

Principles for Peace Foundation
Geneva

Report of the Independent Statutory Auditor
to the Foundation Board
on the financial statements
for the year ended 31 December 2024

Report of the independent statutory auditor to the Foundation Board of Principles for Peace Foundation, Geneva

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Principles for Peace Foundation (the Foundation), which comprise the balance sheet as at 31 December 2024, the statement of operations, the cash flow statement and the statement of changes in capital for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In accordance with Swiss GAAP FER 21, the information in the performance report is not subject to the obligation of examination of auditors.

In our opinion, the financial statements give a true and fair view of the financial position of Principles for Peace Foundation as at December 31, 2024, and of the results of its operations and of its cash flows for the year then ended in accordance with Swiss GAAP FER (core FER), in particular FER 21, and comply with Swiss law and the Foundation's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (ISA-CH). Our responsibilities under those provisions and 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 Foundation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Foundation Board's Responsibilities for the Financial Statements

The Foundation Board, and the Management of Principles for Peace Foundation by delegation, are responsible for the preparation of the financial statements in accordance with Swiss GAAP FER (core FER), in particular FER 21, the provisions of Swiss law and the Foundation's articles of incorporation, and for such internal control as the Foundation Board and the Management determine 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, the Foundation Board and the Management are responsible for assessing the Foundation'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 the Foundation Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Geneva, 26 May 2025

Forvis Mazars SA



Jean-Marc Jenny
Licensed audit expert
(Auditor in charge)



Myriam Zaki Ibrahim
Licensed audit expert

Attachments:

- Financial statements for the year ended 31 December 2024 (balance sheet, statement of operations, cash flow statement, statement of changes in capital and notes)

BALANCE SHEET AS OF 31 DECEMBER
ASSETS
Current assets
Cash and cash equivalents
Other short-term receivables
Prepaid expenses and accrued income
Total current assets
Total Assets

LIABILITIES, FUNDS & CAPITAL
Short-term liabilities
Trade payables
Other short-term liabilities
Accrued expenses
Projects' deferred income
Total liabilities
Foundation Capital
Capital of foundation
Unrestricted fund
Result of the year after allocations
Total Foundation Capital
Total Liabilities, Funds & Capital

BILAN AU 31 DECEMBRE	Notes	2024 In CHF	2023 In CHF
ACTIF			
Actif circulant			
Liquidités	3.1	1'918'574	799'790
Autres créances à court terme	3.2	-	35'272
Actifs de régularisation	3.3	28'972	2'246
Total actif circulant		1'947'546	837'308
Total Actif		1'947'546	837'308

PASSIF			
Passif à court terme			
Dettes résultant de l'achat de biens et de prestations de services		16'385	52'726
Autres dettes à court terme	3.4	164'050	25'864
Passifs de régularisation	3.5	19'350	14'541
Avances sur projets	3.6	1'525'617	450'434
Total fonds étrangers		1'725'402	543'565
Fonds propres			
Capital de fondation		50'000	50'000
Fonds libres		243'743	(5'256)
Résultat de l'année après attributions		(71'599)	248'999
Total fonds propres	3.7	222'144	293'743
Total Passif		1'947'546	837'308

The original of these financial statements is written in English. In case of inconsistencies between French and the English translation, the English version shall prevail.

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	2024 Unrestricted	2024 Project Funds	2024 Total	2023 Unrestricted	2023 Project Funds	2023 Total
<u>Income</u>	<u>Recettes</u>							
Contributions	Contributions	3.16	2'222'781	2'502'451	4'725'232	394'073	2'004'656	2'398'729
Revenue from Service contract	Autres prestations de services		9'978	-	9'978	1'080	-	1'080
HQ overhead expenditures billed to the projects	Charges administratives facturées aux projets		155'552	-	155'552	177'433	-	177'433
Total income	Total recettes		2'388'311	2'502'451	4'890'762	572'586	2'004'656.00	2'577'242
<u>Direct and administrative expenses</u>	<u>Dépenses directes et administratives</u>							
Staff costs	Frais de personnel	3.10	642'632	628'268	1'270'900	168'117	587'534	755'651
Travel costs & Workshop related travel	Frais de voyage et déplacements liés à l'atelier		141'917	309'033	450'950	33'530	224'071	257'601
Equipment, Vehicle and Rentals	Equipement, véhicule et location		12'224	-	12'224	1'898	12'756	14'654
General and office costs	Charges générales et administratives		103'072	70'974	174'046	13'829	92'373	106'202
Workshop/Conference costs	Coûts des ateliers/conférences		115'993	110'798	226'791	9'785	20'971	30'756
Professional fees	Honoraires		673'496	474'573	1'148'069	43'756	437'978	481'734
Bank charges	Frais bancaires		4'582	128	4'710	232	1'577	1'809
Insurance charges	Frais assurances		-	-	-	-	1'995	1'995
Telecommunication costs	Frais de télécommunication		9'990	1'253	11'243	214	6'184	6'398
Publications and other communication and promotion expenses	Frais de publications, de communications et de promotion		906	-	906	1'437	-	1'437
HQ overhead expenditures billed to the projects	Charges administratives facturées aux projets		71'131	84'421	155'552	17'550	159'883	177'433
Total direct and administrative expenses	Total dépenses directes et administratives	3.9	1'775'943	1'679'448	3'455'391	290'348	1'545'322	1'835'670
Net operating result	Résultat opérationnel, net		612'368	823'003	1'435'371	282'238	459'334	741'572
<u>Financial result</u>	<u>Résultat financier</u>							
Currency exchange gain	Gain de change	3.16	50'154	2'614	52'768	24'427	(8'900)	15'527
Currency exchange loss	Perte de change		(34'121)	-	(34'121)	(57'666)	-	(57'666)
Net financial result	Résultat financier, net		16'033	2'614	18'647	(33'239)	(8'900)	(42'139)
Net ordinary result before closed projects	Résultat courant net avant impact des projets terminés		628'401	825'617	1'454'018	248'999	450'434	699'433
Project's deferred income variation	Variation des avances de projets	3.16	(700'000)	(825'617)	(1'525'617)	-	(450'434)	-
Result before allocations to/from funds	Résultat avant attributions/prélèvements des fonds		(71'599)	-	(71'599)	248'999	-	248'999
Result of the year after allocations	Résultat de l'année après attributions	3.8	(71'599)	-	(71'599)	248'999	-	248'999

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CASH FLOW STATEMENT
Result of the year 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
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	2024	2023
		In CHF	In CHF
Résultat de l'année avant attributions/prélèvements des fonds		(71'599)	248'999
Variation des autres créances à court terme	3.2	35'272	14'728
Variation des actifs de régularisation	3.3	(26'726)	(2'246)
Variation des dettes résultats de l'achat de biens et de prestations de services		(36'341)	52'726
Variation des autres dettes à court terme	3.4	138'186	40'404
Variation des passifs de régularisation	3.5	4'809	(5'255)
Variation des avances sur projets		1'075'183	450'434
Flux de trésorerie liés aux activités d'exploitation		1'118'784	799'790
Variation de la trésorerie		1'118'784	799'790
Liquidités au 1er janvier		(799'790)	-
Liquidités au 31 décembre		1'918'574	799'790
Variation de la trésorerie		1'118'784	799'790

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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	-	-	243'743	243'743
Transfer of funds / allocation of funds			-	-
2023 Net change	-	-	243'743	243'743
Balance as of 01 January 2024	50'000	-	243'743	293'743
Change in Foundation Capital:				
Net result for the year before allocation	-	-	(71'599)	(71'599)
2024 Net change	-	-	(71'599)	(71'599)
Foundation Capital as of 31 December 2024	50'000	-	172'144	222'144

**PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR FROM 01 JANUARY TO 31 DECEMBER 2024 (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, 1211 Geneva, Switzerland.

The Foundation acts as a catalyst, custodian, and curator of the Principles for Peace and Peacemaking Covenant. The foundation's goal is to empower actors at all levels to create a more durable and inclusive peace processes and enhance oversight and effectiveness for long-term peace outcomes. Its main objective is to 'enhance the overall quality, durability and effectiveness of peacemaking. Eight Principles for Peace guide all its work focused on four outcomes: i) peace effectiveness, ii) system change, iii) accompaniment, and iv) organizational effectiveness.

2024 was a year of significant growth for the Foundation, not only in terms of its size but also in the diversity of its funding base. The Foundation maintained a balanced split between public and private donations, with each contributing 50% to the overall funding. Additionally, there was a notable increase in philanthropic contributions, reflecting a growing recognition of the Foundation's impact. In addition to the original donors established at the Foundation's inception, four new donors joined in 2024, further strengthening its financial support base and increasing diversification. The Foundation's staff also expanded over the course of the year, with the average annual number of full-time employees rising to seven, supported by an experienced team of directors. This growth was driven by new partnerships and constituencies, facilitating a process of gradual, manageable expansion. Despite this growth, the Foundation has remained focused on its mission, consistently delivering high-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 2024:

1 CHF (Swiss Franc) = USD 1.10694

1 CHF (Swiss Franc) = EUR 1.05988

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

1 CHF (Swiss Franc) = USD 1.19480

1 CHF (Swiss Franc) = EUR 1.07504

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR FROM 01 JANUARY TO 31 DECEMBER 2024 (in CHF)**

2.4 Prepaid expenses and accrued income

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

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 2024 all fixed assets were projectized, i.e. acquired using donor restricted funds and expensed in full at the 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 generic overhead of 7 – 8% 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 program, 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 FROM 01 JANUARY TO 31 DECEMBER 2024 (in CHF)

3 DISCLOSURE ON BALANCE SHEET AND STATEMENT OF OPERATIONS ITEMS

3.1 Cash and cash equivalents

	31.12.2024 CHF	31.12.2023 CHF
At Head Office	1,918,574	799,790
Total	1,918,574	799,790

3.2 Other short-term receivables

	31.12.2024 CHF	31.12.2023 CHF
Other Debtors	-	35,272
Total	-	35,272

3.3 Prepaid expenses and accrued income

	31.12.2024 CHF	31.12.2023 CHF
Prepaid insurance expenses	-	2,246
Accrued income	28,972	-
Total	28,972	2,246

3.4 Other short-term liabilities

	31.12.2024 CHF	31.12.2023 CHF
Employees	39,960	8,410
Payable to institutions	83,015	7,590
Payable to other suppliers	41,075	9,864
Total	164,050	25,864

3.5 Accrued expenses

	31.12.2024 CHF	31.12.2023 CHF
Audit Fee	19,350	14,540
Payable to donor	-	1
Total	19,350	14,541

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PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR FROM 01 JANUARY TO 31 DECEMBER 2024 (in CHF)

3.6 Projects' deferred Income

	31.12.2024	31.12.2023
	CHF	CHF
Projects deferred income	1,525,617	450,434
Total	1,525,617	450,434

3.7 Foundation Funds and Capital

In CHF	Paid- in capital	Unrestricted capital	Total
Initial capital	50,000	-	50,000
Result after allocation of the year 2023	-	243,743	243,743
31.12.2023	50,000	243,743	293,743
Result after allocation for the year 2024		(71,599)	(71,599)
31.12.2024	50,000	172,144	222,144

3.8 Income

In CHF	2024
Total Income	4,890,762
Income deferred from 2024 to 2025	(1,525,617)
Income available for 2024	3,365,145
Net financial result (currency exchange gain/loss)	18,647
Total Expenditures 2024	(3,455,391)
Excess expenditures over income	(71,599)
HQ Net result in 2024	(71,599)

3.9 Direct Project and Administrative Expenditure

The foundation has not organized or performed any specific fundraising activities in 2024, therefore has not incurred any expenses related to such activities.

Expenditures which are not attributed to the Projects Funds are considered as Unrestricted expenses.

PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR FROM 01 JANUARY TO 31 DECEMBER 2024 (in CHF)

	2024	
	Project funds	Unrestricted
Staff costs	628,268	642,632
Travel costs	309,033	141,917
Equipment, Vehicle and Rentals	-	12,224
General and office costs	70,974	103,072
Workshop/Conference costs	110,798	115,993
Professional fees	474,573	673,496
Bank charges	128	4,582
Telecommunication costs	1,253	9,990
Publications and other communication and promotion expenses	-	906
HQ overhead expenditure billed to projects	84,421	71,131
Total	1,679,448	1,775,943

	2023	
	Project funds	Unrestricted
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

PRINCIPLES FOR PEACE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR FROM 01 JANUARY TO 31 DECEMBER 2024 (in CHF)

3.10 Staff-related costs can be split as follows:

	31.12.2024	31.12.2023
	CHF	CHF
Wages and salaries	1,086,740	648,061
Social insurance and social benefits	184,160	107,590
Total	1,270,900	755,651

3.11 Employee benefits

Employees located in Switzerland are insured by Caisse Inter-Entreprise de Prévoyance 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 2024 amounted to CHF 131,446 (2023: CHF 73,403)

3.12 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 227,000 (2023:180,000) while the total remaining remuneration for the management team amounted to CHF 423,920 (2023: Nil).

3.13 Liabilities to personnel welfare institutions

As at 31 December 2024, P4P has a net liability of CHF 76,347 towards the welfare institutions (2023: CHF 2,566).

3.14 Other information

The auditor's indicative fee is CHF 19,350, inclusive of value added tax for the examination of the financial statements for the period from 01 January 2024 to 31 December 2024 (2023: CHF 14,540).

3.15 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 2024.

3.16

Charting a Path for Effective Peace making	Rental Subsidy & USF	Core Funding			Principles for a shared future initiative					Total	
The Federal Republic of Germany	Canton de Geneve	Danish Ministry of Foreign Affairs	Robert Bosch Stiftung GmbH	Swiss Philanthropy	B8 for Hope Foundation	OAK Foundation	Peaceworks	IBF Foundation	Ministry of Foreign Affairs Netherlands		Donors
1'061'336	205'050	386'307	186'474	1'650'000	253'441	44'000	265'806	23'285	649'532	1'061'336 205'050 386'307 649'532 186'474 1'650'000 253'441 44'000 265'806 23'285	Public Donors The Federal Republic of Germany Canton de Geneve Danish Ministry of Foreign Affairs Ministry of Foreign Affairs Netherlands Private Donors Robert Bosch Stiftung GmbH Swiss Philanthropy B8 for Hope Foundation OAK Foundation Peaceworks IBF Foundation
1'061'336	205'050	386'307	186'474	1'650'000	253'441	44'000	265'806	23'285	649'532	4'725'231	TOTAL CONTRIBUTIONS

2'614	-	(9'194)	4'674	-	-	-	-	-	-	(1'906)	Foreign exchange differences (in contributions) absorbed by P4P Head office
2'614	-	(9'194)	4'674	-	-	-	-	-	-	(1'906)	Subtotal
1'063'950	205'050	377'113	191'148	1'650'000	253'441	44'000	265'806	23'285	649'532	4'723'325	TOTAL INCOME AND FINANCIAL RESULT

986'324	205'050	470'019	152'918	900'011	253'441	29'852	-	23'285	97'074	3'117'974	Direct Expenditures
77'626	-	32'901	38'230	-	-	-	-	-	6'795	155'552	Direct project expenditures HQ overhead charged to projects
1'063'950	205'050	502'920	191'148	900'011	253'441	29'852	-	23'285	103'869	3'273'526	TOTAL DIRECT EXPENDITURES
-	-	(125'807)	-	749'989	-	14'148	265'806	-	545'663	1'449'799	Net ordinary result before closed projects
-	-	125'807	-	(49'989)	-	-	-	-	-	75'818	Net excess of expenses charged to statement of operations
-	-	-	-	700'000	-	14'148	265'806	-	545'663	1'525'617	Deferred projects' income (Project Fund) at end of year