

Annual Report

31 March 2023 – 30 March 2024



Peaceful
Change
initiative



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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 2023 to 30 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. 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).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

A message from our Chair of Trustees and Chief Executive Officer (CEO)

This past year has been a difficult one for peace-builders. We are seeing the highest number of violent conflicts now since 1946 and, as the UN points out, 2 billion people, a quarter of humanity, now live in places affected by conflict.

Peaceful Change initiative works with people affected by conflict for the long-haul. We work in a select few places, where we know we can make a real difference, and we work hard to build a deep understanding of those places and a strong network of partnerships.

Given the range of challenges the world currently faces it is easy for a small organisation to feel overwhelmed with the scale of the work to be done. Our ability to work at the sheer scale needed to make a difference is a constant point of reflection for us.

However, we don't work alone. This year we have worked side by side with 42 partners across eight countries, from religious leaders to radio stations to government departments. By pooling our collective knowledge, expertise and effort we have managed to make a real difference to the lives of people in Serbia and Kosovo, Ukraine, Libya, Mozambique, Tanzania and Kenya.

In Libya, we are now working with 40 municipalities (over a third of the country) through our long-standing Social Peace and Local Development programme. The Social Peace Partnerships we have established between municipal officials, local leaders and civil society representatives are ensuring that the decision making of local authorities is more representative of the needs of women and minority groups and are actively working to reduce and resolve conflict-related violence in their areas. We are particularly proud of our work to strengthen women's leadership in these mechanisms – all Social Peace Partnerships directly supported by us now have women in leadership positions.

In Serbia and Kosovo, we have provided flexible core funding to six community-based organisations, enabling them to focus on responding to community priorities rather than donor priorities. This has strengthened the relationships of trust these organisations have within the communities they represent, increasing their membership base and therefore their ability to sustain without foreign funding. This independence is essential for these organisations to effectively inform and influence the ongoing peace process between Serbia and Kosovo.

In Ukraine we supported Institute for Peace and Common Ground to establish dialogue groups involving 86 people across four towns. These groups support local authorities to manage and respond to competing demands for support and investment and help communities navigate complex and sensitive issues such as the memorialisation of conflict victims. Institute for Peace and Common Ground has since expanded this work to cover 60 locations, in response to demand from Ukrainian authorities.

This annual report sets out the achievements that PCi and our partners have worked towards over the past year. We feel that it demonstrates the collective strength of our efforts.

We would like to thank our partners, staff and donors for your continued support.

William Peace
Chair of Trustees

Fleur Just
CEO

Objectives and activities

Charitable objectives

Our vision is a world free from violent conflict. A world where societies undergoing major change manage conflict without violence through dialogue and collaboration.

Our purpose is to work with communities and their leaders to confront the drivers of violent conflict and build the conditions that make sustainable peace possible.

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:

- **Community-led peacebuilding:** we support activists and organisations with practical tools and knowledge for peacebuilding.
- **Conflict sensitivity:** we advise humanitarian and development actors on how to be more conflict sensitive and achieve greater impact in conflict-affected contexts.
- **Dialogue across divides:** we bring people together across conflict divides to engage in dialogue so they can find common ground and work together to solve shared problems.
- **Inclusive peacebuilding:** we work with our partners to support the meaningful inclusion of women, youth, and other marginalised groups in peacebuilding processes.
- **Protecting and expanding civic space:** we work in partnership with civil society organisations to strengthen and protect civic space and expand it wherever possible.

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

Our work

Our work contributes to sustainable peace by building bridges between communities in conflict, fostering local and national peace efforts, and supporting the creation of institutions that can resolve conflict peacefully. This, in turn, promotes an environment where people feel more secure and gives communities confidence in a shared future. We also advise international agencies, governments, and companies on how to achieve greater positive impact in conflict-affected contexts.

How we make a difference

We build deep knowledge and strong partnerships where we work. This allows us to do both the long-term work of building lasting peace and to respond quickly and effectively to crises. We work side by side with partners ranging from religious leaders to national decision makers. We support them with practical tools and knowledge for peacebuilding, such as conflict management and mediation training. This helps to ensure they can be effective advocates for peace in their community, now and in the future.

We only work where we know we can make a real difference to people's lives. Many communities we work with have successfully managed high-risk conflicts and avoided violence, even when formal peace processes have failed. In Libya, for example, we support community-led peace initiatives which provide a neutral platform for local leaders to identify and address issues that may lead to violence. These have been instrumental in preventing outbreaks of violent conflict and maintaining social peace.

In setting the objectives and activities of the Charity, the Trustees have had due regard for the Charity Commission guidance on public benefit.

Key events in the year

In the reporting period:

- **April 2023:**
 - Commencement of EU-funded “Building Peace Together” project covering border areas between Kenya, Tanzania and Mozambique, in which PCi has partnered with We-World and three universities. PCi’s role is to coordinate original analysis and research and to provide conflict sensitivity support to the project which seeks to support peace resources within Swahili culture.
 - Commencement of Swiss-funded “Maintaining Inclusion and Social Cohesion in Ukraine” project in partnership with IPCG. The project is aimed at supporting communities in Western Ukraine maintain social cohesion between IDP and host communities following the Russian invasion.
- **May 2023:** PCi launched its strategic planning process with a one-day workshop with team leaders from across our different programmes to review what has been achieved against the strategic goals that were set in 2019.
- **June 2023:** the Board’s Strategic Planning Contact Group had its first meeting. The Contact group is made up of Bill Peace, Joan McGregor and Wonu Owuade. The role of the Contact Group is to engage with and support the strategic planning process. The Group acts as a key point of liaison between the Board and the strategic planning process.
- **July 2023:** As part of the strategic planning process, PCi convened a consultation on conflict trends in Libya and the MENA region.
- **September 2023:** As part of the strategic planning process, PCi convened a consultation on conflict trends in the Europe Region consultation.
- **November 2023:** Trustee Michael Holland resigned as Board Member.
- **January 2024:** Commencement of PeaceNexus-funded project to improve gender integration across PCi’s programming, operations and governance. Gender focal points appointed across the organisation.
- **February 2024:**
 - As part of the strategic planning process, PCi convened a consultation to develop an up-to-date picture of donor trends – both in terms of understanding donor priorities and broader trends in funding to peacebuilding and charities like PCi.
 - As part of the strategic planning process, PCi convened a context consultation on the South and East Africa region.
- **March 2024:** Trustee Wonu Owuade resigned as a Board Member.

Achievements and performance

With programmes in North Africa (Libya), Western Balkans (Serbia-Kosovo) and Europe/Switzerland (Syria), we also expanded our geographic reach with new programmes in the Swahili Coast region (Kenya, Tanzania, and Mozambique). We also maintained contacts with different stakeholders in the South Caucasus and in the Ukraine.

Libya

In Libya, the Social Peace and Local Development project continued to build local stability and community resilience to conflict through supporting Social Peace Partnerships and Regional Hubs in 25 Municipalities across the east, south and west. In addition, we partnered with United Nations Development Programme, the Libyan Ministry of Local Government and Municipalities in 9 target areas, to support the production of community-led Local Peacebuilding and Development Plans that are now being used to guide resource mobilisation from both national and international funders for local development projects in Libya. We also continued to implement the Expanding civic space through providing technical support to local CSOs project, which aims to maintain— and, where possible, expand - a safe, open, and diverse civic space in Libya

Mozambique

We provided conflict sensitivity guidance to a 30 million US dollar agricultural development programme in the north of the country. We also trained two INGOs, three national NGOs, and ten grassroots civil society organisations in peacebuilding, conflict analysis and conflict sensitivity, enabling them to develop conflict-sensitive initiatives to engage young men and women in peacebuilding activities.

Serbia-Kosovo

We evaluated our Amplifying local voices for equitable development project that ran between 2020 and 2024. The evaluation highlighted numerous project impacts, which are covered in more detail in the Serbia-Kosovo section of this report. We are most proud of our ability to work across communities in conflict through tackling issues of common concern to communities on both side of the divide. Our flexible and innovative approach has meant that we have been able to keep work going where other more formal processes have stalled. For example, facilitating cooperation between Serbian and Kosovan university faculties where formal cooperation is not possible. Such co-operation has built the foundations for future peacebuilding efforts and helped normalise working together.

Swahili Coast

Established new work in Kenya, Mozambique and Tanzania that aims to support youth-led networks and organisations to actively practice and disseminate learning on peacebuilding and conflict prevention. During the year we conducted participatory conflict analyses of the Swahili Coast regions of all three countries, we trained staff of the five project partners and 40 grassroots CSOs in peacebuilding, conflict analysis and conflict sensitivity and collaborated with three research institutions to undertake research into the opportunities for engaging young people in strengthening community peace and security, including how Swahili cultural practices can support peace and social cohesion.

Ukraine

In partnership with Institute for Peace and Common Ground we worked in four target communities to establish Dialogue Initiative Groups, which are comprised of specially trained civil society members and representatives of local authorities. These groups discussed the local consequences of the Russian invasion and brought community members together to develop solutions to identified problems. Eight community activists were trained in dialogue facilitation and 86 different individuals were directly engaged in dialogue. Radio and television broadcasts designed to raise awareness of the importance of dialogue in understanding and addressing the issues facing recently de-occupied communities reached an audience of 285,000 people.

Technical support

Engagement 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.



Where we work



Libya

The context

Libya is characterised by political violence, polarisation, and instability. Since the 2011 revolution, rival authorities have been fighting over power, resulting in a constant division. The two contested governments in the east and west are a prominent example of the ongoing division. Armed groups also have significant influence, often aligning with politicians and forming alliances with other armed groups, exacerbating instability.

Furthermore, regional and international actors have been involved since Muammar Gaddafi's overthrow, supporting and funding factions, adding complexity to the situation. The ongoing power struggle has led to dire consequences, including humanitarian crises, forced displacement, and impeded prospects for sustainable peace and development.

How we work in Libya

PCi has worked in Libya since 2013, supporting peacebuilding and local development initiatives in more than 40 communities across the country's three regions. PCi works side by side with Libyan peacebuilders to foster local, regional, and national peace initiatives. We focus on supporting our partners with practical tools and knowledge for peacebuilding so they can effectively intervene in resolving community conflicts and make local governance structures more inclusive of women, young people, and marginalised groups. Additionally, PCi advises humanitarian and development actors working in Libya on how to deliver projects in a conflict sensitive way.

Our actions and impact

Social Peace and Local Development (SPLD): In Libya, the Social Peace and Local Development project continued to build local stability and community

resilience to conflict through supporting Social Peace Partnerships (SPPs) and Regional Hubs in 25 Municipalities across the east, south and west.

- SPPs are increasingly seen as trustworthy partners and focal points to manage local conflict issues in their communities.
- The SPPs continued to demonstrate the important role they play in building and maintaining trust in local democratic institutions by facilitating constructive dialogue between communities and municipal authorities.
- The Social Peace and Local Development project continued to consolidate and institutionalise the three Regional Hubs in the east, west and south of Libya. These continued to work towards mitigating inter-communal tensions and promoting a unified national narrative in Libya.
- The inclusion of women continued to improve both within the SPPs, as their membership and leadership was increasingly gender-balanced, and in the focus of their initiatives, which evidence an increased attention to the needs and interests of women. The SPPs continued to demonstrate their instrumental role in achieving more gender-inclusive and responsive governance and decision making at the local level.

United Nations Development Programme (UNDP):

In partnership with UNDP, the Libyan Ministry of Local Government (MoLG) and Municipalities in 9 target areas, PCi supported the production of community-led Local Peacebuilding and Development Plans that are now being used to guide resource mobilisation from both national and international funders for local development projects in Libya. These projects address short to long-term priorities that were identified by communities through a consultative process

led by newly established Local Peacebuilding and Development Committees (LPDCs).

- Civic Space project: PCi continued to implement the ‘Expanding civic space through providing technical support to local CSOs’ project, funded by the Dutch Embassy in Libya. The project aims to contribute to maintaining – and, where possible, expanding - a safe, open, and diverse civic space in Libya.

“PCi has been a significant driving force in empowering young people and women in Jalu by equipping them with skills to be more engaged in community work and lay a solid foundation. As a result, a network of young men and women, capable of bringing about change, has been established. They have had a positive impact on community-building and local development.”

Ghizlan Bashir, Head of Civil Society Commission office in Jalu.

Project partners

- Ajdabiya Social Peace Partnership
- Algharifa Social Peace Partnership
- Aljmeal Social Peace Partnership
- Aljufra Social Peace Partnership
- Alkhoms Social Peace Partnership
- Alsahel Social Peace Partnership
- Bani Walid Social Peace Partnership
- Benghazi Social Peace Partnership
- Derna Social Peace Partnership
- Jakharra Social Peace Partnership
- Jalu Social Peace Partnership
- Khalij Alsidra Social Peace Partnership
- Nalut Social Peace Partnership
- Sabha Social Peace Partnership
- Sebratha Social Peace Partnership
- Suq Aljuma Social Peace Partnership
- Tawergha Social Peace Partnership
- Tiji Social Peace Partnership

- Tobruq Social Peace Partnership
- Tragin Social Peace Partnership
- Tripoli Centre Social Peace Partnership
- Ubari Social Peace Partnership
- Wadi Albawanees Social Peace Partnership
- Zliten Social Peace Partnership
- Zuwara Social Peace Partnership

Partner highlight

The Derna Social Peace Partnership was established in 2018 as a self-generated partnership and was integrated into the Social Peace and Local Development programme in 2023. Peaceful Change initiative supports the Derna peace partnership through target grants and ongoing training and consultations. Amid intense social divisions, a legacy of deep-rooted conflict, and the devastating impact of Storm Daniel, the Derna peace partnership has helped introduce new perspectives and a fresh approach to resolving the city’s challenges.

The partnership brings together representatives from all social factions and is playing a pivotal role in reshaping the social landscape, offering a safe space for dialogue and mutual understanding. It has enabled former adversaries to share their fears and work collaboratively towards solutions that benefit the whole community. This shift in mindset, nurtured by the Social Peace Partnership environment, has transformed deeply ingrained perceptions, fostering a more positive and secure atmosphere within the city. These initiatives have laid the foundation for building strong relationships, which are crucial for sustainable peace to take root in Derna.

Mozambique

The context

Mozambique's Cabo Delgado region has been experiencing conflict since 2017. Militants aligned to Islamic extremist groups have killed thousands and displaced more than a million. Whilst some of these militants came from neighbouring countries, Mozambicans have also joined in significant numbers, motivated by their social and economic marginalisation as the inhabitants of one of Mozambique's poorest regions. Discoveries of natural resource wealth in Cabo Delgado are yet to benefit local communities.

Against this backdrop, local and international humanitarian and development agencies have been continuing to deliver much-needed support to communities across Cabo Delgado. This support has included providing food aid, building shelter for displaced people and supporting healthcare and education. However, delivering humanitarian and development work in conflict is a complex endeavour, fraught with the risk of exacerbating tensions by benefitting one group over the other, or having materials and supplies diverted by armed groups or powerful elites.

How we work in Mozambique

PCi has been working in Mozambique since 2022, supporting national and international actors delivering humanitarian and development assistance in the north of the country. Our work helps those designing and delivering projects to work in a way that doesn't exacerbate conflict and that maximises their contribution to sustainable peace.

The ongoing armed conflict in Cabo Delgado, Northern Mozambique, is providing a set of challenges to national and international organisations in delivering effective humanitarian and development assistance. A lack of conflict sensitive practice by some agencies has led to unintended consequences and hindered the delivery of aid to those who need it most. Con-

versely, humanitarian and development assistance have the potential to address underlying drivers of conflict and therefore contribute to building peace. This potential often goes unrealised.

Peaceful Change initiative is working to strengthen conflict sensitivity expertise amongst national and international humanitarian and development organisations in northern Mozambique. We do this by supporting agencies to conduct and make sense of conflict analysis, to identify conflict sensitivity risks and design mitigation strategies, and to take advantage of opportunities to contribute to building peace.

Our actions and impact

- Conflict sensitivity assessment:** PCi provided conflict sensitivity guidance and recommendations to a 30 million US dollar agricultural development programme in the north of the country. The engagement resulted in an in-depth conflict analysis of 9 municipalities in Cabo Delgado, Niassa, Nampula and Zambezia and a set of recommendations to the programme. The recommendations focused on avoiding the risks of unintentionally sustaining conflict but aimed also to adjust the programme to maximise impact on sustainable peace and the prevention of violent extremism.
- Peacebuilding and conflict sensitivity accompaniment:** PCi continued to provide peacebuilding and conflict sensitivity support to WeWorld-GVC – with whom we have a longstanding partnership – and its project partners. As part of a regional programme funded by the European Union (more under the Swahili Coast chapter), PCi continued to train WeWorld's staff and together with them co-facilitate a series of trainings for local CSOs from Northern Mozambique.

“What was useful for my work was the matrix because I could understand better the activities that will be implemented in the field and the importance of monitoring the activities”

Anonymous female participant in the Conflict sensitivity workshop in Pemba, Mozambique

“PCI’s conflict sensitivity matrix is an extremely useful tool that I will surely use with my team in the project we run.”

Anonymous participant in the Conflict sensitivity workshop in Pemba, Mozambique

Our project partners

- **Conselho Nacional do Voluntariado**
- **WeWorld-GVC**

Partner highlight

The Center of Studies and Action for Peace (CEAP) is an action-research organisation that produces excellent analyses and runs peace-building programmes in Cabo Delgado. It was created in April 2022, but it finalised its formalisation only in 2024. The partnership with Peaceful Change initiatives dates back to 2022, when CEAP conducted research on land conflicts between IDPs and host community in Marocane and Nanjua, Cabo Delgado.

The result of the research was then synthesised into a case study and recommendations for WeWorld-GVC, which was conducting a social cohesion project in the area. PCI and CEAP remain in contact and are exploring other opportunities to work together.



Image: conflict sensitivity workshop with Kenyan CSOs in Kwale, Kenya

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 Serbia.

Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue facilitated by 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. Mounting tensions have resulted in localised violence in north Kosovo, most notably in Banjska in September 2023.

How we work in Serbia-Kosovo

PCi has been working in the Western Balkans since 2020, with a focus on Serbia and Kosovo. We work side by side with activists, journalists, and civil society organisations to increase the diversity of voices calling for peace and the effectiveness of those working to make peace happen. We build networks and relationships across conflict divides, building common ground on issues of mutual concern. We also help local voices to be heard within national and international decision-making circles.

For example, we have helped establish partnerships between media companies operating in different languages, a fellowship scheme for journalists, a media award for positive journalism, and a series of dialogues between journalists aimed at identifying effective approaches to counter conflict-generating messages.

Our actions and impact

Developing innovative new approaches to cross-community dialogue. PCi has been able to test a variety of approaches to working across communities in conflict through tackling issues of common concern to communities on both side of the divide, such as human trafficking, education, and hate speech. Our flexible and innovative approach has meant that we have been able to keep work going where other more formal processes have stalled. For example, facilitating cooperation between Serbian and Kosovan university faculties where formal co-operation is not possible. Such co-operation builds foundations for future peacebuilding efforts and helps normalise such working together.

"I believe that academia plays a significant role in conflict resolution [...] Therefore I am overjoyed that this project was realised, it serves as a perfect example of cooperation with a "spillover" effect, and hopefully soon there will be a possibility for the exchange of students in addition to academic staff."

Researcher, University of Pristina

We have established a Rapid Reaction Mechanism, comprised of approximately 20 civil society leaders representing a wide range of geographic and ethnic communities in Serbia and Kosovo. The RRM has successfully cooperated at times of heightened tension, producing joint statements that seek to minimise the harm done by divisive narratives.

Institutional support to mission-led organisations working on strategic peacebuilding issues. PCi has developed a unique methodology for providing support and accompaniment to civic organisations in Kosovo and Serbia to strengthen their ability to

carry out their core missions and build their relationships with constituents in their own societies. PCI's approach entails pre- and post-engagement capacity assessments, dialogue on the design of activities so that they have a peacebuilding impact, and accompaniment and monitoring for the programme of activities. The approach has been used with a range of organisations targeting issues such as cultural and educational opportunities for ethnic minorities, media discussions that engage multiple communities, and bringing minority voices into local decision making.

“Our organisation was formed by young people wanting to make a difference. It followed different thematic directions to engage young people. The institutional support allowed us to work on a specific outcome in our community, working on the development of a local youth strategy, its adoption and a budget allocation. As a result of this partnership, we became more recognisable in our community, established cooperation with neighbouring communities, extended our network of activists, and built a partnership with local media”.

Youth activist leader, Vranje, Serbia

Our project partners

- **Aktiv**
- Budi Aktivan 16
- Caglavica Media Centre
- **Gradjanske Inicijative/Civic Initiatives**
- IJI
- Local Peace
- Nas Svet Nasa Pravila
- **Peer Educators Network**
- **People in Need**
- Radio Goraždevac
- Zeri Rinor

Partner highlight

PCI's institutional support to Radio Goraždevac facilitated the development of innovative partnerships with Albanian-language media outlets that broadened their coverage into wider geographies and audiences through the joint creation and distribution of content. Kosovo's media space is complicated by a language divide between Albanian and Serbian which creates the conditions for separate informational spaces. As a result, specific events are either interpreted differently or not covered at all in one or the other space. Through collaboration with Radio Peja, Radio Astra, and TV Prizreni, Radio Goraždevac has expanded its coverage on key social issues affecting all communities, thereby helping build mutual understanding and solidarity.



Above: billboard in south Serbia encouraging people to register for the national census in 2023

Swahili Coast

The context

Along the Swahili Coast, natural disasters, ongoing political conflicts, violent extremism and the political and economic exclusion faced by young people have caused deteriorating economic and social conditions. Left unchecked, these interconnected issues have the potential to undermine peace and stability in the region.

How we work in the Swahili Coast

PCi is working along the Swahili Coast, including in Tanzania's Mtwara and Tanga regions, in Kenya's Kwale region, and in Mozambique's Cabo Delgado region. Our aim is to support youth-led networks and organisations to actively practice and disseminate learning on peacebuilding and conflict prevention. We do this through working in collaboration with academics to produce and share knowledge, by providing training, and by offering ongoing support and advice to partner organisations.

Our actions and impact

- Facilitated conflict analysis processes with partners and stakeholders in Kwale, Kenya; Tanga and Mtwara in Tanzania; and in Cabo Delgado, Mozambique.
- Trained 40 grassroots organisations in peacebuilding, conflict analysis and conflict sensitivity.
- Supported the adaptation of project activities in light of conflict analysis and conflict sensitivity assessments, while training four project partners in conflict analysis and conflict sensitivity.
- Collaborated with three research institutions to undertake research into the opportunities for engaging young people in strengthening community peace and security, including how Swahili cultural practices can support peace and social cohesion.

“The activities session was interesting to me because they taught me something new and they have given me new courage and to look things in a different way.”

Anonymous participant to the CSO training on conflict analysis in Kwale, Kenya.

Our project partners

- [WeWorld-GVC](#)
- [4H Tanzania](#)
- [TABUFO](#)
- [Stretchers Youth Organisation](#)
- [Conselho Nacional do Voluntariado](#)



Above: working with CSOs from Tanga and Mtwara

Ukraine

The context

On 22 February 2022, the Russian Federation launched a full-scale invasion of Ukraine which has so far resulted in humanitarian and ecological catastrophe, mass displacement, and wholesale destruction of entire settlements, as well as formal annexation of more of Ukraine's territories. In the new context peacebuilders have continued to see how their skill-sets might be applied to strengthen community resilience and cohesion, addressing immediate problems – such as accommodation and integration of those affected by war – but with a firm eye on the contribution that can be made to the future, especially in terms of building a culture and processes of inclusion that can support recovery.

How we work in Ukraine

PCi has worked in Ukraine since 2015, first supporting Ukrainian civil society organisations faced with a number of challenges after the Russian Federation annexed Crimea and supported military action in the east of the country. More recently, PCi has been working with civil society organisations faced with a new range of challenges stemming from Russia's full-scale invasion of Ukraine.

PCi has worked alongside civil society organisations on several peace initiatives in Ukraine. Ukraine's recovery process will require skilled dialogue facilitation at all levels to address differences between communities, between communities and institutions, paths to reforming institutions and the adaptation and reintegration of persons with different experiences of wartime Ukraine. To this end, PCi has helped build networks among mediators and dialogue facilitators so they are better placed to work on underlying drivers of conflict. We have supported civil society representatives with training in conflict analysis and conflict management skills and have

worked with communities to strengthen their resilience to conflict. PCi has convened international expertise from other conflict contexts to work with Ukrainian institutions, political representatives, and civil society organisations. We have also worked with international humanitarian and development actors to introduce conflict sensitivity into their approaches to supporting Ukraine.

Our actions and impact

- In partnership with Institute for Peace and Common Ground we worked in four target communities to establish Dialogue Initiative Groups, which are comprised of specially trained civil society members and representatives of local authorities. These groups discussed the local consequences of the Russian invasion and brought community members together to develop and implement solutions to identified problems.
- Eight community activists were trained in dialogue facilitation and provided with an average of 12 hours mentoring each from expert dialogue facilitators.
- 86 different individuals were directly engaged in dialogue, meaning that they saw their views represented in decisions and were part of developing initiatives to address local issues. Initiatives ranged from supporting safe spaces for young people to socialise together, to promoting local tourism to create economic opportunity, to running anti-bullying campaigns in schools.
- Radio and television broadcasts designed to raise awareness of the importance of dialogue in understanding and addressing the issues facing recently de-occupied communities reached an audience of 285,000 people.

- In research carried out at the end of the project, project participants indicated that they found that the facilitation skills acquired during training were an “extremely useful tool” and that the quality of communication during the dialogue allowed communities to “endure” difficult topics for discussion, reduce tension and arrive at constructive ideas that were not foreseen before the start of the dialogue.

Partner highlight

Institute for Peace and Common Ground (IPCG): IPCG aims to strengthen the social fabric of Ukraine by supporting communities to conduct constructive dialogue that gets to the heart of issues affecting social cohesion and finding ways forward. IPCG and PCi have worked together since 2015. PCi have supported IPCG with relevant experience from other contexts and the space to reflect on long-term goals and impact – not always an easy thing to do in the midst of crisis. IPCG have a tried and tested approach to dialogue facilitation and building capacity for dialogue facilitation across Ukraine. This is a model that PCi has learned from, and we believe relevant for other contexts.

Project partner

[Institute for Peace and Common Ground](#)

Provision of PCi technical support to peacebuilding and aid projects

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.

Provision of technical conflict sensitivity support to aid programmes

During the year, PCi provided accompanying conflict sensitivity support to two consortia providing local service and infrastructure recovery in local areas in Libya, one led by Weworld GVC and one by Help-code. Both consortia were funded by the European Trust fund for North Africa through the Italian Agency for Development Cooperation. PCi also provided ongoing consultancy conflict sensitivity support to a third project, implemented by the Istituto per la Cooperazione Universitaria (ICU), providing agricultural support in the South of Libya.

Actions and impact:

- Partners' staff trained in conflict sensitivity.
- Undertook contextual analysis of 12 local areas in South Libya to connect programming to social and political contexts.
- Supported each project to identify conflict sensitivity risks, opportunities to contribute to peace, and how to adapt project activities in response.

- Supported projects around three complex conflict sensitivity challenges in local areas through use of PCi's conflict sensitivity decision making tool for conflict sensitivity due diligence.

Communication on Engagement with the UN Global Compact

PCi confirms its support for the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. We continue to find ways to support the Global Compact in advancing these principles through our projects and programmes.

In the reporting period PCi has worked to ensure internal adherence to the UN Global Compact principles by a) implementing anonymous job application processes where data that might reveal the age, gender and ethnicity of applicants is masked for the panel that creates shortlists for interviews (Principle 6), and b) implementing programme corruption-risk assessments (Principle 10).

Our project partners

We work side by side with a range of partners and support them with practical tools and knowledge for peacebuilding. In 2023-2024, we worked with the following partners:

- **4H Tanzania**
- Ajdabiya Social Peace Partnership
- **Aktiv**
- Algharifa Social Peace Partnership
- Aljmeal Social Peace Partnership
- Aljufra Social Peace Partnership
- Alkhoms Social Peace Partnership
- Alsahel Social Peace Partnership
- Bani Walid Social Peace Partnership
- Benghazi Social Peace Partnership
- Budi Aktivan 16
- Caglavica Media Centre
- **Conselho Nacional do Voluntariado**
- Derna Social Peace Partnership
- **Gradjanske Inicijative/Civic Initiatives**
- IJI
- **Institute for Peace and Common Ground**
- Jakharra Social Peace Partnership
- Jalu Social Peace Partnership
- Khalij Alsidra Social Peace Partnership
- Local Peace
- Nalut Social Peace Partnership
- Nas Svet Nasa Pravila
- **Peer Educators Network**
- **People in Need**
- Radio Goraždevac
- Sabha Social Peace Partnership
- Sebratha Social Peace Partnership
- **Stretchers Youth Organisation**
- Suq Aljuma Social Peace Partnership
- **TABUFO**
- Tawergha Social Peace Partnership
- Tiji Social Peace Partnership
- Tobruq Social Peace Partnership
- Tragin Social Peace Partnership
- Tripoli Centre Social Peace Partnership
- Ubari Social Peace Partnership
- Wadi Albawanees Social Peace Partnership
- **WeWorld-GVC**
- Zeri Rinor
- Zliten Social Peace Partnership
- Zuwara Social Peace Partnership

Financial review

There is a challenging political landscape impacting the wider funding for NGOs, but PCi continued to attract new funding in FY24, and we have been able to maintain our programming in Libya and increase our activities in Southern and Eastern Africa.

Our income remains primarily due to awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, and the United Nations, to fund our portfolio of programmes. Increasingly this income has been delivered through partnerships with other international NGOs, implementing a programme for an institutional donor as part of a wider consortium. The majority of our expenditure was in support of activities undertaken by our partners in Libya, Serbia, and Kosovo, as well as our technical support project in Geneva, and a small programme in Mozambique, Kenya and Tanzania.

Our accounts for the year are impacted by a contractual requirement around income recognition for one project which delayed around £208,000 of income into FY25. This income related to activities carried out and costs incurred in FY24, but was received and recognised in early FY25, following the contracted timetable and sign off from the funder of our activities.

In the reporting year we received funding from:

- The UK Foreign and Commonwealth Office
- The United Nations Development Programme
- The Swiss Federal Department of Foreign Affairs
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- The Ministry of Foreign Affairs of the Netherlands
- The European Union
- WeWorld GVC
- Helpcode Italia

- Help – Hilfe zur Selbsthilfe e.V.

We also carried out consultancy work for organisations including:

- ICU Istituto Cooperazione Universitaria ONLUS
- TechnoServe Inc. Mozambique
- Network Rail Infrastructure Ltd

Fundraising

PCi does not currently generate funds from the public at large and does not use professional fundraisers. PCi has not signed up to any voluntary codes of conduct regarding its fundraising activities. No complaints regarding fundraising activities have been received by the Charity.

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 FY24 the Board set a reserves target of £481,200. At the balance sheet date, PCi held reserves of £277,265 (FY23: £500,086), of which £302,828 (FY23: £452,122) related to restricted funds. However, there was £207,850 of restricted income which was delayed from FY24 into FY25, which the board has also considered when assessing the level of reserves. Including these delayed funds, the reserves balance would have been £485,115, thus meeting the required levels.

The funding landscape is challenging, but we are exploring new leads and opportunities. We are making significant efforts to increase our unrestricted income and diversify our donors, which is leading to encouraging signs. FY25 will see PCi using available resources to continue focussing on resilience, as noted in the Plans for Future Periods section on the following page.

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

In the coming reporting period PCi's key priorities are to:

- Articulate and implement a Resilience Strategy outlining priorities for ensuring that PCi continues to thrive, despite the challenging funding context. The strategy is accompanied by a Resilience Action Plan which we will use to drive key actions in a timely manner.
- Right-size operations within the organisation to minimise the use of reserves, and to ensure that PCi continues operations in alignment with anticipated funding cuts to the peacebuilding sector.
- Escalate fund-raising efforts from High-Net-Worth Individuals and Foundations to diversify funding. To this end, PCi will develop concept notes on tackling some of the biggest issues within the field of conflict prevention and peacebuilding.
- Launch a podcast and accompanying communications materials to raise awareness of key issues within peacebuilding and conflict sensitivity.
- Pilot a conflict sensitivity hub for Mozambique with a central component of working with Mozambican organisations and analysts to localise the provision of conflict sensitivity advice.
- Establish a programme of work in recently liberated areas of Ukraine to strengthen community security and address misinformation.
- Strengthen engagement in Libya on issues of protecting civic space and strengthening women's participation in peace processes at local and national level.
- Pilot community security approaches in North Kosovo, as a contribution to supporting normalisation of relationship between Serbia and Kosovo.

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 11 February 2024.

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 (resigned as a trustee and director on 2 November 2023)
- Anton Shihoff

- Dr Joan McGregor
- Peter Millett
- Wonu Owoade (resigned as a trustee and director on 3 June 2024)
- William Peace (Chair)
- Giulia Pellegrini
- Russell Brown (appointed as a trustee and director 3 June 2024)
- Athina Fokidou (appointed as a trustee and director 30 June 2024)

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 and in person, with PCi's AGM held on 4 December 2023 as a hybrid event. PCi produced an annual budget in FY24, 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 are 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 continues in her role 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

1st Floor, Arthur Stanley House
40-50 Tottenham Street
London W1T 4RN

Other financial services providers

- Convera Holdings, LLC
- Clements Worldwide
- Arthur J Gallagher

Company registered number

07931944

Charity registered number

1162997

Chief Executive Officer

Fleur Auzimour Just

Independent auditors

Goodman Jones LLP

Chartered Accountants

1st Floor, Arthur Stanley House
40-50 Tottenham Street
London W1T 4RN

Bankers

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

Trustees' responsibilities statement

The Trustees (who are also the directors of the Charity 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 Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity 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 Monday 2 December 2024 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 (the 'charitable company') for the year ended 30 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 2024 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 Charities Act 2011 and Companies Act 2006.

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

Standard, 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 Trustees' 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 charitable company'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company 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 control 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 auditor 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, the Charities Act 2011, Charity Commission and sector regulations, 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 out.

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 detecting 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. 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Goodman Jones LLP

Goodman Jones LLP

Chartered Accountants
Statutory Auditors
1st Floor Arthur Stanley House
40-50 Tottenham Street
London
W1T 4RN

Date: 20-12-24

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 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	3,325	3,522,555	3,525,880	4,486,088
Charitable activities	6	86,208	-	86,208	22,785
Total income		163,060	3,522,555	3,612,088	4,508,873
Expenditure on:					
Charitable activities	7	163,060	3,671,849	3,834,909	4,746,899
Total expenditure		163,060	3,671,849	3,834,909	4,746,899
Net movement in funds		(73,527)	(149,294)	(222,821)	(238,026)
Reconciliation of funds:					
Total funds brought forward		47,964	452,122	500,086	738,112
Net movement in funds		(73,527)	(149,294)	(222,821)	(238,026)
Total funds carried forward		(25,563)	302,828	277,265	500,086

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 33 to 45 form part of these financial statements.

Balance sheet

as at 30 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	4,055	6,557
		<u>4,055</u>	<u>6,557</u>
Current assets			
Debtors	12	715,394	948,852
Cash at bank and in hand		147,193	548,654
		<u>862,587</u>	<u>1,497,506</u>
Creditors: amounts falling due within one year	13	(589,377)	(1,003,977)
Net current assets		<u>273,210</u>	<u>493,529</u>
Total assets less current liabilities		<u>277,265</u>	<u>500,086</u>
Net assets excluding pension assets		<u>277,265</u>	<u>500,086</u>
Total net assets		<u>277,265</u>	<u>500,086</u>
Charity funds			
Restricted funds	14	302,828	452,122
Unrestricted funds	14	(25,563)	47,964
Total funds		<u>277,265</u>	<u>500,086</u>

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 and signed on their behalf by:



William Peace
Chair

Date: 19-12-24

The notes on pages 33 to 45 form part of these financial statements.

Statement of Cash Flows

For the year ended 30 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	(448,414)	(11,093)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(3,047)	(6,071)
Net cash used in investing activities	(3,047)	(6,071)
Cash flows from financing activities		
Cash inflows from new borrowing	50,000	-
Net cash provided by financing activities	50,000	-
Change in cash and cash equivalents in the year	(401,461)	(17,164)
Cash and cash equivalents at the beginning of the year	548,654	565,818
Cash and cash equivalents at the end of the year	147,193	548,654

The notes on pages 33 to 45 form part of these financial statements

Notes to the Financial Statements

For the year ended 30 March 2024

1. General information

Peaceful Change initiative is a charitable company, limited by guarantee, registered in England and Wales, and whose registered office address is 1st Floor, Arthur Stanley House, 40-50 Tottenham Street, London, W1T 4RN. The Charity's objects are the promotion of conflict resolution and reconciliation as stated in the Trustees' Report.

2. Accounting Policies

2.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), 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 £.

2.2. Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

2.3. 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, and so the Charity already has some contracted income for FY26. A number of further donors have indicated willingness to continue to fund the Charity, and the Charity continues efforts to further diversify its funding base.

After reviewing the level of recurring expenditure and expected income for FY26 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 wider funding environment is uncertain at present, and the Charity acknowledges the risk that Government budgets will continue to tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity has sufficient reserves to be able to continue to operate with reduced funding if necessary, and 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.

2.4. 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 to enable opera-

tion of PCi at a 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.

2.5. 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 such 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.

2.6. 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.

2.7. 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.

2.8. 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, and depreciation charges allocated on the portion of the asset's use.

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.

2.9. Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.10. 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.

2.11. 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 charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Fixtures and fittings - 33.33% straight line

2.12. Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

2.13. 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.

2.14. 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.

2.15. 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.

2.16. 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.

2.17. 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.

2.18. Foreign currencies

Monetary assets and liabilities denominated in for-

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 transaction. Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure account.

2.19. Pensions

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.

3. 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.

Critical accounting estimates and assumptions:

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 have not identified any estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income recognition - the Charity receives income from contracts and performance grants. These agreements can include various qualitative and quantitative milestones and performance conditions to be met in order for the Charity to have entitlement to the funds. The Charity makes various assumptions in determining the stage of completion of these contracts and performance grants.

4. Income from donations and legacies

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Donations	3,325	-	3,325	16,000
Grants	-	3,522,555	3,522,555	4,470,088
	3,325	3,522,555	3,525,880	4,486,088
Total 2023	16,000	4,470,088	4,486,088	

Grant income is received from UK and non-UK governments and governmental organisations. During the year, the Charity received grants totalling £2,027,608 (2023: £3,312,484) from the UK government.

5. Contingent assets

As noted in the Trustees' Report, the Charity was impacted by a contractual requirement around income recognition for one project that commenced in the year for which the Charity was awarded funding and for which expenditure has been incurred in delivering the project. The nature of the funding is such that the funder confirms reimbursement of the expenditure following completion of various milestones and submission of reports to the funder. As such, the Charity did not have unconditional entitlement to these funds at the balance sheet date and so they have not been recognised in income. Confirmation of the funding was obtained after the balance sheet date and the funds, totalling £207,850, have since been received.

6. Income from charitable activities

	Unrestricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£
Conflict resolution and peacebuilding	86,208	86,208	22,785
Total 2023	22,785	22,785	

7. Analysis of expenditure by activities

	Activities undertaken directly 2024	Grant funding of activities 2024	Support costs 2024	Total funds 2024	Total funds 2023
	£	£	£	£	£
Conflict resolution and peacebuilding	3,133,450	308,512	392,947	3,834,909	4,746,899
Total 2023	3,990,968	321,240	434,691	4,746,899	

7. Analysis of expenditure by activities (continued)

Support costs

	Conflict resolution 2024 £	Total funds 2024 £	Total 2023 £
Staff Costs	220,426	220,426	300,794
Depreciation	5,548	5,548	7,985
Travel	20,810	20,810	16,695
Rent	22,483	22,483	21,594
Insurance	24,643	24,643	22,013
Light and heat	246	246	661
Office expenses	626	626	216
Printing, postage and stationery	8	8	115
Telephone	442	442	560
Computer	13,516	13,516	13,346
Legal and professional fees	18,380	18,380	19,621
Accountancy	600	600	-
Audit	12,840	12,840	10,740
Staff welfare and training	1,809	1,809	21
Bank charges	981	981	774
Surplus/deficit on foreign currency	46,687	46,687	12,199
Sundry expenses	97	97	367
Subscriptions	1,677	1,677	6,241
Trustees' meeting expenses	1,128	1,128	749
	392,947	392,947	434,691
Total 2023	434,691	434,691	

8. Analysis of grants

	Grants to institutions 2024 £	Total funds 2024 £	Total funds 2023 £
Conflict resolution and peacebuilding	308,512	308,512	321,240
Total 2023	321,240	321,240	

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.

9. Staff costs

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	1,252,819	1,155,766
Pensions costs	22,456	21,715
National Insurance costs	49,750	47,783
	<u>1,325,025</u>	<u>1,225,264</u>

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

	2024 No.	2023 No.
Administration and management	5	4
Projects	19	19
	<u>24</u>	<u>23</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	<u>2</u>	<u>1</u>

Remuneration including employer's national insurance and pension contributions totalling £210,300 (2023: £200,308) was paid to key management personnel

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 30 March 2024, expenses totalling £1,128 were reimbursed or paid directly to 1 Trustee (2023 - £1,017 to 2 Trustees).

11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 31 March 2023	56,713
Additions	3,047
Disposals	(1,687)
At 30 March 2024	58,073
Depreciation	
At 31 March 2023	50,156
Charge for the year	5,549
On disposals	(1,687)
At 30 March 2024	54,018
Net book value	
At 30 March 2024	4,055
At 30 March 2023	6,557

12. Debtors

Due within one year	2024 £	2023 £
Trade debtors	203,261	111,628
Other debtors	3,939	3,958
Prepayments and accrued income	508,194	833,266
	715,394	948,852

13. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	184,557	148,418
Other creditors	50,000	-
Accruals and deferred income	354,820	855,559
	589,377	1,003,977

Deferred income	2024 £	2023 £
Deferred income at 31 March 2023	396,902	624,174
Resources deferred during the year	177,021	155,194
Amounts released from previous years	(288,710)	(382,466)
Deferred income at 30 March 2024	285,213	396,902

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

14. Statement of funds

Statement of funds - current year:

	Balance at 31 March 2023 £	Income £	Expenditure £	Balance at 30 March 2024 £
Unrestricted funds				
General Funds - all funds	47,964	89,533	(163,060)	(25,563)
Restricted funds				
Libya Programmes	437,978	2,366,737	(2,517,152)	287,563
Syria Programmes	4,128	605,850	(605,850)	4,128
Black Sea Programmes	10,016	472,565	(471,444)	11,137
Uk Programmes	-	274	(274)	-
SE Africa Programmes	-	77,129	(77,129)	-
	452,122	3,522,555	(3,671,849)	302,828
Total funds	500,086	3,612,088	(3,834,909)	277,265

14. Statement of funds (continued)

Statement of funds - prior year:

	Balance at 31 March 2022 £	Income £	Expenditure £	Balance at 30 March 2023 £
Unrestricted funds				
General Funds - all funds	45,802	38,785	(36,623)	47,964
Restricted funds				
Libya Programmes	676,407	1,745,364	(1,983,793)	437,978
Syria Programmes	5,333	680,401	(681,606)	4,128
Black Sea Programmes	10,570	2,018,145	(2,018,699)	10,016
SE Africa Programmes	-	26,178	(26,178)	-
	692,310	4,470,088	(4,710,276)	452,122
Total funds	738,112	4,508,873	(4,746,899)	500,086

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 a 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.

SE Africa - this programme focuses on supporting youth-led networks and organisations to actively practice and disseminate learning on peacebuilding and conflict prevention.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year:

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	4,055	-	4,055
Current assets	187,277	675,310	862,587
Creditors due within one year	(216,895)	(372,482)	(589,377)
Total	(25,563)	302,828	277,265

Analysis of net assets between funds - prior year:

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,557	-	6,557
Current assets	129,081	1,368,425	1,497,506
Creditors due within one year	(87,674)	(916,303)	(1,003,977)
Total	47,964	452,122	500,086

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the year (as per Statement of Financial Activities)	(222,821)	(238,026)
Adjustment for:		
Depreciation charges	5,549	7,985
Decrease/(increase) in debtors	233,458	416,731
Increase/(decrease) in creditors	(464,600)	(197,783)
Net cash used in operating activities	(448,414)	(11,093)

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	147,193	548,654
Total and cash equivalents	147,193	548,654

18. Analysis of changes in net debt

	At 31 March 2023 £	Cash flows 2024 £	At 30 March 2024 £
Cash at bank and in hand	548,654	(401,461)	147,193
Debt due within 1 year	-	(50,000)	(50,000)
	548,654	(451,461)	97,193

19. Pension commitments

The Charity operates a defined contribution 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 £22,456 (2023 - £21,715) in the year. Contributions totalling £2,567 (2023: £2,645) were payable to the fund at the balance sheet date and are included in creditors.

20. Operating lease commitments

At 30 March 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	4,500	4,500

21. Related party transactions

During the year, £37,121 (2023: £67,983) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year, and £4,621 (2023: £4,150) was paid for expenses reimbursed. At the balance sheet date, an amount totalling £1,717 (2023: £12,000) was owed by the Charity in respect of these services.

During the year, donations of £3,000 (2023: £3,500) were received by the Charity from Trustees and related parties. No restrictions were attached to these donations.

Included within other creditors due within one year are two separate loans of £25,000, one received from a trustee and one received from a member of key management personnel. Both loans are unsecured, interest-free, and were repaid in full by the end of June 2024.

22. Controlling party

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