan 01.	Additions	As at Dec 31.		As on Jan 01.	Charge for the year	As at Dec 31.	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	
<b>Restricted</b>								
Software development	-	150,000	150,000	30%	-	45,000	45,000	105,000
Web development	-	126,000	126,000	30%	-	37,800	37,800	88,200
2014	-	276,000	276,000		-	82,800	82,800	193,200
2013	-	-	-		-	-	-	-

## 7 CASH AT BANKS

	2014 Rupees	2013 Rupees
Cash at bank in current account	895,786	1,190,285
Cash at bank in saving account	2,858,993	761,961
	<b>3,754,779</b>	<b>1,952,246</b>

## 8 GRANTS- RESTRICTED

Balance as on Jan 01.	1,952,246	2,348,139
Received during the year	6,253,562	1,424,429
	<b>8,205,808</b>	<b>3,772,568</b>
Transferred to revenue expenditure	(2,441,188)	(1,567,707)
Transferred to capital expenditure	(1,934,486)	(252,615)
	<b>(4,375,674)</b>	<b>(1,820,322)</b>
Balance as at Dec 31.	<b>3,830,134</b>	<b>1,952,246</b>

## 9 DEFERRED CAPITAL GRANTS

Balance as on Jan 01.	169,252	-
Transferred from grants during the year	1,934,486	252,615
	<b>2,103,738</b>	<b>252,615</b>
Transferred to income during the year	(630,961)	(83,363)
Balance as at Dec 31.	<b>1,472,777</b>	<b>169,252</b>

## 10 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 12 NOV 2015 by the members of Managing Committee.

## 11 GENERAL

Figures have been rounded off to the nearest rupee. *tya*

  
PRESIDENT

  
GEN. SECRETARY

  
TREASURER