



Peaceful  
Change  
initiative

# Annual Report

31 March 2021 – 30 March 2022



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# ANNUAL REPORT

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2021 to 30 March 2022. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## CHAIR'S REPORT

With our previous chair, Michael Holland, heavily engaged in a start-up business, I have stepped in as Peaceful Change initiative's new chair. Fortunately, Michael continues as a trustee and following years of building a solid foundation of good governance and financial security for Peaceful Change initiative, I am pleased that his wisdom is still available to us. As fate would have it, I had spent the previous seven years alongside the chair of a successful counselling charity as Secretary/Treasurer. My time as managing director of a dozen private sector enterprises of various sizes and shapes was also helpful tuition. My earliest engagement with Peaceful Change initiative was assisting the CEO, Fleur Just, in the preparation of the organisation's 2019–2022 strategic plan aimed at growth.

I am also delighted to announce the appointment of two new trustees to the Peaceful Change initiative Board of Trustees in June 2022. Ms Wonu Owoade has had a distinguished career in the international development sector before establishing herself as a successful independent fundraising consultant. Mr Peter Millett CMG was the UK's Ambassador to Libya until 2018, following on from a number of high-profile diplomatic postings. During his time in Libya he was introduced to Peaceful Change initiative's peacebuilding work and remained in contact with us after he retired from the diplomatic service. Wonu and Peter add important expertise to the Peaceful Change initiative's Board.

In my role as chair, I am donating at least one day a week to fundraising on behalf of Peaceful Change initiative. The funding landscape for charities has become more challenging following the COVID-19 pandemic and the economic crisis triggered by Russia's

invasion of Ukraine. Those of you who are familiar with the finances of government-funded charities will know that our strategic objectives for growth and improved effectiveness are dependent on the availability of unrestricted funding. The margins in government contracts are very small.

We are therefore building our fundraising expertise, with a particular focus on charitable foundations and high-net-worth individuals.

In November 2021, we invited about a hundred influential government and private sector individuals to a reception featuring a keynote speech by Peter Millett, the recent UK ambassador to Libya, and a report by Fleur Just, our CEO. Attendance from the government sector was excellent; from the private sector, it was disappointing. We are making relationship building with charitable foundations a key priority, highlighting our cost and performance effectiveness.

It was disappointing to read Philip Rojc's article, *Where's David Rockefeller When We Need Him?*<sup>1</sup> on grantmakers' agency in relation to international conflicts like the 2022 war in Ukraine. He asks, "Could philanthropy have helped prevent this? Or what can grantmakers do to reduce the likelihood of wars like this breaking out in the future? Judging from long-term downward trends in philanthropic funding for peace and security, you might get the impression that most funders' answers to those two questions, if they're being candid, would be 'no' and 'nothing'."

To summarise, the general philanthropic position on peacebuilding is that it is not a good philanthropic investment, and its accomplishments are difficult to measure.

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<sup>1</sup> *Inside Philanthropy*, 14 April 2022

But this a view oriented to the short term and it fails to understand what transformational peacebuilding is and does.

Addressing conflict and building peace is an essential investment without which the impact of any humanitarian and development work in fragile and conflict-affected countries will always be unstable.

The cost and the time required to bring about a durable peace is substantial, but it is far less than the cost (in lives, livelihoods, infrastructure, quality of lives and wealth) of permitting the conflict to continue.

Peaceful Change initiative has worked in Libya alongside others for ten years. This year, Libya moved up five places in the global peace rankings published by the Institute for Economics and Peace. Libya is the most peacefully improved country in the world.

Peacebuilders are special people. They begin by being trained in all the process skills, but they also must have patience, imagination, courage, love and a willingness to take big risks.

## **William Peace**

Chair of the Board of Trustees

# OBJECTIVES AND ACTIVITIES

## CHARITABLE OBJECTIVES

**Our goal** is to promote conflict resolution and reconciliation at the national and international levels.

**Our objectives** are relieving suffering, poverty and distress, and building and maintaining social cohesion, resilience, and trust within and between communities.

These objectives are achieved through the following activities:

1. Investigating and identifying causes of conflict;
2. Examining potential solutions to the conflict – or approaches to constructively engage with causes of conflict – through participatory research and analysis;
3. Building the capacity of communities to play active and constructive roles in managing conflict resolution and decision-making processes, with a particular focus on socially and economically disadvantaged groups within communities;
4. Mediating and facilitating dialogue between different parties to the conflict and affected communities, enabling the discussion of possible solutions and building relationships of trust;
5. Recommending to the international community, and the parties involved, measures that can support the resolution of conflicts or contribute to preventing future conflicts;
6. Promoting respect for human rights among individuals and groups, and raising awareness of human rights issues;

7. Publishing reports on the causes of, and recommended solutions to, particular conflicts, and making these freely available for public consumption.

All activities aim to maintain the Charity's commitment to impartiality.

## OUR WORK

We provide training and mentoring to local peacebuilding practitioners and community leaders and support their work through a network of international staff and consultants.

We support 'transformational leaders' who are able to mobilise, influence, and inspire their communities to manage conflicts through peaceful means.

We broaden our impact by developing and sharing practical tools and methodologies for peacebuilding and making these freely available to local and international practitioners. Our work:

- **Prevents the proliferation of violent conflict** by helping communities establish their own conflict resolution mechanisms, which enable the inclusion of different stakeholder groups, and which foster dialogue and collaboration between them;
- **Builds community resilience during violent conflict** by supporting negotiations and mediations that save the lives of civilians, enable humanitarian access, and resolve ongoing disputes;
- **Rebuilds relationships after violent conflict** by convening cross-divide dialogues, and supporting communities and their leaders to develop peace plans and implement peace initiatives.

## WHY WE MAKE A DIFFERENCE

- We only work where we genuinely believe we can have a significant impact;
- Our flexible network structure allows us to work where others have withdrawn;
- While ‘peacebuilding’ is usually carried out post-conflict, we work at all stages of violence: before, during and after violent conflict;
- We scale up our impact by working with and through others, sharing learning, making tools and methodologies freely available to other practitioners, and advising policy makers.

## KEY EVENTS IN THE YEAR

In the reporting period:

- In April, PCi onboarded a new contract that explored the way the UK engages in fragile and conflict-affected countries post-Brexit, post-COVID-19 and post-Integrated Review, funded by the Joseph Rowntree Charitable Trust;
  - In July, PCi explored further opportunities for engaging with philanthropists and produced a Fund-raising Brochure to promote the impact of PCi’s work;
  - In October, PCi onboarded a new senior member of staff: Rebecca Crozier, Programme Development Director;
  - In November, PCi held a reception and presentation to celebrate ten years of building peace in conflict-affected countries, at Carlton House Terrace, St. James’s, London, with 50 guests;
  - In December, PCi convened a virtual event to launch the findings of a joint publication from the Foreign Policy Centre (FPC) and PCi: [‘A Force For Good?’ Examining UK engagement in Fragile and Conflict Affected Countries](#);
- In January, PCi joined BOND, the international development network, and provided a written submission to the International Development Committee Inquiry ‘Promoting dialogue and preventing atrocities: the UK government approach’;
  - In February, with the Russian invasion of Ukraine, PCi commenced support to Ukrainian civil society actors to address needs emerging from the crisis, including but not limited to supporting access for humanitarian aid. This support is un-funded by grants;
  - In March, PCi was accepted as a member of EPLO, the European Peacebuilding Liaison Office. PCi also co-hosted, with Chatham House, a high-level event looking at the political economy of Libya and its impact on communities and their livelihoods.

## ACHIEVEMENTS AND PERFORMANCE

With programmes in North Africa (Libya), Western Balkans (Serbia-Kosovo) and Europe/Switzerland (Syria) we also maintained contacts with different stakeholders in Ukraine and the South Caucasus. Our work focuses on:

- Strengthening the skills of local and national leaders who are able to build relationships across conflict divides;
- Supporting local leaders and civil society activists in practical actions to reduce violence and improve the sense of security of communities;
- Fostering working partnerships between communities and local authorities, as well as between different local and national groups across conflict divides, to build confidence in a shared future;
- Supporting civil society organisations to connect, share experiences, and be part of decision making;
- Enabling providers of humanitarian, development and political assistance to undertake their work in a conflict-sensitive manner, minimising the chance that their work could inadvertently exacerbate tensions and maximising the contribution of their work to sustainable peace;
- Developing and sharing practical tools and methodologies for peacebuilding;
- Advising international agencies, NGOs, governments, and companies on how to achieve greater impact.



Above: livelihood Training, Bani Walid, Libya



## LIBYA

The Social Peace and Local Development Project (SPLD):

- Continued to support more than 20 Social Peace Partnerships (SPPs) comprising 563 members, strengthening social cohesion across Libya;
- Deepened the development of a cadre of 20 peacebuilding professionals who provide support to the SPPs as well as disseminating the SPLD approach;
- Strengthened the approach to women, peace and security through implementation of a new project component focused on gender in six municipalities;
- Created Livelihood opportunities through a new project component that addressed economic stressors, including conflict and COVID-19, that negatively impact on community relations, gender equality and social inclusion;
- Supported a network of 36 peacebuilding practitioners who carry out peace actions involving 26 communities across the country.

## SERBIA-KOSOVO

- Five Media Consultation Dialogues brought together media professionals from Serbia and Kosovo to work to end divisive narratives;
- A Rapid Response mechanism was established in Kosovo to assess the impact of COVID-19 on non-majority communities, to support an advocacy strategy and increase awareness amongst government stakeholders on challenges facing these communities.

## SWITZERLAND

Engaged with the UN-led peace negotiation processes in Switzerland concerning Syria by providing capacity-building support to the political opposition delegation representation in Geneva. No activities took place inside Syria.

# LIBYA

## THE CONTEXT

Since the Revolution in 2011, Libya has gone through a series of political and military crises. This has led to significant, ongoing violence across the country and resulted in the creation of three different governments, each of which is competing for – but has so far failed to achieve – nationwide legitimacy. The 2021 Libyan presidential election did not take place in December 2021 and was postponed until 2022.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **VIOLENCE BETWEEN RIVAL ARMED GROUPS:** killings, kidnappings, damage to public buildings and homes, displacement, psychological trauma, limitations to freedom of movement;
- **TENSIONS AND VIOLENCE BETWEEN DIFFERENT TRIBES AND ETHNIC GROUPS:** violence, hate speech, and divisive narratives undermine social cohesion and affect ordinary citizens' safety and security;
- **LACK OF BASIC SERVICES:** local authorities and service providers are under pressure but have limited capacity to provide electricity, security, jobs, housing, education, and healthcare;
- **LACK OF FUNCTIONING POLICE AND COURT SYSTEM:** communities rely on prominent local people (e.g. peacebuilders, tribal leaders, elders, etc.) to help mediate disputes and conflicts;
- **DIVISIONS AND LIMITED FREEDOM OF MOVEMENT WITHIN THE COUNTRY:** local peacebuilders and civil society from different communities have few opportunities to meet and coordinate action.

## WORKING AT THE LOCAL LEVEL

Social Peace and Local Development (SPLD) is a method for building social cohesion and preventing community conflict, developed specifically for Libya, following the changes the country underwent in 2011. The methodology was developed by PCi, in partnership with Libyan civil society and government actors, between 2012 and 2014, and it was widely tested in Libyan communities in all three regions of the country. Since 2014, SPLD has been used in forty communities across Libya, where Social Peace Partnerships have been established. The Social Peace Partnerships bring together a diverse group of local people, with a common goal: to develop and foster good relations through preventing and managing community conflict.

### WHAT IS SOCIAL PEACE AND LOCAL DEVELOPMENT?

Social Peace and Local Development seeks to build 'horizontal' and 'vertical' relationships, strengthening relationships and trust between different community groups (horizontal) and between these community groups and institutions, especially municipalities (vertical). SPLD encourages people to change the way they live alongside each other by building their relationships through collaboration on projects that require them to work together. In doing so, people are encouraged to negotiate different interests and needs, and to agree on a shared vision for their common future. These projects often focus on the delivery of key local services to improve people's day-to-day lives and contribute to communities feeling safer.

## ACTIONS

- **Strengthened and enhanced peacebuilding technical skills and knowledge through mentoring and training support** delivered in 20 target locations across the country;
  - **Strengthened capacity of Tier 2 Social Peace Partnerships (to become Tier 1) through five grants that:** 1) improved the operational capacity of each SPP so it is sustainable without PCi support; 2) improved financial processes so that SPPs can fund initiatives without PCi support; 3) improved the ability of SPPs to tackle disputes and conflicts through mediation and peacebuilding efforts;
  - **Strengthened community resilience and promoted local economic development through livelihood interventions and five entrepreneurship grants;**
  - **Supported women's leadership and a stronger civil society space** through six gender grants, and
- seven grants implemented by civil society organisations, in collaboration with Social Peace Partnerships. The collaboration between civil society organisations and SPPs contributed to expanding the reach of SPPs to wider audiences and stakeholders;
  - **Promoted the voice of youth** through three youth grants, using the 'Bader' youth media platform designed to amplify the voice of young people who are active in promoting social peace, civil society initiatives, and voluntary work in Libya;
  - **Continued to manage conflict issues and tensions in all the target areas** – with some Social Peace Partnerships rolling out initiatives independently of PCi.



Above: map of Social Peace and Local Development areas, Libya

### 563+ Partnership members

- 39% women | 59% men | 43% youth
- Average 27 members per SPP

#### Tier One – direct support



Ajdabiya  
Bani Waled  
Benghazi  
Nalut  
Sabratah  
Souq Al Jum'aa  
Tobruk  
Ubari  
Alsahel

#### Tier Two – direct support



Al Jufra  
Tiji  
Tripoli Centre  
Wadi Albawanees  
Zliten  
Al Gharifa

#### Tier Three – direct support



Zuwara  
Hai Alandalus  
Jakharrad  
Jalu  
Sabh

#### Ad hoc support – UNDP R&R gov project - Self-generated



Abu Selim  
Ain Zara  
Ajmel  
Al Bayda  
Al Marj  
Bir'r al Ashhab  
Brak Shati  
Derna  
Esbeea  
Gadamis  
Khalij Alsidra  
Kikla  
Kufra, Misrata  
Murzuq  
Om Razam  
Riqdalin  
Sirt  
Suluq  
Taraghin  
Tawergha  
Warshefana  
Yefren  
Zawiya Sidi al-Sayeh



Above: Randa in entrepreneurship training

## IMPACT

### CASE STUDY: SUPPORTING WOMEN ENTREPRENEURS IN TOBRUQ: RANDA'S ONLINE SHOPPING BUSINESS

In November 2021, PCi implemented a series of livelihood interventions in six Libyan Municipalities, including Tobruq, informed by community consultations and Local Economic Assessments. The Social Peace Partnerships in each target location played a key role, working to design interventions and selecting participants; they also engaged and collaborated with relevant economic stakeholders and local authorities, strengthening relationships and trust between different communities and institutions – and working to implement interventions that were delivered in a conflict-sensitive manner.

In Tobruq, an entrepreneurship training session was delivered to 22 young people, enabling 27-year-old graduate Randa Mahmoud to design and establish her own Facebook shopping business ('Badaya Store'). Randa explained: "I would like to set up an online shopping business in my own city, where you can buy household goods online and pay in instalments, since the price of household goods is increasing rapidly."

Randa applied the skills acquired through the training – which included market research, accountancy, and digital marketing – to establish her business; she currently has 2,500 Facebook followers and her business has created seven jobs. Randa is keen to expand and open a physical shop. She reflected on the empowerment of women in business: "I hope that women will continue to create companies that benefit them financially, while also giving back to society. I think this will make Libyan society more familiar [with] and trusting of women-led companies, and we will see more women business leaders in the future."

## WORKING AT THE (SUB) NATIONAL LEVEL

Civil society organisations can support communities affected by armed conflict or violent change to build relationships, opening channels of communication across the conflict divide so that communities can work on difficult and overlooked issues, leading to the de-escalation of conflict. PCi works to strengthen civil society organisations and help them to connect, share experiences, and be part of decision-making processes that support peace.

In 2018, participants in PCi-led networking meetings formed their own organisation, the Peacemakers' Network – Libya. This is a group of individuals from Libyan civil society, local government, media and academia who work to find solutions to promote sustainable peace. Registered with the authorities in Libya, the organisation gives Libyans from both sides of the conflict divide a vehicle to work together in an institutional way, to seek funding autonomously, and to amplify the voice of its diverse membership.

The Peacemakers' Network currently has 36 members from different ethnicities and tribes, representing 26 communities throughout Libya. The Peacemakers' Network has met regularly online since the pandemic began (March 2020) but was able to convene an in-person session in November 2021. PCi provided support to the Peacemakers' Network through programmatic advice to the management team, including the adoption of a Monitoring and Evaluation framework for organisational development and provision of training in conflict sensitivity tools.

## ACTIONS

With support from PCi, the Peacemakers' Network (PN) has:

- Adopted a Human Resources, Finance and Procurement Policy and hired a Project Manager and an External Finance Officer, to strengthen internal policies and promote streamlined organisational processes as well as updated strategic goals reflecting the current situation in Libya;

- Improved strategic communication through the development of a communication strategy, for both internal and external communication (with Libyan audiences), as well as updating the [PBN website](#).

## IMPACT

The development of strengthened organisational processes has:

- Developed the PN's ability to produce project proposals focused on peace initiatives and submit them to international NGOs; this has facilitated funding from international donors, specifically the Local Governance and Civil Society programme (LGCS) in Libya (implemented by DAI and funded by USAID);
- Facilitated the roll-out of a targeted media and public awareness campaign on electoral processes in Libya, involving the distribution of five videos across a diverse range of Libyan media and social media, at the end of 2021 – with elections now scheduled for 2022. The video subjects were: 1) Democracy, 2) Presidential Election, 3) Legislative Election, 4) Role of Women in Politics, and 5) Candidate Selection.

## AMPLIFYING WOMEN'S VOICES AND SUPPORTING A MORE OPEN DISCUSSION OF WOMEN'S ISSUES

In addition, at the beginning of 2022, PCi in Libya launched an awareness-raising campaign that comprised eight audio podcasts titled 'Illybyabeek' (the Arabic name includes concepts of 'women' and 'togetherness') that were broadcast on SoundCloud, Spotify, Apple Podcasts and YouTube.





Above: Facebook page of ILLYBYABEEK podcast series: <https://www.facebook.com/illybyabeek/>

#### CASE STUDY: 'IIYBYABEEK' – CREATING THE SPACE TO DISCUSS SENSITIVE GENDER ISSUES IN LIBYA

The campaign provided visibility to the stories and experiences of Libyan women and the challenges they face (ranging from a lack of political representation, to underage marriage, domestic violence and the consequences of citizenship laws). It also created a safe space for more open discussion around these issues.

Each episode hosted a prominent woman in her field, including activists, academics and political figures. Zahia Ali was the first guest to be interviewed. Zahia is a women's rights activist and one of PCi's Trainer Mentors. In her episode, she talked about her work on supporting domestic abuse cases in court and helping women to access justice.

A Facebook page was set up to promote the podcast episodes, facilitating citizens to discuss the issues and contribute recommendations on how to address them. A few weeks later, the page had 11,600 followers; over 250 recommendations were collected through the comments from a total of 22,400 interactions (likes, comments, and shares).

The episode on domestic violence was among the most popular discussion points. Many women shared examples of their personal role models or their experiences of dealing with similar issues, from street harassment to unemployment and social pressures. While some comments were critical of the approach to the topics, the page has allowed for an open discussion by both men and women, which represents an important step towards sensitising the Libyan public on these issues and creating support to address the challenges faced by women.

PCi is currently drawing up a set of recommendations to address the issues raised through the podcasts. PCi will share key learning with the SPPs and CSOs it supports across Libya to inform both the design of new initiatives at the community level, and nationwide advocacy campaigns targeting government and other institutional decision-makers, seeking to achieve the widest possible reach in Libya.

## WORKING AT THE INTERNATIONAL LEVEL

Libya's peace and conflict context is complex, driven by multifaceted conflict dynamics. When delivered in a way that does not take such complexity into account, international humanitarian, development and political assistance runs the risk of exacerbating tensions while missing opportunities to promote peace.

Conflict sensitivity is an approach to delivering humanitarian, development and political assistance that incorporates a nuanced understanding of the context in order to minimise the risk of assistance worsening conflict dynamics, and to maximise opportunities to contribute to sustainable peace.

## ACTIONS AND IMPACT

PCi facilitates the Conflict Sensitive Assistance (CSA) in Libya Forum. The CSA Forum, which has been running since 2012, provides resources for donors, international organisations and international NGOs working in Libya to help them be more conflict sensitive; it also provides an important space for critical self-reflection regarding the impact of their work. Over the reporting period, PCi's activities contributed to the conflict sensitivity of international assistance by:

- Maintaining an online national-level peace and conflict factor analysis accessible to international assistance providers working on Libya;
- Convening the bi-monthly CSA Forum, bringing together participants from embassies, international organisations and international NGOs to review the changing context in Libya, reflect on how that context affects and is affected by the assistance they provide, and identify recommendations for adjusting international assistance;
- Developing actionable guidance and tools relating to specific conflict sensitivity challenges faced by international actors in Libya. Work is underway to produce resources on conflict sensitivity relating to communications activities and gender dynamics;

- Providing tailored training to international implementers and donors, focusing on the practical skills and processes needed to undertake work in a conflict-sensitive way. The training programme – which included a wide range of staff functions within organisations, including those that are often neglected when it comes to conflict sensitivity, such as communications and operations – provided participants with the skills to apply conflict sensitivity to their own work. As part of the programme, PCi further delivered a dedicated session for an international NGO, facilitating discussions on how to better apply conflict sensitivity across the organisation;
- Developing local-level peace and conflict analyses through consultative approaches to inform conflict-sensitive approaches to working in different locations in Libya.

## PCI AND CHATHAM HOUSE CO-HOST THE WEBINAR 'SOCIETAL IMPACT OF THE CONFLICT ECONOMY IN LIBYA' (29 MARCH 2022)

The webinar launched a new PCi publication, ['Unpacking the impact of conflict economy dynamics on six Libyan Municipalities'](#). This report fills an important gap in our understanding of conflict dynamics in Libya, arguing that political elites and armed groups cannot be assessed in a vacuum, without exploration of the socio-economic context of the communities that they claim to represent. The research takes a localised approach, exploring factors that influence local conflict economy dynamics, which vary from area to area. It is also a human-centred approach, viewing Libyans as participants in the local conflict economy – both willing and unwilling – rather than only as passive victims of the conflict-affected environment in which they live.

The report concludes that reducing the societal impact of Libya's conflict economy cannot rely solely on high-level elite bargains and a top-down approach to security sector reform. National-level conflict dynamics and local instability are linked, and this necessitates a twin-track approach whereby local in-



terventions are supported by the implementation of national-level reforms that address structural issues. In addition, in support of local social cohesion, the paper recommends the establishment of economic–social peace partnerships that promote pro-peace business activities across conflict divides. It also recommends conflict-sensitive livelihood and peacebuilding interventions that minimise the risk of assistance worsening conflict dynamics, and that maximise opportunities to contribute to sustainable peace.

The panellists were:

- **Emad Badi**, Senior Fellow at the Atlantic Council, Advisor at DCAF and Senior Analyst at Global Initiative against Transnational Organized Crime;
- **Virginie Collombier**, Part-time Professor and Scientific Coordinator of the Middle East Directions Programme at the European University Institute;
- **Tim Eaton**, Senior Research Fellow in the Middle East and North Africa Programme at Chatham House and XCEPT Research Lead for the Libya, East and West Africa Case Study.

Chair: **Fleur Auzimour Just**, Chief Executive Officer of the Peaceful Change initiative.

## CHALLENGES WE FACED

PCI's international staff were unable to enter Libya due to sustained security challenges across the country, hampering the delivery of expertise to complex initiatives and the ability to undertake monitoring and evaluation of activities and impact. The process of obtaining a visa is extremely challenging, and the Civil Society Commission is notoriously inflexible when it comes to granting invitation letters and visas to international non-governmental organisations (INGOs). As a result, the situation for bringing international staff into

the country remains challenging – in addition to the widespread security concerns throughout the country.

Occasional incidents (clashes in some areas) had an impact on operations to some extent, causing delays in delivering activities or preventing staff and partners from participating in meetings, limiting activities. In addition, power cuts impacted some operations due to their effect on communications.

The liquidity crisis, high inflation, and changes in the exchange rate by the Central Bank of Libya created a volatile political situation and placed all communities under extreme financial pressure, especially in smaller towns where jobs and resources are scarce. The disagreements between governments, the ongoing postponement of presidential elections, and the conflict between the HSE and HOR with regard to the amendment of the constitution are all factors that have exacerbated this situation. PCI continues to leverage and capitalise on its relationships across the country and within the international community to achieve the following goals:

- Manage increased tensions caused by polarisation in 40 towns across Libya;
- Support the international community to minimise the risks of current assistance inadvertently causing harm.



Above: Conflict Sensitive Assistance (CSA) in Libya Forum

### **CASE STUDY: DEVELOPING LOCAL-LEVEL CONFLICT SENSITIVITY ANALYSIS FOR SABHA**

Over the course of 2020 and 2021 PCi has been pioneering a Local CSA Forum process. The CSA team facilitated a collaborative process amongst several organisations to develop a peace and conflict analysis of the southern Libyan city Sabha. The analysis identified key conflict sensitivity interactions relating to delivering assistance in Sabha and suggested practical advice on how to manage and mitigate them. It was presented in several fora such as the Humanitarian-development-peace Nexus Working Group and EU Implementers Forum to inform shared understanding and stimulate discussions around conflict-sensitive approaches to working in Sabha. As such it proved to be a valuable resource for donors and implementers and PCi will be working on more such analyses to feed into joint processes.

# SERBIA-KOSOVO

## THE CONTEXT

The legacies of the wars that accompanied and accelerated the breakup of Yugoslavia continue to perpetuate a post-conflict atmosphere in various parts of the region. Kosovo's declaration of independence from Serbia in February 2008, though recognised by almost half of all UN member states, continues to be rejected by the latter. Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue under the auspices of the European Union. Though some tangible progress has been made, fundamental disagreements remain over the issue of Kosovo's status, and the actual process has effectively been stalled for over two years, with the two sides accusing one another of responsibility for the stalemate.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **PROLIFERATION OF HATE SPEECH:** negative stereotypes, widespread animosity, hostility in social media, stereotypes perpetuated in mainstream media;
- **DEEP MISTRUST TOWARD THE 'OTHER SIDE':** characterised by intolerance and ignorance – historical grievances, psychological trauma, lack of trust and lack of political will;
- **UNCERTAIN SECURITY ENVIRONMENT:** security dilemmas created by unresolved status issues;
- **STATE CAPTURE, ESPECIALLY IN SERBIA:** Deriving from a stalling of the post-war democratic transition process, lack of progress in EU accession and the authoritarian character of the Serbian regime;

## WORKING AT THE LOCAL LEVEL

PCi has been supporting fractured communities to maintain cohesion during the COVID-19 pandemic in Serbia and Kosovo through the Amplifying Local Voices for Equitable Development (ALVED) project. COVID-19 continues to put pressure on local authorities to deliver services, with unequal access to resources generating mistrust within and between communities, especially where minority groups are concerned. PCi, working through its partners, addresses the needs of marginalised communities, undertaking vital work in domestic violence, mental health, and assistance for the elderly and vulnerable. The pandemic has increased concerns around access to vaccines and socio-economic assistance, which we have been successfully addressing.

## ACTIONS AND IMPACT

- The Kosovo–Serbia Advisory Group was established to provide tangible inputs into how the project achieves its objectives and is pivotal in re-designing grant schemes to support Kosovo's and Serbia's civil societies to establish and support cross-border and cross-community connections. As a result, 14 initiatives in five target municipalities were supported through the project. In addition, under the umbrella of the ALVED project Advisory Group PCi supported two institutional grants to support mission-led organisations in Kosovo and Serbia to empower them to pursue the core objectives of their mission to achieve social change within their own societies:
  - For example, PCi supported Caglavica Media Center to ensure that the organisation is able to continue to convene televised debates on

topical issues that are, relevant and accessible to all of the communities of Kosovo. The period of cooperation will allow Caglavica Media Center to improve its format for convening debates that involve the different communities in Kosovo, learn from it, and establish it as a unique selling point with respect to future core activities.

- Through PCi's consortium partners, Advisory Committees have been established in eight target municipalities to pursue inclusive and participatory approaches to social services planning. This ensures that the views of local residents and organisations are heard, and that the social services strategies created reflect needs and demands on the ground. This is especially important in light of the additional strain COVID-19 has placed on social services providers across the Western Balkans.
- Youth mobilisation activities were implemented in five municipalities in Kosovo and three municipalities in Serbia to empower young people with the skills necessary to engage in the political and economic life of their municipality. In addition, a special grant scheme to support young people to better address the issues and problems they face in their communities, improve their skills for lobbying with decision-makers, and create sustainable social entrepreneurship ventures was designed, with seven out of 11 grants under implementation (May 2022).

## WORKING AT THE NATIONAL LEVEL

Further to thorough research into the ways in which divisive narratives are generated and disseminated in mainstream media in Serbia and Kosovo – the findings and recommendations of which were published as [Understanding Divisive Narratives – Media Analysis](#) – the Media Consultation Dialogues continued to look into both chronic and acute problems in Serbian and Kosovar media. Several specific actions were taken based on the conclusions and recommendations of these Dialogues.

## ACTIONS AND IMPACT

Four Media Consultation Dialogues (MCDs) were held, bringing together media professionals from Serbia and Kosovo in order to exchange experiences and forge co-operation among journalists, editors and managers and thus contribute to a better media landscape and a healthy West Balkan neighbourhood. The discussions focused on:

1. The role of local media in Kosovo and Serbia (looking into their relevance, their sustainability and the possibility of amplifying their voices, since the local media tend to be more engaged in fostering inter-ethnic tolerance than their larger, nationwide media outlets);
2. Media sustainability (independent media voices struggle to survive; the ones which have no financial troubles are the ones firmly controlled by the respective governments and which just replicate official positions);
3. Women in the newsrooms (looking at both the status of women journalists in Serbia and Kosovo and the way that women are represented in the media);
4. Social media and their impact on journalism (since the social media tend to be the ones in which hate speech and intolerance are most present, the Dialogue examined ways of countering that trend; it also looked closely at positive impacts of social media and the need for traditional media to adapt to the new reality of social media functioning as media outlets).

The Media Consultation Dialogues resulted in a series of conclusions and recommendations which were shared with the media in Kosovo and Serbia and relevant national and international institutions. The MCDs also galvanised several action points for ALVED:

- The first PCi Media Awards for stories showcasing inter-ethnic coexistence were given out in two ceremonies (one for Albanian-lan-

guage stories and one for Serbian-language ones) in [Belgrade](#) and [Pristina](#). One jury member said: “The importance of the awarded stories lies in the fact that they go way beyond daily news reporting and deal with real life, which is always much more complex and even beautiful than daily news make it appear to be.” Another commented: “This is the only award of this kind in the entire region. It encourages journalists to present the reality between communities which is vital for a healthy social coexistence, without anger and hatred.” The Media Award will go into its second year in 2022.

- In order to spread the word on positive examples and the work of civil society organisations in Kosovo and Serbia, a fellowship programme was established with two news agencies (BETA in Belgrade and KosovaPress in Pristina) and a local news portal in Bujanovac ([Bujanovacke](#), the only bilingual (Albanian and Serbian) website in Southern Serbia). PCi first funded a journalist in each of these outlets whose work focused exclusively on

issues that civil society brings to the table. After an experimental five-month period, the Fellowship was recognised as a significant contribution to the media scene and was extended until the end of 2022.

- To assist with media sustainability issues and test the waters on cooperation between Serbian and Albanian language outlets in Kosovo, a grant was awarded to the Gorazdevac Media Group to expand their output by cooperating with Albanian and Bosnian language media outlets and a CSO.
- Further to the conclusions of the MCD on women in journalism, a working group was established which will undertake a comprehensive research study on the status of women in the media in Kosovo and Serbia, highlight the most pressing issues and problems, and offer solutions.



Above: the award ceremony for the best stories in Serbian was held on 28 February 2022 in Belgrade’s Media centre

## CHALLENGES WE FACED

COVID-19 continued to limit the possibility for in-person meetings until, effectively, the very end of 2021, which affected particular elements of the project such as the community-level work and the formation of a Kosovo–Serbia Advisory Group. In addition, the fall of the Kosovo government in March 2020 and again in December 2020, followed by fresh elections in February 2021, created political disturbances that filtered down to ALVED’s targeted municipalities. The indictment and detention of former Kosovo Liberation Army (KLA) leaders, including former President Thaci and former Parliament Speaker Veseli by the Kosovo Specialist Chambers in the Hague, heightened tensions and further polarised intra-ethnic and inter-ethnic relations in Kosovo. Barely a year after the previous ones, Parliamentary and (some) local elections, as well as Presidential elections, were scheduled in Serbia for 3 April 2022; the expectation is that it will be months before a new government is formed, giving Belgrade another rea-

son to stall both the Brussels dialogue and any other significant domestic or foreign policy decisions. It is quite likely that the new government will not be formed until the end of the summer. On top of that, the Russian invasion of Ukraine amplified the splits between Belgrade and Pristina, with Kosovo decisively taking the EU’s stand on the Russian aggression while Serbia continues to maintain a neutral attitude, which panders to the (by-and-large) pro-Russian sentiment of most of the population and the political elite.



Above: PCi’s Media Awards for showcasing multi-ethnic coexistence in Kosovo were handed out on 3 March 2022 in Pristina to journalists and media who participated in the category of Albanian language media content

# PROVISION OF PCI TECHNICAL SUPPORT TO PEACEBUILDING PROJECTS

## UK

### EXPLORING HOW THE UK ENGAGES IN FRAGILE AND CONFLICT-AFFECTED COUNTRIES IN A CHANGING GLOBAL CONTEXT

Between April 2021 and March 2022, PCi undertook a piece of work, generously supported by the Joseph Rowntree Charitable Trust, to look at how the UK engages in fragile and conflict-affected countries in light of the changing global and institutional context relating to UK foreign policy.

The work, in collaboration with the Foreign Policy Centre, resulted in a collection of essays from expert contributors entitled: [A 'Force for Good?': Examining UK engagement in Fragile and Conflict Affected](#)

**Countries.** The essay collection examined different aspects of the UK's engagement in fragile and conflict-affected countries and made recommendations around how the UK can respond to the changing international environment, informed by its values and building on its foreign policy strengths and capacities as a soft power with conflict and peacebuilding expertise.

**The report** was launched at an online event on 6 December 2021.



Above: a 'Force for Good' report launch event

## SWITZERLAND

### PROVISION OF TECHNICAL SUPPORT TO UN-LED PEACE NEGOTIATION PROCESS FOR SYRIA

At the request of the EU and the German Ministry of Foreign Affairs, PCi is providing technical support to the Geneva-based UN-led peace process for Syria. In particular, PCi provides capacity building support to the Syrian Negotiation Committee's representative office in Geneva. This includes work on organisational processes and procedures as well as advisory support on peacebuilding strategies.

This work takes place exclusively in Switzerland.



Above: United Nations Office, Geneva, Switzerland



# FINANCIAL REVIEW

PCi's financial situation in FY22 remained strong; we increased both our income and programme expenditure compared to FY21, and had no significant change in reserves. Our income was once again primarily due to awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, the European Union, and the United Nations, to fund our portfolio of programmes. Our increase in income and expenditure on activities was largely due to the Technical Support to Peacebuilding Projects which we began at the end of FY21 and continued throughout FY22. Again, much of our expenditure is in support of activities undertaken by our partners in Libya, Serbia and Kosovo, although we were also able to make some investments in programme development during the financial year to support PCi's future resilience.

In the reporting year we received funding from:

- The UK Foreign and Commonwealth Office
- The European Union
- The Swiss Federal Department of Foreign Affairs
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- The Canada Fund for Local Initiatives
- The World Food Programme
- The Joseph Rowntree Charitable Trust

We also carried out consultancy work for:

- The Shared Ground Programme (Belong Network)
- The Kaizen Partnership Ltd

- WeWorld GVC
- The Kaizen Partnership Ltd
- Expertise France
- The International Organization for Migration
- Ilko Kucheriv Democratic Initiatives Foundation

During the year we also handled income and expenses on behalf of the Conflict Sensitivity Community Hub.

## FUNDRAISING

PCi has not signed up to fundraising codes of conduct and does not use professional fundraisers.

## RESERVES POLICY

PCi's reserves policy sets out the principles for holding and spending reserves, the accounting policy to follow, and the governance process. The Board of Trustees sets a reserves target for a 24-month period, which is then reviewed annually. This will be based on an assessment of the following risk factors:

- Operational Contingency: covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, legal costs, insurance excess, or crisis response;
- Reduced income: a source of income, e.g. a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations;
- Strategic Commitments: designations that cannot be met by future income alone, e.g. plans for a

major asset purchase or significant project that requires the charity to provide 'matched funding';

- Cashflow: the need to fund short-term deficits in a cash budget, e.g. money may need to be spent before a funding grant is received, or to cover bad debts.

For FY22 the Board set a reserves target of £564,000. At the balance sheet date, PCi held reserves of £738,112 (2021: £767,353), of which £692,310 (2021: £719,875) related to restricted funds, thus retaining the reserves required.

As the current reserves held are higher than the reserves target, FY23 will see the Board continuing to focus on ensuring that PCi invests in resilience and in diversification of funding sources, to ensure the charity is in a good position to respond to ongoing challenges, as noted in the Plans for Future Periods section on page 28.

Having reviewed the future plans of the Charity, including an assessment of expected income for at least twelve months from the date of approval of these financial statements, the Trustees do not consider that there is a material uncertainty regarding the going-concern status of the Charity, and accordingly consider it appropriate that the financial statements are prepared on a going-concern basis.

## RISKS AND UNCERTAINTIES

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- Physical security of staff and beneficiaries in the areas in which we operate;
- Solvency and cashflow;

- Misappropriation of funds or other benefits by proscribed groups within conflict zones;
- Reliance on a limited group of institutional funders;
- Psychological wellbeing of staff working overseas or in conflict zones;
- Safeguarding of beneficiaries;
- Handling of sensitive data and security of IT systems;
- Financial risks associated with UK's exit from the European Union.

## PLANS FOR FUTURE PERIODS

PCi recognises that the post-pandemic and post-Brexit operational environment is very challenging for UK charities. In particular, the UK government funding for international peacebuilding work has significantly reduced with an ODA cap and periodic FCDO funding freezes. In response, PCi recognises the need to focus on resilience and diversification. To this end, from FY23, PCi's focus will be on:

- Diversifying charitable income streams by building relationships with government institutional donors in European countries as well as foundations and philanthropists. We have articulated donor engagement strategies and work plans in this regard. We will bring in specific expertise to the Board of Trustees to support this objective;
- Developing and implementing a more proactive external communications strategy in support of our fundraising objectives. To this end we will recruit a Communications Manager;
- Developing and disseminating high-quality thought leadership products and analysis stemming from PCi's programmes. We will leverage our enhanced communications capacity to disseminate reports and other thought leadership materials;
- Developing new methodologies to address emerging challenges to peace and stability. For example, PCi will work to develop ways of addressing the intersection of climate change and conflict dynamics;
- Commencing work in one new conflict-affected country, in line with PCi's charitable mandate. Our focus will be on supporting conflict-sensitive humanitarian aid and social cohesion work in Northern Mozambique.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

Peaceful Change initiative (PCi) was registered as a Charitable Company on 7 July 2015 (number 1162997). It has been registered as a Company Limited by Guarantee (number 07931944) since 1 February 2012. PCi is governed by a Memorandum of Incorporation dating from 1 February 2012 and Articles of Association as amended by special resolution dated 7 July 2015.

## SUBSIDIARY LEGAL ENTITIES

As the organisation operates internationally, it has established legal entities where it works:

- Libya – Peaceful Change initiative, Libya (registered as a Civil Society Organisation)
- Tunisia – Peaceful Change initiative, Tunisia (registered as an external entity)
- Ukraine – Representative Office of Peaceful Change initiative in Ukraine (registration as a separate division of a foreign non-governmental organisation is in progress)

## BOARD OF TRUSTEES

PCi is governed by a Board of Trustees, which governs in accordance with the Charity Commission guidance laid out in its publications. The aim is to have an inclusive Board, with a mix of experience in thematic peacebuilding, management, financial management, fundraising, business development, and legal/risk management.

The Board currently consists of:

- James Freeman
- Michael Holland

- Anton Shihoff
- William Peace (Chair)
- Dr Joan McGregor
- Giulia Pellegrini
- Wonu Owoade (since June 2022)
- Peter Millett (since June 2022)

## IDENTIFICATION AND INDUCTION OF NEW TRUSTEES

New trustees are identified by fellow trustees, together with the Chief Executive Officer, and invited to join the Board following a process of due diligence and substantial engagement to ensure that PCi's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCi senior management, includes familiarisation with:

- The duties and responsibilities expected of trustees and as outlined in CC3;
- PCi's legal framework and governance;
- PCi's finances (including audit reports);
- The mission of PCi and the principles that underpin the delivery of that mission;
- The details of the current and future programmatic work of the organisation.

## MEETINGS, MINUTES AND DECISION MAKING

The Board of Trustees has met regularly during the reporting period, virtually, with PCI's AGM held on 13 December 2021. PCI returned to the usual annual budgeting cycle in FY22, with Trustees reviewing forecasts and spending on a six-monthly basis. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCI's existing contracts and new-grants pipeline and to discuss programming in PCI's areas of operation.

## RISK MANAGEMENT SUB-COMMITTEE

The Board's Risk Management Sub-Committee maintains and oversees PCI's risk management policy and risk register. The Sub-Committee meets formally twice a year, and on an as-needs basis to support the Management Team with decision making during specific situations.

## FINANCIAL CONTROLS

Financial controls have been put in place, with the Board being accountable for the Charity's finances, and day-to-day responsibility for execution delegated to the Chief Executive Officer. The Board closely monitors the Charity's accounts, analysing fund income and expenditure and planning overall spend against overheads. Appropriate policies and procedures are in place, and annual audits are carried out by Goodman Jones LLP. Goodman Jones, or an alternative auditor specified by the donor, carries out audits at the close of individual grant funds.

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of key management personnel (Chief Executive Officer and other key senior positions) is set by the Board, with due attention to availability of funds, responsibilities undertaken, market rates and the charity nature of the organisation.

## MANAGEMENT TEAM

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees. Abigail Orr continues in her role as Finance and Operations Manager. Rebecca Crozier has joined the Management Team as Programme Development Director. Fleur Just, Abigail Orr and Rebecca Crozier develop and implement strategic plans and key policies together with an expanded management team of Senior Advisers.

# REFERENCE AND ADMINISTRATIVE DETAILS

## REGISTERED OFFICE ADDRESS

25B Lloyd Baker Street  
London  
WC1X 9AT

## COMPANY REGISTERED NUMBER

07931944

## CHARITY REGISTERED NUMBER

1162997

## CHIEF EXECUTIVE OFFICER

Fleur Auzimour Just

## INDEPENDENT AUDITORS

Goodman Jones LLP  
Chartered Accountants  
29-30 Fitzroy Square  
London  
W1T 6LQ

## BANKERS

Co-operative Bank  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

## SOLICITORS

Dechert LLP  
160 Queen Victoria Street  
London  
EC4V 4QQ

## OTHER FINANCIAL SERVICES PROVIDERS

- Western Union Business Services
- Clements Worldwide
- Arthur J Gallagher

# TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Peaceful Change initiative for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and

disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## AUDITORS

The auditors, Goodman Jones LLP, have indicated their willingness to continue in office. A motion proposing the re-appointment of the auditors will be raised at a meeting of the Trustees.

This report was approved by the Trustees on 12 December 2022 and signed on their behalf by:

**William Peace**  
Chair of the Board of Trustees

# INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF PEACEFUL CHANGE INITIATIVE

## OPINION

We have audited the financial statements of Peaceful Change initiative for the year ended 30 March 2022 set out on pages 36 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company’s affairs as at 30 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the ‘Auditors’ responsibilities for the audit of the financial statements’ section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council’s Ethical Stand-

ard, 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.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustee’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors’ 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 finan-



cial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The Charity has not kept adequate accounting records; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to take advantage of the small companies' exemption.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal con-

trol as the Trustees 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 Trustees are responsible for assessing the charitable 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 the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not de-

tecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

### Goodman Jones LLP

Chartered Accountants  
Statutory Auditors

29 30 Fitzroy Square  
London  
W1T 6LQ

Date: `

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# FINANCIAL STATEMENTS AND NOTES

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 March 2022

Income from:	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations and legacies	3	3,020	4,326,598	4,329,618	3,799,454
Charitable activities	4	45,252	-	45,252	39,792
<b>Total income</b>		<b>48,272</b>	<b>4,326,598</b>	<b>4,374,870</b>	<b>3,839,246</b>
<b>Expenditure on:</b>					
Charitable activities	5	49,947	4,354,164	4,404,111	3,612,568
<b>Total expenditure</b>		<b>49,947</b>	<b>4,354,164</b>	<b>4,404,111</b>	<b>3,612,568</b>
<b>Net surplus before other recognised gains and losses</b>		<b>(1,675)</b>	<b>(27,566)</b>	<b>(29,241)</b>	<b>226,678</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(1,675)</b>	<b>(27,566)</b>	<b>(29,241)</b>	<b>226,678</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		47,477	719,876	767,353	540,675
<b>Total funds carried forward</b>		<b>45,802</b>	<b>692,310</b>	<b>738,112</b>	<b>767,353</b>

The notes on pages 37 to 49 form part of these financial statements.

**PEACEFUL CHANGE INITIATIVE  
BALANCE SHEET AS AT 30 MARCH 2022**

Company number 07931944

	Note	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		8,471		8,114
<b>Current assets</b>					
Debtors	10	1,365,583		833,750	
Cash at bank and in hand		565,818		898,240	
		1,931,401		1,731,990	
<b>Creditors:</b> amounts falling due within one year	11	(1,201,760)		(972,751)	
<b>Net current assets</b>			729,641		759,239
<b>Net assets</b>			738,112		767,353
<b>Charity Funds</b>					
Restricted funds	12		692,310		719,875
Unrestricted funds	12		45,802		47,478
<b>Total funds</b>			738,112		767,353

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Trustees on 12 December 2022, and signed on their behalf, by:

**William Peace**  
Chair of the Board of Trustees

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 MARCH 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	14	(324,894)	509,428
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(7,528)	(10,354)
<b>Net cash used in investing activities</b>		(7,528)	(10,354)
<b>Change in cash and cash equivalents in the year</b>		(332,422)	(499,074)
Cash and cash equivalents brought forward		898,240	399,166
<b>Cash and cash equivalents carried forward</b>	15	<b>565,818</b>	<b>898,240</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2022

### 1. GENERAL INFORMATION

Peaceful Change initiative is a charitable company, limited by guarantee, registered in England and Wales, and whose registered office address is 25b Lloyd Baker Street, London, WC1X 9AT. The Charity's objects are the promotion of conflict resolution and reconciliation as stated in the Trustees' Report.

### 2. ACCOUNTING POLICIES

#### a. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in

the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Peaceful Change initiative meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### b. Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 28. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

### **c. Going concern**

The Charity receives the majority of its income in the form of grants for specific programme expenditure, and many of these grant agreements include an allowance for overheads. The majority of income is for multi-year projects, so the Charity already has income contracted for FY23 and FY24.

After reviewing the level of recurring expenditure and expected income for FY23 and beyond, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, the Charity will continue efforts to increase unrestricted funding. The Charity acknowledges the risk that Government budgets will tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **d. Consolidation**

The Charity operates internationally and has established legal entities in Libya (Peaceful Change Initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative a division of a foreign non-governmental organisation)). These entities are solely to enable operation of PCi at local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

### **e. Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **f. Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

### **g. Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

## **h. Expenditure**

Expenditure is recognised inclusive of irrecoverable VAT once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

## **i. Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

## **j. Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Fixtures and fittings
- 33.33% straight line

## **k. Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## **l. Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## **m. Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the

pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

#### **n. Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### **o. Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **p. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

#### **q. Pension**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

#### **r. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



### 3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Donations	3,020	-	3,020	85
Grants	-	4,326,598	4,326,598	3,799,369
	<b>3,020</b>	<b>4,326,598</b>	<b>4,329,618</b>	
Total 2021	85	3,799,369	3,799,454	

Grant income is received from UK and non UK governments and governmental organisations. During the year, the Charity received grants totalling £3,147,053 (2021: £2,817,278) from the UK government.

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Conflict resolution and peacebuilding	45,252	-	45,252	39,792
Total 2021	39,792	-	39,792	

### 5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022	Grant funding of activities 2022	Support costs 2022	Total 2022	Total funds 2021 Total 2021
	£	£	£	£	£
Conflict resolution	3,896,360	203,527	304,224	4,404,111	3,612,568
Total 2021	3,192,626	187,209	232,733	3,612,568	

## ANALYSIS OF SUPPORT COSTS

	Conflict resolution 2022 £	Total 2022 £	Total 2021 £
Staff Costs	131,831	<b>131,831</b>	96,244
Depreciation	6,843	<b>6,843</b>	4,662
Travel	4,256	<b>4,256</b>	-
Rent	21,960	<b>21,960</b>	21,017
Insurance	18,882	<b>18,882</b>	13,793
Light and heat	416	<b>416</b>	599
Office expenses	999	<b>999</b>	472
Printing, postage and stationery	304	<b>304</b>	24
Telephone	28	<b>28</b>	28
Computer	5,719	<b>5,719</b>	3,433
Legal and professional fees	56,457	<b>56,457</b>	45,338
Audit	10,740	<b>10,740</b>	8,950
Staff welfare and training	1,995	<b>1,995</b>	990
Bank charges	744	<b>744</b>	476
Surplus/deficit on foreign currency	34,190	<b>34,190</b>	34,011
Sundry expenses	6,119	<b>6,119</b>	17
Subscriptions	2,417	<b>2,417</b>	2,679
Trustees' meeting expenses	296	<b>296</b>	-
Loss on disposal of fixed assets	28	<b>28</b>	-
	304,224	<b>304,224</b>	232,733
Total 2021	232,733	232,733	

## 6. ANALYSIS OF GRANTS

	<b>Grants to Institutions 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Conflict resolution	203,527	<b>203,527</b>	187,209
Total 2021	187,209	187,209	

Grants were awarded in the year to local organisations towards intra community, social integration, and peacebuilding projects. Grants are only awarded where the activities and projects being funded will be used in line with Peaceful Change initiative's charitable objectives.

## 7. STAFF COSTS

Staff costs were as follows:

	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	1,135,444	1,082,460
Social security costs	46,234	36,542
Other pension costs	30,621	23,274
	<b>1,212,299</b>	<b>1,142,276</b>

The average number of persons employed by the Charity during the year was as follows

	<b>2022 No.</b>	<b>2021 No.</b>
Administration and management	4	4
Projects	19	18
	<b>23</b>	<b>22</b>

One employee received remuneration amounting to more than £60,000 in the year, (2021: One).

Remuneration totalling £160,351 (2021: £123,840) was paid to key management personnel.

## 8. TRUSTEES' REMUNERATION AND EXPENSES

During the year, none of the Trustees received remuneration for their role as trustees. Related party transactions are disclosed in note 19.

During the year, no Trustees received any benefits in kind (2021 £nil).

During the year ended 30 March 2022, travel expenses totalling £592 were reimbursed or paid directly to two Trustees (2021 - £nil to no Trustees).

## 9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>Cost</b>	
At 31 March 2021	43,114
Additions	7,528
At 30 March 2022	<b>50,642</b>
<b>Depreciation</b>	
At 31 March 2021	35,000
Charge for the year	7,171
At 30 March 2022	<b>42,171</b>
<b>Net book value</b>	
At 30 March 2022	<b>8,471</b>
At 30 March 2021	<b>8,114</b>

## 10. DEBTORS

Due within one year	2022 £	2021 £
Trade debtors	799,700	8,413
Other debtors	3,866	3,951
Prepayments and accrued income	562,017	821,386
	<b>1,365,583</b>	<b>833,750</b>

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Funds held as agent	-	6,420
Trade creditors	267,153	138,177
Other creditors	-	-
Accruals and deferred income	934,607	828,154
	<b>1,201,760</b>	<b>972,751</b>

	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 31 March 2021	371,394	(76,823)
Resources deferred during the year	624,174	371,394
Amounts released from previous years	(371,394)	(76,823)
Deferred income at 30 March 2022	<b>624,174</b>	<b>371,394</b>

Deferred income represents grant income received for programme expenditure where associated performance conditions had not been met at the balance sheet date.

## 12. STATEMENT OF FUNDS

Statement of funds - current year:

	Balance at 31 March 2021 £	Income £	Expenditure £	Transfer in/ (out) £	Balance at 30 March 2022 £
<b>Unrestricted funds</b>					
General Funds	47,478	48,272	(49,947)	-	45,802
<b>Restricted funds</b>					
Libya Programs	704,305	2,147,316	(2,175,215)	-	676,407
Syria Programs	5,000	677,647	(677,314)	-	5,333
Black Sea Programs	10,570	1,467,198	(1,467,198)	-	10,570
UK Programs	-	34,437	(34,437)	-	-
	<b>719,875</b>	<b>4,326,598</b>	<b>(4,354,164)</b>	<b>-</b>	<b>692,310</b>
Total funds	<b>767,353</b>	<b>4,374,870</b>	<b>(4,404,111)</b>	<b>-</b>	<b>738,112</b>

Statement of funds - prior year:

	Balance at 31 March 2021 £	Income £	Expenditure £	Transfer in/ (out) £	Balance at 30 March 2022 £
<b>Unrestricted funds</b>					
General Funds	39,697	39,877	(32,096)	-	47,478
<b>Restricted funds</b>					
Libya Programs	500,978	2,110,222	(1,906,895)	-	704,305
Syria Programs	-	234,568	(229,568)	-	5,000
Black Sea Programs	-	1,454,579	(1,444,009)	-	10,570
	<b>500,978</b>	<b>3,799,369</b>	<b>(3,580,472)</b>	<b>-</b>	<b>719,875</b>
Total funds	<b>540,675</b>	<b>3,839,246</b>	<b>(3,612,568)</b>	<b>-</b>	<b>767,353</b>

Restricted funds comprise the following:

**Libya** - this programme focuses on strengthening the capacity of local leaders to manage conflict during the country's political transition and aims to reduce tensions within and between communities as well as contributing to laying the foundations for a political settlement at the national level.

**Syria** - the work in Syria supports UN-led efforts to develop a political solution to the conflict, in line with UN Security Council Resolution 2254.

**Black Sea** - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries.

**UK** - this programme focuses on engagement with the UK government (through the parliament and the civil service) to promote conflict sensitivity in the UK's foreign policy. The programme also supports UK institutions to promote social cohesion in the UK.

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,471	-	8,471
Current assets	768,563	1,162,838	1,931,401
Creditors due within one year	(731,262)	(470,528)	(1,201,760)
	<b>45,802</b>	<b>692,310</b>	<b>738,112</b>

Analysis of net assets between funds - prior year:

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8114	-	8,114
Current assets	640,721	1,091,269	1,731,990
Creditors due within one year	(601,357)	(371,394)	(972,751)
	<b>47,478</b>	<b>719,875</b>	<b>767,353</b>

### 14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	<b>(29,241)</b>	226,678
<b>Adjustment for:</b>		
Depreciation charges	7,171	4,662
Decrease/(increase) in debtors	<b>(531,833)</b>	(432,911)
Increase)/(decrease) in creditors	<b>229,009</b>	710,999
<b>Net cash (used in)/provided by operating activities</b>	<b>(324,894)</b>	509,428

## 15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	565,818	898,240
Total	565,818	898,240

## 16. ANALYSIS OF CHANGES IN NET DEBT

	At 30 March 2021 £	Cash flows 2022 £	At 30 March 2022 £
Cash at bank and in hand	898,240	(332,422)	565,818
Debt due within 1 year	-	-	-
	898,240	(332,422)	565,818

## 17. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £30,621 (2021 - £23,274). Contributions totalling £2,994 (2021 - £2,043) were payable to the fund at the balance sheet date and are included in creditors.

## 18. OPERATING LEASE COMMITMENTS

At 30 March 2022 the Charity had commitments to make future minimum lease payments under non-cancelable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	4,500	4,500



## 19. RELATED PARTY TRANSACTIONS

During the year, J McGregor, one of the Trustees, received £nil (2021: £12,000) for consultancy services (prior to becoming a trustee). No other remuneration was paid to Trustees in the year.

During the year, £59,886 (2021: £59,646) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year, and £1,681 (2021: £513) was paid for expenses reimbursed. At the balance sheet date, an amount totalling £31,607 (2021: £5,405) was owed by the Charity in respect of these services.

## 20. CONTROLLING PARTY

The Charity is under the control of the members. There is no overall individual controlling party.