

BALANCE SHEET AS OF 31 DECEMBER	BILAN AU 31 DECEMBRE	Notes	2023 In CHF	2022 In CHF
ASSETS	ACTIF			
Current assets	Actif circulant			
Cash and cash equivalents	Liquidités	3.1	799'790	-
Other short-term receivables	Autres créances à court terme	3.2	35'272	50'000
Prepaid expenses and accrued income	Actifs de régularisation	3.3	2'246	-
Total current assets	Total actif circulant		837'308	50'000
Total Assets	Total Actif		837'308	50'000
LIABILITIES, FUNDS & CAPITAL	PASSIF			
Short Term Liabilities	Passif à court terme			
Trade payables	Dettes résultant de l'achat de biens et de prestations de services		52'726	-
Other short-term liabilities	Autres dettes à court terme	3.4	40'404	-
Accrued expenses	Passifs de régularisation	3.5	1	5'256
Projects' deferred income	Avances sur projets	3.6	450'434	-
Total liabilities	Total fonds étrangers		543'565	5'256
Foundation Capital	Fonds propres			
Capital of foundation	Capital de fondation		50'000	50'000
Unrestricted fund	Fonds libres		(5'256)	-
Result of the period after allocations	Résultat de la période après attributions		248'999	(5'256)
Total Foundation Capital	Total fonds propres	3.7	293'743	44'744
Total Liabilities, Funds & Capital	Total Passif		837'308	50'000

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Statement of Operations for the year ended 31 December in CHF	Compte d'exploitation pour l'année se terminant le 31 décembre en CHF	Notes	2023 Unrestricted	2023 Project Funds	2023 Total	2022 Unrestricted	2022 Project Funds	2022 Total
<u>Income</u>	<u>Recettes</u>							
Contributions	Contributions	3.15	394'073	2'004'656	2'398'729	-	-	-
Revenue from Service contract	Autres prestations de services		1'080	-	1'080	-	-	-
HQ overhead expenditures billed to the projects	Charges administratives facturées aux projets		177'433	-	177'433	-	-	-
Total income	Total recettes		572'586	2'004'656	2'577'242	-	-	-
<u>Direct and administrative expenses</u>	<u>Dépenses directes et administratives</u>							
Staff costs	Frais de personnel	3.9	168'117	587'534	755'651	-	-	-
Travel costs	Frais de voyage		33'530	224'071	257'601	-	-	-
Equipment, Vehicle and Rentals	Equipement, véhicule et location		1'898	12'756	14'654	-	-	-
General and office costs	Charges générales et administratives		13'829	92'373	106'202	-	-	-
Workshop/Conference costs	Coûts des ateliers/conférences		9'785	20'971	30'756	-	-	-
Professional fees	Honoraires		43'756	437'978	481'734	5'256	-	5'256
Bank charges	Frais bancaires		232	1'577	1'809	-	-	-
Insurance charges	Frais assurances		-	1'995	1'995	-	-	-
Telecommunication costs	Frais de télécommunication		214	6'184	6'398	-	-	-
Publications and other communication and promotion expenses	Frais de publications, de communications et de promotion		1'437	-	1'437	-	-	-
HQ overhead expenditures billed to the projects	Charges administratives facturées aux projets		17'550	159'883	177'433	-	-	-
Total direct and administrative expenses	Total dépenses directes et administratives	3.7	290'348	1'545'322	1'835'670	5'256	-	5'256
Net operating result	Résultat opérationnel, net		282'238	459'334	741'572	(5'256)	-	(5'256)
<u>Financial result</u>	<u>Résultat financier</u>							
Currency exchange gain	Gain de change	3.15	24'427	(8'900)	15'527	-	-	-
Currency exchange loss	Perte de change		(57'666)	-	(57'666)	-	-	-
Net financial result	Résultat financier, net		(33'239)	(8'900)	(42'139)	-	-	-
Net ordinary result before closed projects	Résultat courant net avant impact des projets terminés		248'999	450'434	699'433	(5'256)	-	(5'256)
Project's deferred income variation	Variation des avances de projets	3.15	-	(450'434)	-	-	-	-
Result before allocations to/from funds	Résultat avant modification des fonds et avant attributions		248'999	-	248'999	(5'256)	-	(5'256)
Result of the period after allocations	Résultat de la période après attributions		248'999	-	248'999	(5'256)	-	(5'256)

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CASH FLOW STATEMENT

Result of the period before allocations
to/from funds
Changes in other short-term receivables
Changes in prepaid expenses and
accrued income
Changes in trade payables
Changes in other short-term liabilities
Changes in accrued expenses
Changes in projects' deferred income

Cash flows from operating activities

Contributed capital

Cash flows from financing activities
Change in cash and cash equivalents

Cash and cash equivalents as at 1st January
Cash and cash equivalents as at 31 December

Change in cash and cash equivalents
TABLEAU DES FLUX DE TRESORERIE

	Notes	2023	2022
		In CHF	In CHF
Résultat de la période avant modification des Fonds et attributions		248'999	(5'256)
Variation des autres créances à court terme	3.2	14'728	(50'000)
Variation des actifs de régularisation	3.3	(2'246)	-
Variation des dettes résultats de l'achat de biens et de prestations de services		52'726	-
Variation des autres dettes à court terme	3.4	40'404	-
Variation des passifs de régularisation	3.5	(5'255)	5'256
Variation des avances sur projets		450'434	-
Flux de trésorerie liés aux activités d'exploitation		799'790	(50'000)
Capital d'apport		-	50'000
Flux de fonds de l'activité de financement		-	50'000
Variation de la trésorerie		799'790	-
Liquidités au 1er janvier		-	-
Liquidités au 31 décembre		799'790	-
Variation de la trésorerie		799'790	-

STATEMENT OF CHANGES IN CAPITAL

in CHF

	Paid-in capital	Legal Unrestricted Fund	Unrestricted Funds	Total
Initial capital contribution	50'000	-	-	50'000
Change in Foundation Capital:				
Net result for the year before allocation	-	-	(5'256)	(5'256)
2022 Net change	-	-	(5'256)	(5'256)
Balance as of 01 January 2023	50'000	-	(5'256)	44'744
Change in Foundation Capital:				
Net result for the period before allocation	-	-	248'999	248'999
2023 Net change	-	-	248'999	248'999
Foundation Capital as of 31 December 2023	50'000	-	243'743	293'743

**PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR PERIOD FROM 01 January to 31 DECEMBER 2023 (in CHF)**

1. GENERAL INFORMATION

The Principles for Peace Foundation (P4P) was established and registered in the Canton of Geneva Switzerland in November 2022, building on the results of a two year international initiative to promote the sustainability and effectiveness of peacemaking and peace efforts at both global and local levels. The head office of the foundation is at Maison de la Paix, at Chemin Eugene Rigot 2, 1202 Geneva, Switzerland.

The Foundation exists as an independent capability to catalyse and advance the peace-ecosystem with a new approach to peacemaking. Its main objective is to 'enhance the overall quality, durability and effectiveness of peacemaking. Eight Principles for Peace guide all its work focused on 3 outcomes: i) system change, ii) accompaniment, and iii) effectiveness (peace measurement).

2023 was a year of transition and new beginnings: a new organization, new staff, new offices, new donors, new partners and new tools and in-country engagements. In its first year of operation the Foundation managed the challenges of a startup organisation, established a solid and diverse funding base (both public and private donors), and has built a small, but highly experienced, team following changes in team composition to implement the Foundation's mission. Important organizational structures, policies and procedures were also put in place during 2023 to guide the present and future work of the Foundation.

In 2024 the Foundation will increase the size and diversity of its funding base. The annual average number of full-time staff in 2023 was 5 full time staff, complemented by a senior standby advisory capacity. At the start of 2024 the full time staff of the organization were 10, this growth has been linked to new engagements in specific contexts or with new constituencies, to allow a process of gradual and manageable growth, while still remaining focused, and delivering quality results.

2. PRINCIPLES

The financial statements have been prepared according to the principles of Swiss GAAP FER (core), and in particular FER 21 (accounting for charitable, social non-profit organizations).

2.1 Foreign currency transactions

Statement of operations transactions denominated in foreign currencies are converted into Swiss francs by applying a fixed monthly exchange rate set at the beginning of each month (source: InforEuro). Assets and liabilities that arise in currencies other than Swiss francs are valued at exchange rates prevailing at year-end. Expenses are also tracked in the donor funding currency and any exchange difference arising between the funding currency and CHF is charged to exchange gain/loss at the end of the donor contract.

The following exchange rates were applied as at 31 December 2023:

1 CHF (Swiss Franc) = USD 1.194800

1 CHF (Swiss Franc) = EUR 1.075040

The exchange rates applied as at 31 December 2022 are:

1 CHF (Swiss Franc) = USD 1.08222

1 CHF (Swiss Franc) = EUR 1.01626

2.2 Cash and cash equivalents

Cash on hand, cash in bank and short-term deposits having a maturity of three months or less with banks are considered as cash and cash equivalents.

2.3 Other short-term receivables

Other short-term receivables refer to cash advances to partners and consultants.

**PRINCIPLES FOR PEACE
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2.4 Prepaid expenses and accrued income

Prepaid expenses and accrued income mainly composed of accrued income from donors and prepaid insurance expense.

2.5 Property, Plant and Equipment

The Property, Plant and Equipment refer to equipment and furniture & fixtures held in Geneva office. Costs of Property, Plant and Equipment include expenditures incurred in acquiring and transporting them to their existing location and condition. In 2023 all fixed assets were acquired using donor restricted funds and expensed in full at time of purchase.

2.6 Trade Payables and other short-term liabilities

Trade payables are related to the purchase of goods and services from suppliers. Other short-term liabilities include reimbursements to employees, social security institutions, partners and fees payable to the external auditors.

2.7 Accrued expenses

Accrued expenses are expenses that have been incurred, but not yet invoiced, at the balance sheet date.

2.8 Project deferred income

Projects' deferred income are contributions received, but not yet earned, at balance sheet date.

2.9 Unrestricted funds

This reserve is the accumulation of excess funds and non-earmarked income that have been set aside without specific reservation or restriction.

2.10 Income

Unrestricted grants, donations or contributions are recognized as income in the year in which they have been received, unless the donor has placed a restriction on the funds.

Restricted grant income is recognized in the year in which the related expenditure is incurred. Income received in the current year but which will be spent in future years is recorded in the balance sheet as Project Deferred Income. Income not received in the current year but for which the related expenditure has already been incurred is recorded as accrued income.

2.11 Expenditures

Expenses are accrued and recognized when incurred. Administrative expenditures refer to head office costs and are shown separately from direct project expenditure, which reflect the cost of project implementation exclusively.

2.12 Participation of projects in head office costs

An overhead of 7 - 25% is charged to projects as a percentage of project expenditures, to the extent permitted by contracts with donors. Indirect cost recovery contributes to cover operating expenses that would otherwise have to be covered by unrestricted income. These overhead costs charged to projects are not eliminated in the figures. Instead, they are represented as gross amounts in the statement of operations under unrestricted revenue as well as under the projects' expenditures, in order to show a true, transparent, restricted net results and variation of deferred income.

2.13 Financial statements presentation

In order to provide clarity the statement of operations distinguishes between Unrestricted and Restricted income and expenses. Unrestricted income has no restrictions placed on it by the donor, whereas restricted income has donor imposed restrictions as to its use, either by region, by programme, by project or by earmarking within a project. The restrictions are based on existing contractual arrangements with donors.

PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR PERIOD FROM 01 January to 31 DECEMBER 2023 (in CHF)

3 DISCLOSURE ON BALANCE SHEET AND STATEMENT OF OPERATIONS ITEMS

3.1 Cash and cash equivalents

	31.12.2023	31.12.2022
	CHF	CHF
At Head Office	799,790	-
Total	799,790	-

3.2 Other short-term receivable

	31.12.2023	31.12.2022
	CHF	CHF
Initial capital contribution	-	50,000
Other Debtors	35,272	-
Total	35,272	50,000

3.3 Prepaid expenses and accrued income

	31.12.2023	31.12.2022
	CHF	CHF
Prepaid insurance expense	2,246	-
Total	2,246	-

3.4 Other short-term liabilities

	31.12.2023	31.12.2022
	CHF	CHF
Employees	8,410	-
Payable to institutions	7,590	-
Payable to other suppliers	24,404	-
Total	40,404	-

3.5 Accrued expenses

	31.12.2023	31.12.2022
	CHF	CHF
Accrued expense for recruitment specialist	-	2,132
Audit fee	-	3,124
Payable to donor	1	-
Total	1	5,256

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3.6 Projects' deferred Income

	31.12.2023	31.12.2022
	CHF	CHF
Projects deferred income	450,434	-
Total	450,434	-

3.7 Foundation Funds and Capital

	Paid- in capital	Unrestricted capital	Total
Initial capital	50,000	-	50,000
Net result for the year 2022		(5,256)	(5,256)
31.12.2022	50,000	(5,256)	44,744
Net result for the year 2023		248,999	248,999
31.12.2023	50,000	243,743	293,743

3.8 Direct Project and Administrative Expenditure

The foundation has not organized or performed any specific fundraising activities in 2023, therefore has not incurred any expenses related to such activities.

Expenditures which cannot directly be attributed to the projects are considered as administrative expenses.

	2023	
	Direct Project	Administrative
Staff costs	587,534	168,117
Travel costs	224,071	33,530
Equipment, Vehicle and Rentals	12,756	1,898
General and office costs	92,373	13,829
Workshop/Conference costs	20,971	9,785
Professional fees	437,978	43,756
Bank charges	1,577	232
Insurance charges	1,995	-
Telecommunication costs	6,184	214
Publications and other communication and promotion expenses	-	1,437
HQ overhead expenditure billed to projects	159,883	17,550
Total	1,545,322	290,348

	2022	
	Direct Project	Administrative
Professional fees	-	5,256
Total	-	5,256

PRINCIPLES FOR PEACE
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3.9 Staff-related costs can be split as follows:

	31.12.2023	31.12.2022
	CHF	CHF
Wages and salaries	648,060	-
Social insurance and social benefits	107,590	-
Total	755,650	-

3.10 Employee benefits

Employees located in Switzerland are insured by Caisse Inter-Entreprise de Prevoyance Professionnelle (CIEPP) against economic consequences of old age, invalidity and death, according to the provision of the Federal Law for Occupational Benefits and Old Age and Survivors (LPP). Under the CIEPP defined contribution plan, the employees and employer pay fixed contributions and net returns on plan assets do not influence contributions and the final provision is not guaranteed. The LPP defines the minimum pensionable salary and the minimum retirement credits. The interest rate applicable to these minimum retirement savings is set by the Swiss Federal Council at least every two years.

The structure of the plan and the legal provisions of the LPP mean that the employer is exposed to actuarial risks. The main risks are investment risk, interest risk, disability risk and the risk of longevity. If the plan or the collective foundation is underfunded according to Swiss Law, the governing body (foundation board) must decide on measures that will allow recovery to an appropriate coverage ratio and a return to 100% within an appropriate time horizon; usually 5 -7 years is considered appropriate. Because of this requirement, additional employer contributions may be required.

The annual employer and employee contributions to the pension plan for the year 2023, amounted to CHF 73,403 (2022: nil)

3.11 Remuneration of Council of Foundation and Management Board Members

Principles for Peace Foundation board members are appointed on a voluntary basis. They have received no remuneration for their mandate. The President of the Foundation Council did not receive any payment for services rendered to the organization for his formal statutory functions.

The management team, under the supervision of the Board, decides on matters of strategic, political and institutional relevance as well as on operational and administrative matters.

The total remuneration paid to the Executive director amounted to CHF 180,000 (2022: nil) while the total remuneration for the management team amounted to CHF 450,583 (2022: nil)

3.12 Liabilities to personnel welfare institutions

As at 31 December 2023, P4P has a net liability of CHF 2,566 towards the welfare institutions (2022: nil).

3.13 Other information

The auditor's fee is CHF 14,540, inclusive of value added tax for the examination of the financial statements for the period from 01 January 2023 to 31 December 2023. (2022: CHF 3,123).

3.14 Subsequent events

There have not been any significant post closure events that would have an impact on the financial statements for the year ended 31 December 2023.

3.15

Charting a path for lasting peace		Charting a Path for Effective Peace making	Rental Subsidy	Core Funding	Total	
Robert Bosch Stiftung GmbH	Swiss Philanthropy	The Federal Republic of Germany	Canton de Geneve	Danish Ministry of Foreign Affairs		Donors
391'351	450'000	1'123'625	39'680	394'073	1'123'625 39'680 394'073	Public Donors The Federal Republic of Germany Canton de Geneve Danish Ministry of Foreign Affairs
					391'351 450'000	Private Donors Robert Bosch Stiftung GmbH Swiss Philanthropy
391'351	450'000	1'123'625	39'680	394'073	2'398'729	TOTAL CONTRIBUTIONS

(3'920)	-	(4'980)	-	-	(8'900)	Foreign exchange differences (in contributions) absorbed by P4P Head office
(3'920)	-	(4'980)	-	-	(8'900)	Subtotal
387'431	450'000	1'118'645	39'680	394'073	2'389'829	TOTAL INCOME AND FINANCIAL RESULT

309'597	-	1'036'162	39'680	250'716	1'636'155	Direct Expenditures
77'400	-	82'483	-	17'550	177'433	Direct project expenditures HQ overhead charged to projects
386'997	-	1'118'645	39'680	268'266	1'813'588	TOTAL DIRECT EXPENDITURES
434	450'000	-	-	125'807	576'241	Net ordinary result before closed projects
-	-	-	-	125'807	125'807	Transfer to unrestricted capital
434	450'000	-	-	-	450'434	Deferred projects' income (Project Fund) at end of year