

Annual Report

31 March 2019 – 30 March 2020



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Chairman's Report

Peaceful Change initiative works to break cycles of violent conflict and build the institutions and relationships that support long-term peace. Operating in its eighth year, PCi continued to deliver on programmes aligned to the core aims set out below, as well as implementing governance, company processes and systems to the expectations of PCi's stakeholders. Our core aims remain:

- **Local** - To save lives by building what is called 'Social Peace': reduction of violence within local communities even during wider conflict.
- **National** - To help mend fractured societies by creating and training country-wide networks of Social Peace practitioners.
- **International** - To assist international governments and organisations with analysis of how their work may help to resolve (or inadvertently to fuel) a specific conflict.

Our work in the year is detailed in our Trustees' Report below, along with our financial statements to the year ending 30 March 2020. Key charitable programme activities in the year were:

- i) Continued delivery for our Libya programmes across a number of governmental and institutional donors.
- ii) Completed a 12-month Armenia project that improved awareness and knowledge among youth of their role in peace and security issues, and promoted youth participation in decision making and peacebuilding activities.
- iii) Commenced work on a 24-month Serbia-Kosovo project, working with partners to amplify local voices, especially those of marginalised groups, in support of equitable development.

On governance and organisational matters, we are delighted to welcome Bill Peace as a trustee. Bill served as a US Naval Officer prior to joining Westinghouse Electric. Now retired, Bill supports people and organisations with a variety of charitable activities. We completed a refresh of our strategic plan, successfully completed rollout of our new finance system, and continued to evolve our risk management governance and measurement. We achieved our cumulative reserves goal of £250k – broadly 6 months of operations overheads – and started work on a revised policy and target for the coming period which will be finalised during FY21.

Like all organisations in 2020, we have had to plan and mitigate around Covid-19. Beyond taking appropriate measures for office and staff safety we have remained largely unimpacted financially, as many government and institutional bodies have continued to fund programmes. However, we do expect this to change as public budgets come under scrutiny, and are initiating steps to anticipate and plan for this.

Michael Holland

Chair of the Board of Trustees

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 2019 to 30 March 2020. 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 charitable company comply with the current statutory requirements, the requirements of the charitable company'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 (FRS102) (effective 1 January 2019).

Objectives and activities

Charitable objectives

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

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

These objectives are achieved through the following **activities**:

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

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

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Our work

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

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

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

Our work benefits from our staff's expertise in a range of disciplines including mediation, reconciliation, community-based approaches to security and safety, conflict sensitivity, change management, and psychology.

Using these methods, our work:

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

Why we make a difference

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

Key objectives and performance indicators we use to measure success

Over the next three years, PCi will reduce violence and support long-term peace in a growing number of countries while consolidating our expertise into a world-class organisational reputation and becoming a great place to work.

Strategic Goals:

1. Improve existing programming impact and sustainability

We will continue to enhance the charitable impact of PCi's programming in existing countries along four key axes:

- Programme quality: ongoing improvement to and development of new peacebuilding methodologies to best prevent and reduce violent conflict;
- Operational sustainability: ongoing development of programmes' in-country ability to manage projects, raise funds, maintain operations, and deploy peacebuilding expertise;
- Coverage of programming: ongoing striving to cover as many of a country's conflict-affected areas as possible; and
- Scale of programming: ongoing effort to raise funds to maximise impact.

2. Fortify PCi's expertise into recognised Centres of Excellence

Building on PCi's recognised methodological strengths, we will establish ourselves as world leaders by creating cross-cutting Centres of Excellence to deepen our expertise on particular issues in order to become a recognised 'go-to' organisation.

Each Centre of Excellence will:

- Produce and disseminate innovative thought leadership;
- Experiment with and develop new methodologies and tools to enhance impact;
- Drive capacity development within PCi to raise standards and impact;
- Convene and contribute to critical policy and thematic debates; and
- Contribute to PCi's fundraising efforts.

3. Expand PCi's charitable impact into new geographies

We will work to expand our charitable impact into new countries, with an aspiration to be working in at least six countries by the end of FY22. PCi will seek opportunities to work in new countries primarily through the UK CSSF Framework and by leveraging consultancy/partnership offers into longer-term funding.

4. Demonstrate appropriate operational effectiveness

We will continue to enhance our operations in order to be able to deliver this ambitious strategic plan. In particular we will:

- Embed a Sage accounting system;
- Establish dedicated contract management expertise and a contract management function;
- Enhance knowledge management and establish this as a dedicated function by FY22; and
- Further reinforce risk management practices and PCi's minimum licence to operate across our operations.

5. Make PCi a great place to work

We will work to make PCi a great place to work in order to recruit and retain a great team to deliver this strategic plan and our ongoing charitable impact to communities affected by conflict. In particular we will:

- Establish a career development programme so that staff can grow and advance their careers within PCi;
- Establish a compensation policy and salary review process to ensure that PCi salaries and benefits are competitive within the peacebuilding field;
- Improve performance management practices to ensure that individual performance targets support career development and the delivery of PCi's strategic goals;
- Improve work/life balance within PCi by establishing a capacity-measuring process and by strengthening administrative and project coordination support.

6. Increase external and internal communications

Anchored in expertise and case studies developed by PCi's Centres of Excellence, we will establish a more robust communications stance in order to:

- Share information and learning between staff across the organisation;
- Raise awareness of PCi's innovative methodologies and peacebuilding impact among current and potential government donors, trusts and foundations;
- Influence the policy debates and funding decisions that are most relevant to PCi's thematic work of geographical areas.

We will consider whether re-branding PCi will support our overall communication efforts.

7. Successfully raise unrestricted funding

PCi will increase its unrestricted funding resources in order to be able to invest in its Centres of Excellence, in developing new programmes and in staff development. We will do this by focusing on building relationships with trusts and foundations and taking strategic consultancy opportunities.

Key events in the year

In the reporting period:

- In April, PCi started working on a new strand of Youth Peace and Security Programming in Armenia. In addition, PCi migrated all financial accounting to Sage cloud-based software.
- In May, PCi adopted a new organisational structure, which discontinued the role of COO and distributed responsibilities amongst the CEO, the Finance and Operations Manager, and a newly created Contracts Manager role. Having invested in building operational capacity for a number of years, PCi intends to refocus investments in programming. In addition, members of the PCi Board convened with members of the PCi management team to develop a new strategic plan. The workshop was facilitated by a volunteer mentor, provided by the Cranfield Trust, Bill Peace.
- In June, PCi closed one project in Ukraine, due to a shift in donor funding priorities.
- In July, PCi agreed with a donor to reduce activities on one project in Libya, due to a change in local context dynamics and donor priorities.
- In September, PCi was elected by members to manage the Secretariat of the Conflict Sensitivity Community Hub (CSC-Hub) for a 12-month period. The CSC-Hub is a global network of organisations and individuals working on conflict-sensitive approaches in their fields to promote conflict sensitivity at the policy, organisational and programmatic level.
- In November, the Board of Trustees reviewed and agreed PCi's new strategic plan.
- In December, PCi was selected by the Venturesome team, the social investment team at Charities Aid Foundation (CAF), as their beneficiary in the UK for 'Giving Tuesday' (3 December 2019), a global day of giving to charities and social organisations.
- In January, PCi welcomed new member Bill Peace to the Board of Trustees.
- In February, PCi won its first tender under the UK Government's Conflict Stability and Security Fund Framework Contract, and opened up a large new project covering Serbia and Kosovo.
- In March, PCi temporarily closed offices and moved to working-from-home arrangements across all areas in response to the COVID-19 pandemic.

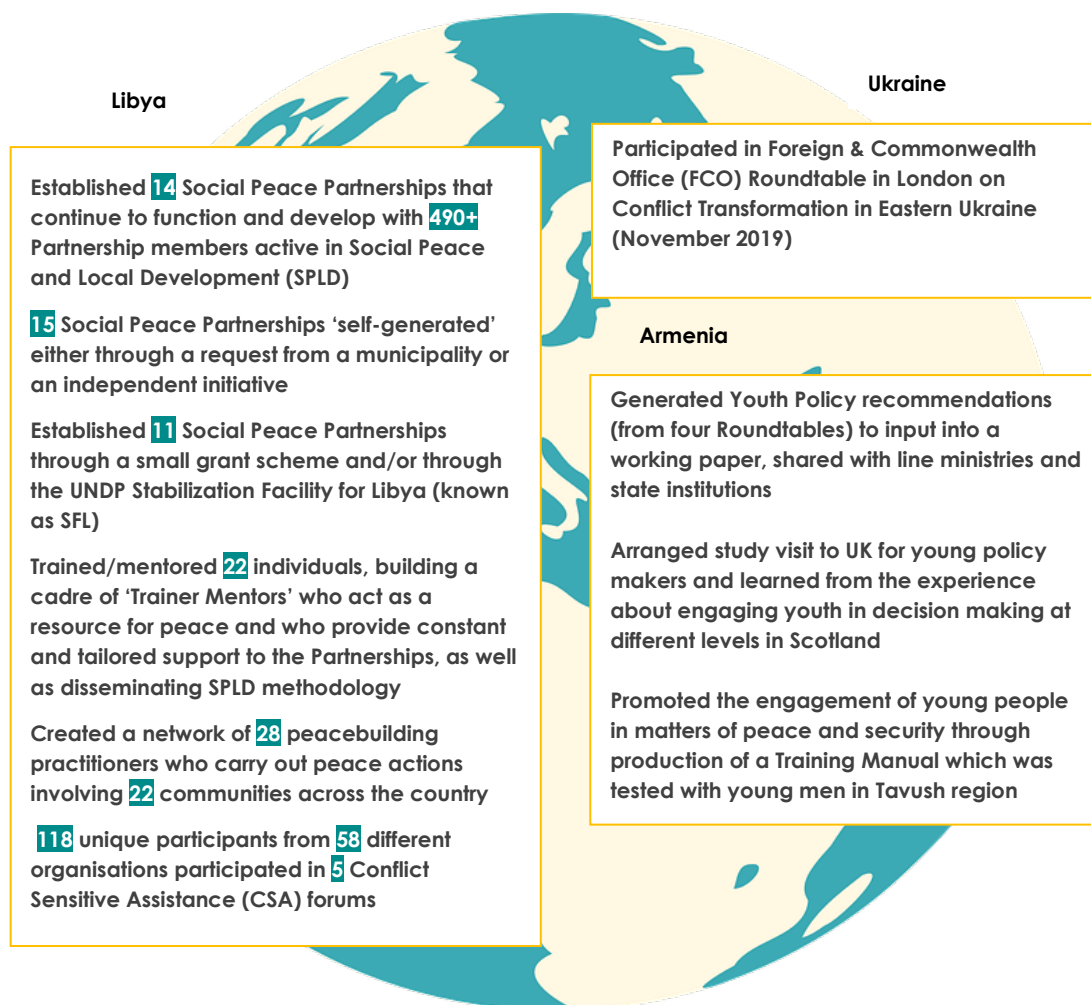


An internal PCi workshop was held in March 2019 for senior staff in London, focused on PCi's strategic planning process

Achievements and performance

With programmes in North Africa (Libya) and Europe and South Caucasus (Armenia and Serbia-Kosovo), our work focuses on:

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



LIBYA

The context

Since the Revolution in 2011, Libya has gone through a series of political and military crises. This has led to significant, ongoing violence across the country and resulted in the creation of three different governments, each of which is competing for – but has so far failed to achieve – nation-wide legitimacy.

How ordinary citizens experience conflict



VIOLENCE BETWEEN RIVAL ARMED GROUPS:

Killings, kidnappings, damage to public buildings and homes, displacement, psychological trauma, limitations to freedom of movement.



TENSIONS AND VIOLENCE BETWEEN DIFFERENT TRIBES AND ETHNIC GROUPS:

Violence, hate speech, and divisive narratives undermine social cohesion and affect ordinary citizens' safety and security.



LACK OF BASIC SERVICES:

Local authorities and service providers are under pressure but have limited capacity to provide electricity, security, jobs, housing, education, and healthcare.



LACK OF FUNCTIONING POLICE AND COURT SYSTEM:

Communities rely on prominent local people (e.g. peacebuilders, tribal leaders, elders, etc.) to help mediate disputes and conflicts.



DIVISIONS AND LIMITED FREEDOM OF MOVEMENT WITHIN THE COUNTRY:

Local peacebuilders and civil society from different communities have few opportunities to meet and coordinate action.

Working at the local level

Local communities that experience the impact of armed conflict or violent change have to manage new divisions, mistrust, and competition for resources. The Social Peace and Local Development (SPLD) Methodology brings together local authorities, traditional authorities (tribal leaders, religious leaders), civil society and local residents in a 'Social Peace Partnership' (SPP). This supports the formation of a local conflict management mechanism while addressing the development needs and aspirations of local residents, delivered through social peace actions that both reinforce messages of community cooperation (challenging prevailing conflict and/or divisive narratives) working across different identity groups, and help to promote social cohesion. Conflict sensitivity is embedded, as a principle, into the SPP so that the community gains understanding of how actions may have unintended impacts on sustainable peace and conflict.

The SPLD Methodology works across the humanitarian/development/peacebuilding nexus. SPPs have been active in contributing to an effective COVID-19 response (March 2020). SPPs have also supported stabilisation projects by providing a forum for development agencies to meet and interact with local communities and local authorities to enable the delivery of conflict-sensitive projects. Through training and mentoring, SPPs have the ability to use customised conflict sensitivity analysis tools and conflict sensitivity monitoring skills to forecast and mediate tensions before escalation to violence.

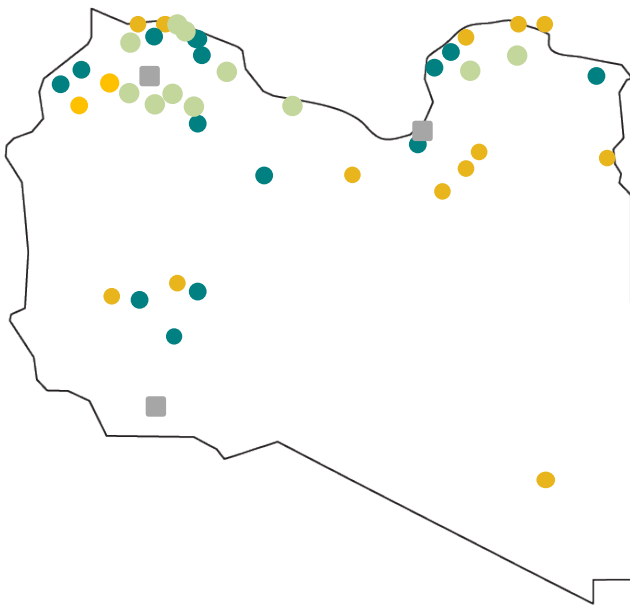
Actions and impact

The last 12 months saw the SPLD Methodology continue to build and enhance peacebuilding technical skills and knowledge in 40 target locations across Libya. While the operating environment deteriorated during this time, PCi was still able to deliver the peacebuilding mentoring and training support and implemented 7 SPLD grants, largely as a result of PCi's in-country presence and resources, as well as the trust that PCi has established with local actors and the investment that PCi has made in building strong local relationships with the SPPs. This is creating the conditions for improved stability and governance, increased opportunities for social cohesion, and the reduction of conflict in communities in the east, south, west and central areas of the country.

For example, a female member of the Ubari Social Peace Partnership mediated a complex conflict between the Tebu and Arab communities and prevented further escalation of serious violence between the two communities. This mediation highlights that, despite the polarised environment in the south, the Social Peace Partnership played an important role in responding to local conflicts, using peacebuilding skills developed through direct support from PCi.

490+ Partnership members active across 14 areas

- East: 4 | West: 4 | South: 3 | Central: 3
- 31% women | 69% men | 30% youth



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Established through the programme:

1. Ajdabiya
2. Alsahel
3. Bani Walid
4. Benghazi
5. Zilten
6. Nalut
7. Obari
8. Sabratha
9. Souq Aljuma
10. Tiji
11. Tobruq
12. Waddan
13. Wadi Albawanees
14. Murzuq – changed to Algrefa due to security issues

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Self-generated or established ad hoc with limited PCi support:

1. Alghraifa
2. Aljmeel
3. Almarj
4. Bir Lashhib
5. Derna
6. Jakhira
7. Jalu
8. Khalij Alsidra
9. Kufra
10. Sabha
11. Suluq
12. Tripoli centre
13. Um Razam
14. Warshefana
15. Zwara

■ PCi offices

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Social Peace Partnerships established through a small grant scheme for Trainer Mentors and/or through the UNDP Stabilization Facility for Libya (known as SFL). 1. Awata 2. Al Qubba 3. Al Qala 4. Al-Abyar 5. Hay Al-Andalus 6. Ragdalin 7. Kikla 8. Sirte 9. Ifrin 10. Zawia 11. Tawerga

Additional highlights

The twinning methodology was introduced August 2019 with three twinning grants disbursed to build the capacity of newly established Social Peace Partnerships. The three very experienced partnerships, known as Tier 1, (Nalut, Ajdabiya and Sabratha) provided support and mentoring to the three less developed partnerships, known as Tier 3, (Tripoli Centre, Jakhira-Jalu and Zwara).

This improved collaboration and strengthened relationships between the SPPs and supported Tier 3 SPPs to implement social peace actions; for example, a date/honey production unit was established in Jalu.



in

In Tripoli, the Nalut SPP collaborated with the Tripoli Centre SPP to implement a social peace action (January 2020)

Social Peace translated into action...

In January 2020, representatives from the Tripoli Social Peace Partnership, the municipal council, and the Basketball Association, supported by the more experienced Nalut Social Peace Partnership, worked together to improve the physical environment in central Tripoli for young people. This involved the rehabilitation, by youth, of a local basketball ground and a children's playground, which all citizens could enjoy. When the rehabilitation was complete, the Tripoli and Nalut Social Peace Partnerships played a charitable basketball game.



A family enjoy the renovated playground in Tripoli Centre

Social peace and local development grants continued to work to bring the community together and promote social cohesion. For example, the Tobruk Social Peace Partnership established a youth training centre, which is also used as a venue for the SPP to meet. The Zilten Social Peace Partnership worked with the local business community to establish a park (put on hold in April 2020 due to COVID-19), improving the quality of life for all residents, and especially children.

A Gender and Security Assessment was undertaken in Alsahel, leading to a two-day workshop in December 2019 to increase female participation in SPP activities, which was promoted through the implementation of two grants. The first grant provided literacy classes to women experiencing deprivation in the community and the second grant established a women's training centre focused on a range of subjects including computer literacy. In Ubari, a Youth Engagement and Security Assessment was undertaken; this identified the programming required to promote youth participation in order to address the structural barriers inhibiting youth engagement in peacebuilding. Based on the report findings (January 2020), youth grants will be distributed in Ubari during the next programme cycle.

PCi collaborates with municipalities to strengthen capacity

Through the United Nations Development Programme (UNDP), PCi led and implemented capacity assessments in 11 municipalities in the west, east and south of Libya. Working in collaboration with municipal staff, the assessments involved mapping the roles and responsibilities of municipal staff, the institutional arrangements in place, and the policy environment. This led to the production of action plans that identified and recommended areas within the municipality administration that could be improved, including administration/finance, human resources, service delivery, etc.

Some of these improvements have been delivered through the dispersal of 22 grants (two per municipality). For example, in Kufra, the grant was used to provide equipment to the IT department, and in Hay Al-Andalus, the grant was used to set up suggestion/complaint boxes related to municipal issues in the busy areas of the town.

A cohesive and coordinated approach to municipal administration and management supports good local governance and improved service delivery. With this in mind, this project sought to strengthen the capacity of municipalities to respond to both the conflict and human mobility challenges in each locality, while also improving the capacity of the municipalities to provide efficient, effective and inclusive services to residents.

Consultations were held in the communities to improve understanding of municipal work; participants included municipal staff, civil society and representatives from the health and education sectors. A municipal council is likely to be a citizen's first encounter with government, as it is the lowest tier of legitimate government and the closest in proximity to citizens. When a municipal council is responsive to the needs and priorities of citizens – through inclusive and participatory planning consultations, and increased interaction with civil society – it helps to promote legitimacy and build trust.

Case Study: Abu Salim municipality

When the first case of COVID-19 was identified in March 2020, municipal staff used one of two PCi grants to provide a COVID-19 response. The municipality carried out a rapid assessment which revealed that there was a shortage of sterilisation supplies in Abu Salim hospitals, health centres and clinics. One of the grants was used to buy 20,000 litres of chlorine and 1,050 litres of sterilisation materials and the municipality's Health Service Office mobilised volunteers to conduct a bi-weekly sterilisation at local hospitals and health clinics, which provide health services to thousands of people in the municipality.



The PCi Project Officer working with the municipality said: ***“Citizens feel reassured when they see that the municipal council and hospitals and health centres are taking the necessary steps to protect them from COVID-19.”*** He continued: ***“This initiative will help to increase the legitimacy of the municipality in the eyes of the people, and helps to build trust which supports long-term stability in an area”.***

Working at the (sub-)national level

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

Actions

PCi fosters networking and collaboration opportunities between peacebuilding practitioners and regularly convenes the Peacebuilding Network, comprising representatives from local authorities, traditional authorities, civil society, media and the education sector, who initiate or support initiatives between communities in all parts of Libya. The Peacebuilding Network has tackled a diverse range of issues including hate speech in schools, women's participation in peace processes, and the promotion of debate around the Libyan Constitution.

It currently brings together 28 peacebuilders, representing 22 communities across the west, east, and south of Libya. Over the last 12 months, PCi has supported the organisational development of the Network, which was registered as an independent entity in January 2018.

- Two Tunis meetings were convened in June and December 2019. Network members from different regions attended, and worked on a revised mission/vision statement and a code of conduct, as well as developing a plan to build institutional capacity. These meetings led to the establishment of a Management Team consisting of Administration and Finance Officer, Communication Officer and Peacebuilding Support Officer. Additionally, six people were appointed to be part of the Advisory Board, to provide advice on the actions being taken by the Management Team.
- A core group of Network members were given training at PCi offices in Tripoli, Benghazi, and in Tunis as well as further accompaniment by PCi staff on their ongoing work in:
 - Communication – to support a Network communication strategy, concentrating on the [website](#) and a public Facebook page;
 - Grant training – to support the production of high-quality grant proposals and delivering quality project reports;
 - Finance and operations training – to establish and manage a financial system for the Network as well as donor and statutory financial reporting.
- Two Network members shared their success stories at a three-day youth forum in the coastal town of Zwara in March 2020, supported by PCi. Please see page 23.

Impact

Network members undertook some peacebuilding activities using their own resources; for example:

- In June 2019, the city of Ghat, in the south, was flooded and Network members worked with the local Crisis Committee to provide support to 600 families. The Ubari Network member coordinated with local authorities to identify the needs and arrange delivery modalities while Network members from Jmel, Ghadamis, Ajdabiy and Al Beida worked to gather resources that could be delivered as assistance. This combined effort led to collections from the towns of Ragdalin, Zulten, Alassa, Derj, Sinawa and Benghazi.

- In December 2019, Network members from Ghdamis, Alhawamed (Nalut), Zliten, Tripoli and Alzawya convened a dialogue forum in Tunis to tackle hate speech, which had reached unprecedented levels. The 30 participants came from a diverse range of backgrounds – and the dialogue forum was covered by two TV channels, which led to Network members being interviewed on the radio and extensive coverage on Facebook.

Working at the international level

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

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



A Tawargha family return to their home after being displaced due to conflict

Actions

PCi facilitates the Conflict Sensitive Assistance (CSA) in Libya Forum, funded by the European Union and Government of Switzerland. The CSA Forum, which has been running since 2012, provides resources for international implementers and donors working in Libya to help them be more conflict sensitive. Over the reporting period, PCi's activities contributed to the conflict sensitivity of international assistance in Libya by:

- Maintaining an online national-level peace and conflict factor analysis accessible to international assistance providers working on Libya;
- Convening the bimonthly CSA Forum, bringing together participants from embassies, international organisations and international NGOs to review the changing context in Libya, reflect on how that context affects and is affected by the assistance they provide, and identify recommendations for adjusting international assistance;
- Developing actionable guidance and tools relating to specific conflict sensitivity challenges faced by international actors in Libya, including a Conflict Sensitivity Risks and Opportunities Resource, guidance on Conflict Sensitivity Considerations relating to Local Governance Assistance in Libya and Conflict Sensitivity Considerations relating to the COVID-19 response in Libya; and
- Providing tailored training to international implementers and donors working in Libya on how to apply conflict sensitivity in their work.

Impact

The CSA forum facilitated by PCi continues to promote awareness of the importance of conflict sensitivity for international engagement in Libya, while providing an important space for critical self-reflection by donors, international organisations and international NGOs regarding the impact of their work.

Over the reporting period, PCi delivered a new training programme relating to conflict sensitivity in Libya, which focused on the practical skills and processes needed to undertake work in a conflict-sensitive way. The training programme – which targeted a wide range of staff functions within organisations, including those that are frequently neglected when it comes to conflict sensitivity (such as communications and operations) – provided participants with the skills to apply conflict sensitivity to their own work.

Case study: Responding to COVID-19

In response to the impending COVID-19 outbreak in Libya in March 2020, PCi undertook a rapid process to develop a resource intended to help international assistance providers strengthen the conflict sensitivity of their support to the COVID-19 response in Libya.

The note identifies tangible conflict sensitivity risks that assistance planners and project staff should keep in mind as they work on the COVID-19 response and provides actionable suggestions on how to manage and monitor these. The considerations aim to be as tangible and practical as possible, to ensure that conflict sensitivity considerations are taken into account when quick, adaptable responses are being developed.

Feedback from international assistance providers indicate that the note is a highly valuable resource for thinking through and adapting programming in response to COVID-19. Many organisations have incorporated it into their COVID-19 responses, and several donors have shared it with implementing partners and use it as a framework to adjust conflict sensitivity monitoring and management in the context of COVID-19.

Challenges we faced

PCi's international staff remained unable to enter Libya due to sustained security challenges across the country, limiting the delivery of expertise to complex initiatives and the ability to undertake monitoring and evaluation of activities and impact. However, PCi has continued to hold trainings and meetings with international staff in Tunis, as well as strengthening support provided remotely. Incidents such as road and airport closures (e.g. Tripoli's Mitiga airport) had an impact on operations, causing delays in delivering activities or preventing staff and partners from participating in meetings. The liquidity crisis, depreciation of currency, high inflation, and a volatile political situation have all placed communities under extreme financial pressure, especially in smaller towns where jobs and resources are scarcer. Conflict erupted in early 2019 and continued throughout the year and, while Tripoli was the focus of fighting, increasing numbers of people became displaced. This was set against a backdrop of failed international negotiations, impacted by the onset of COVID-19 (March 2020). PCi continues to leverage its relationships across the country and within the international community to:

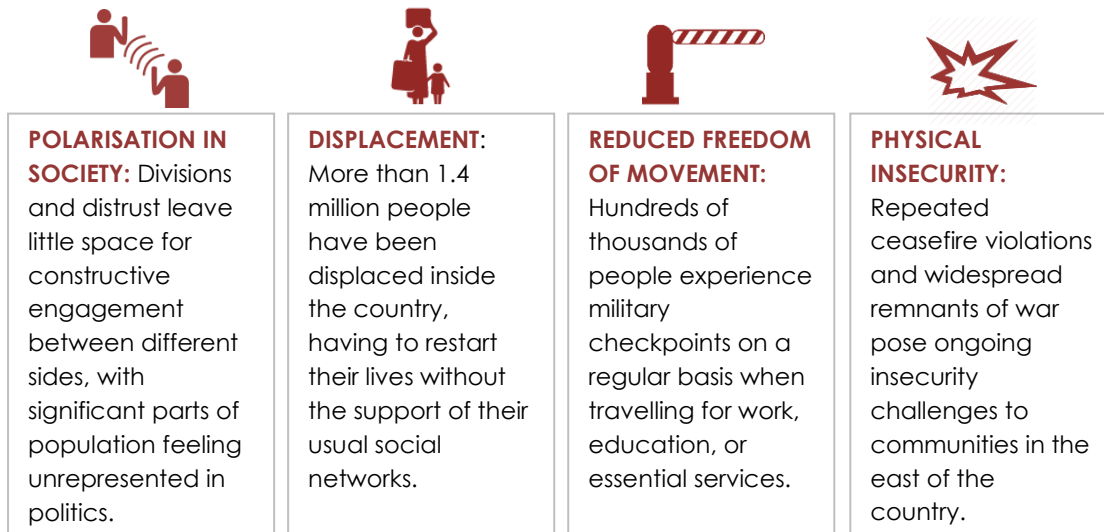
- Manage increased tensions caused by polarisation in 40 towns across Libya; and
- Support the international community to minimise the risks of current assistance inadvertently causing harm.

UKRAINE

The context

Since the street protests that unseated the country's president in 2014, Ukraine has experienced armed conflict that has led to the formation of two *de facto* states on its territory, 'Donetsk People's Republic' and 'Luhansk People's Republic', separated from the rest of the country by a militarised contact line and annexation of the Crimean peninsula, which borders the Kherson oblast.

How ordinary citizens experience conflict



Working at the international level

PCi was invited to provide input and ideas at a Foreign & Commonwealth Office (FCO) roundtable on conflict transformation in Eastern Ukraine, held at the FCO in London on 27 November 2019. The 30 participants included experts from thinktanks and NGOs, together with the Director of the Eastern Europe & Central Asia Directorate (EECAD) and other FCO staff and Whitehall stakeholders (DFID, MOD, Cabinet Office), as well as personnel from the British Embassy in Kyiv, including the British Ambassador to Ukraine.

Craig Oliphant from PCi was invited to present on one of the panels at the roundtable, sharing experience from other post-Soviet protracted conflicts and other relevant examples. After the plenary session, the meeting was divided into working groups. Anthony Foreman from PCi contributed ideas on local community initiatives and Craig Oliphant gave input relating to the inter-state (Russia-Ukraine) and international dimension of issues around the conflict.



Kyiv, 2014





The findings and main conclusions from this roundtable were to form the basis of a report prepared for the CSSF programme at the British Embassy in Kyiv. It is hoped that PCi will be able to explore further opportunities for providing practical and tailored ideas for the embassy and Whitehall policy desks focused on Ukraine.

ARMENIA

The context

Since the ceasefire agreement signed in May 1994, incidents on the Karabakh line of contact continue to threaten the lives of ordinary people living in the communities bordering with Azerbaijan in the north-east of the country. Negotiations over the peaceful settlement of conflict are ongoing; however, parties to the conflict are far from reaching a compromise and solution.

How ordinary citizens experience conflict

 <p>POSSIBILITY OF RESUMPTION OF WARFARE BETWEEN ARMENIANS AND AZERBAIJANIS: Official negotiations between parties are stalled; mutual blaming for back-peddalling the peace process; mutually exclusive positions; prevalence of war rhetoric</p>	 <p>PROLIFERATION OF HATE SPEECH: Negative stereotypes; widespread animosity; hostility in social media</p>	 <p>EXTREME POLARISATION AND DEEP MISTRUST TOWARD THE 'OTHER SIDE' CHARACTERISED BY INTOLERANCE AND IGNORANCE Historical grievances; psychological trauma; lack of trust</p>	 <p>MILITARISATION OF SOCIETY: Increasing military budget; arms race; security dilemma caused by the other side of conflict; fewer opportunities for social-economic development</p>
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Working at the local and national level

PCI worked with its Armenian NGO partner Youth Cooperation Centre of Dilijan (YCCD) on a project designed to support and increase the participation of young people on peace and security issues in Armenia, in line with UNSCR 2250. Armenian youth actively participated in the change of power, following the 'Velvet Revolution' of 2018, resulting in a new Government and Parliament in which young people are well represented. This youth involvement strengthened the rationale for advocacy on Youth Policy and an investigation of opportunities to work with the new administration to create space for conflict transformation. The 12-month project started in April 2019.



Armenian youth expressing their views around transitions in the country

Actions and impact

- Qualitative research completed on youth participation and youth expectations around transitions in the country with the research identifying specific issues and patterns among young people on youth participation and peacebuilding;
- Four roundtables completed with a range of stakeholders (NGOs, government officials, youth activists, etc.) focused on the findings from the research; these generated policy recommendations (in line with UNSCR 2250) and provided input into a working paper. The final report was shared with line ministries and state institutions, including the Ministry of Education, Science, Culture and Sport, (MoESCS), Ministry of Foreign Affairs (MoFA) and Parliament;
- Study visit to the UK organised for young policy makers (Track One level, including decision makers from the Parliament and Government) as well as individuals who have championed youth issues (involved in civil society organisations) to learn from experience of engaging youth in decision making at different levels in Scotland;
- Training Manual produced and presented to trainers during the Training for Trainers sessions, and tested with young men in Tavush region, detailing how young people can be engaged in matters of peace and security; and
- A [short film](#) produced to capture the project's impact, in Armenian with English subtitles.



Artur Ghazaryan from the Youth Cooperation Centre of Dilijan

Case Study: Armenian delegation travels to Scotland

PCi accompanied a delegation from Armenia, including leaders of youth organisations, government representatives and members of the Armenian National Assembly, to Scotland from 18-22 November 2019. The delegation met with Scottish youth leaders, government officials, business leaders and academics, gaining insight into how they might strengthen the ability of young people participate in decision making at community and national levels on their return to Armenia.



Armenian delegation on study visit to Scotland

to

Highlights included meetings with Members of the Scottish Parliament (Edinburgh), the Scottish Youth Parliament (Dundee) and youth working alongside police officers at the 'Community Safety Hub' (Dundee).

Artur Ghazaryan from the Youth Cooperation Centre of Dilijan – PCi's Armenian project partner – said: ***'This has been a great experience... young people [in Scotland] are involved in different channels, such as the Youth Parliament, the local council and other informal initiatives and are educated to be civic-minded so they can contribute to political and economic affairs and other areas of life. This is a great example and when we return to Armenia we can seek to try and adopt and improve youth representation in different sectors of life as well.'***



Armenian participants and PCi colleagues on study visit to Scotland

Challenges we faced

The Ministry of Sport and Youth Affairs, responsible for youth policies, was merged with the newly formed Ministry of Education, Science, Culture and Sport in May 2019. This led to complications prioritising youth and a lack of institutional memory around youth issues. When a new Minister was appointed, the PCi/YCCD team demonstrated flexibility and were able to successfully partner with the Minister's advisor, which proved productive and helped to ensure project success. While the project considered gender balance as important, female engagement was higher than male, which impacted on reaching young men with militaristic conflict attitudes.



A cultural event involving Armenian youth marked the beginning of the project, held in Dilijan, a town in north-eastern Armenia, where YCCD is located; the UK Ambassador also attended the launch (July 2019)



PCi and YCCD presented the project's final achievements in Yerevan (February 2020)

PCi FOCUS ON CONFLICT SENSITIVITY

PCi is working to promote conflict sensitivity as a norm for all international humanitarian, development, and peacebuilding assistance. We do this in three ways:

- Developing tools and approaches to help actors at all levels within the aid sector adopt conflict-sensitive approaches to their work;
- Providing conflict sensitivity advice to actors within specific contexts, namely Libya and Syria, by facilitating multi-stakeholder conflict sensitivity platforms where different actors can collectively reflect on and respond to conflict sensitivity considerations; and
- Advocating for, and advising on how to adopt, conflict-sensitive approaches in international assistance.

PCi was appointed Coordinator of the Conflict Sensitivity Community Hub (CSC-Hub) from October 2019. The CSC-Hub is a global network of organisations and individuals working on conflict-sensitive policy and practice in the international humanitarian, development and peacebuilding sectors. As the Hub coordinator for the 2019/20 period, PCi facilitates the collaboration, knowledge exchange and implementation of Hub activities among member organisations.

PCi hosted a panel discussion together with the Conflict Sensitivity Hub in London and online on 13 December 2019. Tim Molesworth, Senior Adviser, Conflict Sensitivity and Peace Technology at PCi, facilitated the discussions – which were livestreamed on Twitter, enabling conflict sensitivity practitioners to engage in the conversation from around the world. He also participated in the annual meeting of the Conflict Sensitivity Community Hub in Beirut, Lebanon (17-19 July 2019), which provided an opportunity to exchange knowledge, experience and tools relating to conflict sensitivity between participating organisations. PCi presented its organisational experience of facilitating the Libya Conflict Sensitive Assistance Libya Forum since 2012, sharing some of the lessons learned and discussing how the experience could be relevant in other contexts. The meeting also provided an opportunity for the Hub to connect with the recently established Local Conflict Sensitivity Forum in Beirut, facilitated by House of Peace, and share perspectives. The Conflict Sensitivity Community Hub is now on Twitter – for the latest news on Conflict Sensitivity-related content, follow [@CSC_Hub](https://twitter.com/CSC_Hub).



Panel discussion, ODI, London

In 2019, PCi produced a paper with recommendations for implementing peacebuilding programmes in areas controlled by the Government of Syria. Implementing conflict-sensitive peacebuilding initiatives in Syria is complicated by the limited operational space that is available between different sets of red lines imposed by the Government of Syria, donors/governments, INGOs and their Syrian partners. The paper provides guidance on how to manage and share the risk burden within the red lines. It included input from consultations with a Syrian civil society organisation based in Damascus, as well as input from INGOs in Beirut who were convened by GiZ and the Syria Peace Process Support Initiative (SPPSI) in July 2019.

WOMEN, PEACE AND SECURITY

PCi works in support of UNSCR 1325 which promotes women's equal and full participation as active agents in peace and security. Zahia Ali first worked with PCi in 2018, when she got involved with the Benghazi Social Peace Partnership in Libya. She was born into a small family in the city, where her father, who was a strong advocate for women's inclusion, made sure that Zahia was included in family decision making, and this environment helped develop her strong character. Soon after the war started in 2011, Zahia started a civil society organisation – 'Why Me for Women's



Zahia at the General Authority for Culture Office in Sirte, giving a lecture on women's role in peacebuilding

Rights' – and found herself increasingly engaged in peacebuilding efforts, working alongside municipal councils, youth groups, women and even ex-soldiers and fighters.

Historically, Libyan society has relied on problem-solving processes that are led by different tribes; this means that communities have limited experience of peacebuilding and community cohesion activities. Over the last five years, PCi has worked to strengthen Libyan peace capital by investing in a national resource of 22 Trainer Mentors, 40% of whom are women. Zahia benefited from this training. Trainer Mentors provide regular mentoring to the Social Peace Partnerships, as well as providing context-appropriate technical skills in conflict analysis; conflict sensitivity; mediation and negotiation; inclusive peacebuilding; gender sensitivity; and transformational leadership. Zahia said: ***"I see myself as an Ambassador of Peace. The people we work with look to us for hope and to help them address the issues they face... what is important is that 'peace' does not just become an empty slogan, but that we can convince people through the work we do."***

Zahia was able to use the skills she acquired through her peacebuilding training to apply for a United Nations Development Programme (UNDP) grant to train young people on conflict resolution and reconciliation, in the towns of Zintan, Mashashiya and Kikla. Conflict in Libya is often seen as a national issue, but it has also sparked a number of smaller conflicts, rooted in decades-old grievances and tensions, leading to outbreaks of violence and displacement. Zahia explains: ***"No one has been working with the people in these towns, I felt it was important to target them. While a peace deal was signed between all three towns, it was just ink on paper. I wanted to activate this deal in order to achieve results on the ground, and see the people standing side by side together."***

The scale and impact of Zahia's work is not always visible to the human eye – but her dedication and commitment has seeped into the heart of the communities where she works; she has become a catalyst for change. She is not afraid to address social taboos and has helped to inspire other Libyan women to 'be the change'. She continues to use her extensive network of contacts to encourage and promote the participation of women in their communities.

YOUTH, PEACE AND SECURITY

PCi works to support UNSCR 2250 which recognises that youth participation is vital to sustain peace. PCi has engaged with youth in Libya, Syria and, most recently, Armenia to promote their voices in decision-making processes in communities, and has also provided skills training to support their economic empowerment.

Armenia: Youth as advocates for peacebuilding

PCi worked with an Armenian NGO, Youth Cooperation Centre of Dilijan (YCCD), to promote youth participation in decision making related to peace and governance issues. This supports UNSCR 2250, which urges governments to include youth participation in local, national, and international institutions, in efforts to end conflict.

15 young activists from Yerevan, Tavush, Shirak, Lori, Kotayk and Ararat regions participated in the six-day training held in Dilijan in August 2019. They were equipped with the skills to become 'trainers' and take their skills back into their communities, to work with other young people to engage them in peace and governance issues.

The training was structured around a Training Manual that had been developed with support from PCi. It sought to improve understanding, among the youth, of peace and peacebuilding in Armenia, and explained the basics of conflict transformation. Arman, a 28-year-old civil society activist, said: ***"It was useful to know that peace is not just a general term and that it can be used in both a positive and negative way."*** It also sought to develop communication skills that support non-violent dialogue and outlined approaches and tools that support the development of action plans for youth engagement in governance in Armenia. Following the training, Marika, a 26-year-old teacher, said: ***"Now I am ready to go back to school and to adapt new materials; I like the Training Manual a lot!"***



Young activists attend training to promote youth participation in Dilijan



Training Manual produced in Armenian to promote the participation of youth in peace and governance issues

Libya: Supporting the next generation of peacebuilders

In Libya, a youth is anyone under 30 years of age; youth currently make up over 65% of the population. However, they are disproportionately under-represented in both national and local government institutions. Conscious of maintaining their own agency and co-creating youth-led spaces that better represent their experiences and needs, many young Libyans have turned to civil society activism in order to address the issues that directly affect their lives and Libya as a whole. In particular, young Libyan women have empowered themselves through civic engagement in a way that circumvents social taboos and increasingly amplifies their voices and perspectives. This determination and hope inspired the idea for a youth forum.

PCi organised the three-day youth forum in the coastal town of Zwara, bringing together over 95 young activists, working on social peace and development, from 27 towns and cities across the country's east, west, and southern regions. This included younger members of the Social Peace Partnerships as well as a wider network of young Libyan activists and youth working with municipal councils. The aim of the youth forum was threefold:

- 1) Facilitate knowledge exchange between activists through sharing success stories and lessons learned from local peace building activities;
- 2) Strengthen existing youth networks, while also promoting the formation of new and emerging networks; and
- 3) Demonstrate that Libyan unity is not just an abstract concept but an embodied sense of purpose for the country's youth.



Young people attend the Zwara Youth Forum

"It was important for us to show that, throughout Libya, most young people are united, even if they have different points of view or experiences," explained the PCi Project Officer who helped organise the youth forum. ***"We wanted to encourage young people to return to their cities with the resources to implement social peace initiatives."***

A highlight of the youth forum was the presentation of eight success stories from across Libya. PCi provided the youth speakers with communication training before the event and focused on storytelling and public speaking techniques, and the use of audio-visual materials, to optimally convey their experiences in an effective manner.

"It was the first time I had ever spoken in front of such a large audience," said Moyaed from Sabratha. He conveyed how his sports peace initiative, establishing five sports pitches, had engaged both young men and women, positively impacting on the five surrounding towns. He explained: ***"There are many young people who have ideas which they want to implement but are afraid to take that step because of the pressure of society. By sharing my success story today, I want to encourage other youth to take that step forward."***

Rabha from Almarj also told her inspiring story. With the support of the Social Peace Partnership, Rabha established a centre for women's literacy in Tulmaitha, from which 30 women have graduated. Rabha spoke about the importance of research and planning to ensure the challenges related to a project were effectively addressed – in this case, transport costs. She also spoke about engaging the wider community to ensure her goal of improving women's literacy was met. Rabha said: ***“Sharing my story shows other young Libyans that nothing is impossible; I became really motivated to work for my society when I realised that I could achieve my goals.”***



Rabha telling her inspiring story at the Youth Forum

Another inspiring story came from Khadija, whose experience during the civil war in Ubari prompted her to open a paramedic training centre to ensure that residents of the town received adequate health care. This achievement led to her getting involved with the Ubari Social Peace Partnership, and she subsequently established a women's peacebuilding collective.

There are significant challenges related to organising a youth forum in Libya due to instability, political polarisation between regions and cities, and the difficulties related to moving around the country safely. However, the youth forum highlighted the power of national youth solidarity in attempting to build a better Libya. It also underlined the importance of action and creative solutions to ensure that youth play a part in overcoming local, regional and national conflicts and to ensure a better future for all citizens of Libya.



Youth participate in exercises on Zwara Beach with a focus on collaboration



Nada Markous, PCI's Deputy Country Manager, with some of the speakers during the Youth Forum closing ceremony

PCi's financial situation remained strong in FY20. This was due to our success in continuing to attract awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, the European Union, and the United Nations, to fund our portfolio of programmes. Our expenditure and activities were slightly reduced from previous financial years, due to a) our programming in Syria having come to an end, b) reduction in programming in Ukraine and c) a delay in the start of our new programmes in Serbia and Kosovo. Again, much of our expenditure is in support of activities undertaken by our partners in Libya, Armenia, Serbia and Kosovo, although we were also able to make some investments in developing new programmes and methodologies during the financial year.

In the reporting year we received funding from:

- The UK Foreign and Commonwealth Office
- The European Union
- The Swiss Federal Department of Foreign Affairs
- The United Nations Development Programme

We also carried out consultancy work for:

- The German Corporation for International Cooperation (GIZ)
- The Center for Civil Society and Democracy
- The German Development Institute
- The Shared Ground Programme (Belong Network)

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

Fundraising

PCi does not currently generate funds from the public at large and does not use professional fundraisers.

Reserves policy

Having achieved our policy of attaining a financial reserve of at least £250,000 in FY19, the Board of Trustees aimed to invest in development within FY20, while maintaining reserves required for daily operation and cashflow. At the balance sheet date, PCi held reserves of £540,675 (2019: £745,605), of which £500,978 (2019: £703,672) related to restricted funds, thus retaining the reserves required. FY21 will see the Board focusing on ensuring that PCi is in a good financial position to respond to the challenges posed by the COVID-19 pandemic, as noted in the Plans for Future Periods section on page 27.

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 cash flow;
- 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; and
- Financial risks associated with UK's exit from the European Union

Plans for future periods

The Trustees are focused on ensuring that PCi is able to respond to the challenges posed by the COVID-19 pandemic, including:

- Adapting programming to ensure that it is maximally responsive to new tensions and needs experienced by target communities as a result of the pandemic. We will do this by leveraging the peacebuilding infrastructure that we have established and developing methodologies to work with and between communities remotely;
- Developing a strong COVID-19 risk management framework for PCi, which will be overseen by the Board's Risk Management Sub-Committee;
- Working closely with the Senior Management Team to maintain productivity and promote the physical and mental wellbeing of PCi team members during extended periods of working from home and/or lockdown regimes;
- Overseeing cost reviews and budget planning as the organisation adapts to the pandemic situation;
- Developing a charity resilience plan to ensure that PCi remains in a strong operational and programming position, during and after the pandemic, to pursue its strategic plan;
- Leveraging PCi's experience and expertise into thought leadership and new methodologies that can support peacebuilding in remote programming situations and support societies in finding a conflict-sensitive nexus between peacebuilding and post-pandemic economic reconstruction.

Structure, governance and management

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

Subsidiary legal entities

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

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

Board of Trustees

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

The Board currently consists of:

- James Freeman
- Michael Holland (Chair)
- Anton Shihoff
- William Peace

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; and
- The details of the current and future programmatic work of the organisation.

Meetings, minutes and decision making

The Board of Trustees meets regularly, usually in London, with PCi's AGM held on 28 November 2019. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCi's existing contracts and new-grants pipeline and to discuss programming in PCi's areas of operation.

Risk Management Sub-Committee

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

Financial controls

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

Remuneration of key management personnel

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

Management structure

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees.

Management Team

A Management Team, consisting of the Chief Executive Officer, the Finance and Operations Manager, country and regional managers and the Dean of the College of Advisers, was established in 2016 and meets to provide:

- Input to the development of PCi strategic and business plans, and coordination of and collaboration on their implementation as agreed by the Board of Trustees;
- A platform for planning organisational activities that span different teams/programmes;
- A clearing house for the development and approval of new PCi policies and systems; and
- A forum for discussing critical issues that affect the organisation as a whole;

College of Advisers

The College of Advisers was established in 2016, with membership made up of PCi's Senior Peacebuilding Advisers. Two new Senior Peacebuilding Advisers were appointed during reporting period. Mr Tim Molesworth was appointed in April 2019 as Senior Adviser for Conflict Sensitivity and Peace Technology. Mr Nenad Sebek was Senior Adviser on Peace Communication in the Western Balkans.

The College of Advisers provide:

- A platform for enhancing coordination and collaboration between Senior Advisers;
- A platform for driving organisational learning and the ongoing enhancement of PCI's methodologies, approaches and tools;
- A forum for discussing the impact of PCI's programmes and for sharing ideas/advice for how to increase/leverage impact; and
- A forum for peer support and appraisal.

It meets regularly and, on a rotational basis, each Senior Adviser acts as Dean of the College for a period of twelve months, to, *inter alia*, act as key point of interface with the Chief Executive Officer.

Reference and administrative details

Registered office address:

25B Lloyd Baker Street
London
WC1X 9AT

Company registered number:

07931944

Charity registered number:

1162997

Chief Executive Officer:

Fleur Auzimour Just

Independent auditors:

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

Bankers:

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

Solicitors:

Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Other financial services providers:

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

Trustees' Responsibilities Statement

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

Auditors

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

This report was approved by the Trustees on 19 November 2020 and signed on their behalf by:

Michael Holland

.....
Michael Holland
Trustee

Independent Auditors' Report to the Members of Peaceful Change Initiative

Opinion

We have audited the financial statements of Peaceful Change Initiative for the year ended 30 March 2020 set out on pages 36 to 51. 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 2020 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 trustees, 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

29-30 Fitzroy Square
London
W1T 6LQ

Date: 23-11-20

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

Statement of Financial Activities incorporating Income and Expenditure Account For the year ended 30 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	3,070	2,456,587	2,459,657	3,759,909
Charitable activities	4	<u>42,485</u>	<u>-</u>	<u>42,485</u>	<u>35,746</u>
Total income		<u>45,555</u>	<u>2,456,587</u>	<u>2,502,142</u>	<u>3,795,655</u>
Expenditure on:					
Charitable activities	5	<u>45,678</u>	<u>2,661,394</u>	<u>2,707,072</u>	<u>3,733,867</u>
Total expenditure		<u>45,678</u>	<u>2,661,394</u>	<u>2,707,072</u>	<u>3,733,867</u>
Net surplus before other recognised gains and losses		(123)	(204,807)	(204,930)	61,788
Transfers between funds		<u>(2,113)</u>	<u>2,113</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(2,236)</u>	<u>(202,694)</u>	<u>(204,930)</u>	61,788
Reconciliation of funds:					
Total funds brought forward		<u>41,933</u>	<u>703,672</u>	<u>745,605</u>	683,817
Total funds carried forward		<u>39,697</u>	<u>500,978</u>	<u>540,675</u>	745,605

The notes on pages 39 to 51 form part of these financial statements.

Peaceful Change Initiative

Balance Sheet as at 30 March 2020

Company number 07931944

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		2,422		222
Current assets					
Debtors	10	400,839		497,561	
Cash at bank and in hand		<u>399,166</u>		<u>474,579</u>	
		800,005		972,140	
Creditors: amounts falling due within one year	11	<u>(261,752)</u>		<u>(226,757)</u>	
Net current assets			<u>538,253</u>		<u>745,383</u>
Net assets			<u>540,675</u>		<u>745,605</u>
Charity Funds					
Restricted funds	12		500,978		703,672
Unrestricted funds	12		<u>39,697</u>		<u>41,933</u>
Total funds			<u>540,675</u>		<u>745,605</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 on 19 November 2020, and signed on their behalf, by:

Michael Holland

.....

Michael Holland
Trustee

The notes on pages 39 to 51 form part of these financial statements.

Statement of Cash Flows

For the year ended 30 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	14	<u>(71,780)</u>	<u>(865,610)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(3,633)</u>	<u>-</u>
Net cash used in investing activities		<u>(3,633)</u>	<u>-</u>
Change in cash and cash equivalents in the year		(75,413)	(865,610)
Cash and cash equivalents brought forward		<u>474,579</u>	<u>1,340,189</u>
Cash and cash equivalents carried forward	15	<u>399,166</u>	<u>474,579</u>

The notes on pages 39 to 51 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 March 2020

1. General information

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

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

2.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 24. 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 nearly all of its income in the form of grants for specific programme expenditure. Many of these grant agreements include an allowance for overheads. The majority of these grants are multi-year projects, so the income is already contracted for FY21 and FY22. The latest forecast for FY22 is for income around 50% higher than in FY20, of which over 90% is already contracted. After reviewing the level of recurring expenditure and expected income for FY21, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, FY21 will see continued efforts to increase unrestricted funding. The Trustees have considered the impacts that the Covid-19 pandemic may have for the Charity and have undertaken the following actions: adapting programming, developing a strong COVID-19 risk management framework, developing a charity resilience plan and overseeing cost reviews and budget planning as the organisation adapts to the pandemic situation. The Charity has not had to take advantage of the financial support schemes that the Government has provided as it has sufficient income and cash reserves. The charity acknowledges the risk that Government budgets will tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements

For the year ended 30 March 2020

2. Accounting Policies (continued)

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 operation of PCi at local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

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 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.

Notes to the Financial Statements

For the year ended 30 March 2020

2. Accounting Policies (continued)

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.

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 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.

2.10 Tangible fixed assets and depreciation

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

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

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

Fixtures and fittings	-	33.33% straight line
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Notes to the Financial Statements

For the year ended 30 March 2020

2. Accounting Policies (continued)

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Foreign currencies

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

Notes to the Financial Statements

For the year ended 30 March 2020

2. Accounting Policies (continued)

2.17 Pension

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

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	3,070	-	3,070	-
Grants	<u>-</u>	<u>2,456,587</u>	<u>2,456,587</u>	<u>3,759,909</u>
<i>Total 2019</i>	<u>3,070</u>	<u>3,759,909</u>	<u>2,459,657</u>	<u>3,759,909</u>
	<u>-</u>	<u>3,759,909</u>	<u>3,759,909</u>	

Grant income is received from UK and non-UK governments and governmental organisations. During the year, the Charity received grants totalling £1,226,556 (2019: £1,407,465) from the UK government.

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Conflict resolution and peacebuilding	<u>42,485</u>	<u>-</u>	<u>42,485</u>	<u>35,746</u>
Total 2019	<u>35,746</u>	<u>-</u>	<u>35,746</u>	

Notes to the Financial Statements

For the year ended 30 March 2020

5. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Conflict resolution	<u>2,232,559</u>	<u>199,529</u>	<u>274,984</u>	<u>2,707,072</u>	<u>3,733,867</u>
Total 2019	<u>3,301,081</u>	<u>295,201</u>	<u>137,585</u>	<u>3,733,867</u>	

Analysis of support costs

	Conflict resolution 2020 £	Total 2020 £	Total 2019 £
Communications and translation costs	-	-	1,135
Travel	15,431	15,431	14,036
Rent	38,055	38,055	36,943
Insurance	2,785	2,785	663
Light and heat	398	398	-
Office expenses	1,108	1,108	3,093
Printing, postage and stationery	1,031	1,031	-
Telephone	204	204	-
Computer and IT services	5,838	5,838	546
Legal and professional fees	50,281	50,281	16,439
Accountancy	-	-	8,145
Audit	8,950	8,950	8,950
Staff welfare and training	365	365	-
Bank charges	1,186	1,186	17,022
Surplus/deficit on foreign currency	14,706	14,706	24,046
Sundry expenses	1,004	1,004	-
Trustees' meeting expenses	460	460	475
Staff costs	131,749	131,749	-
Depreciation	1,433	1,433	6,092
	<u>274,984</u>	<u>274,984</u>	<u>137,585</u>
Total 2019	<u>137,585</u>	<u>137,585</u>	

Notes to the Financial Statements

For the year ended 30 March 2020

6. Analysis of grants

	Grants to Institutions 2020 £	Total 2020 £	<i>Total 2019 £</i>
Conflict resolution	<u>199,529</u>	<u>199,529</u>	<u>295,201</u>
<i>Total 2019</i>	<u>295,201</u>	<u>295,201</u>	

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

7. Staff costs

Staff costs were as follows:

	2020 £	<i>2019 £</i>
Wages and salaries	1,035,724	<i>1,130,040</i>
Social security costs	33,959	<i>27,315</i>
Other pension costs	15,396	<i>13,163</i>
	<u>1,085,079</u>	<u>1,170,518</u>

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

	2020 No.	<i>2019 No.</i>
Administration and management	3	<i>2</i>
Projects	<u>19</u>	<u>17</u>
	<u>22</u>	<u>19</u>

No employee received remuneration amounting to more than £60,000 in either year.

Included within wages and salaries above are amounts paid to third party project workers.

Remuneration totalling £135,407 (2019: £180,729) was paid to key management personnel.

Notes to the Financial Statements

For the year ended 30 March 2020

8. Trustees' remuneration and expenses

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

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year ended 30 March 2020, travel expenses totalling £1,183 were reimbursed or paid directly to 3 Trustees (2019 - £455 to 1 Trustee).

9. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 31 March 2019	29,127
Additions	<u>3,663</u>
At 30 March 2020	<u>32,760</u>
Depreciation	
At 31 March 2019	28,905
Charge for the year	<u>1,433</u>
At 30 March 2020	<u>30,338</u>
Net book value	
At 30 March 2020	<u><u>2,422</u></u>
At 30 March 2019	<u><u>222</u></u>

10. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	136,258	1,186
Other debtors	3,693	2,600
Prepayments and accrued income	260,888	493,775
	<u>400,839</u>	<u>497,561</u>

Notes to the Financial Statements

For the year ended 30 March 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Funds held as agent	8,501	-
Trade creditors	85,701	-
Other creditors	-	7,147
Accruals and deferred income	167,550	219,610
	<u>261,752</u>	<u>226,757</u>

	£
Deferred income	
Deferred income at 31 March 2019	150,885
Resources deferred during the year	76,823
Amounts released from previous years	<u>(150,885)</u>
Deferred income at 30 March 2020	<u>76,823</u>

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

Notes to the Financial Statements

For the year ended 30 March 2020

12. Statement of funds

Statement of funds - current year

	Balance at 31 March 2019 £	Income £	Expenditure £	Transfer in/(out) £	Balance at 30 March 2020 £
Unrestricted funds					
General Funds	<u>41,933</u>	<u>45,555</u>	<u>(45,678)</u>	<u>(2,113)</u>	<u>39,697</u>
Restricted funds					
Libya Programs	692,156	2,227,418	(2,418,596)	-	500,978
Syria Programs	11,516	-	(11,516)	-	-
Black Sea Programs	-	229,169	(231,282)	2,113	-
	<u>703,672</u>	<u>2,456,587</u>	<u>(2,661,394)</u>	<u>2,113</u>	<u>500,978</u>
Total funds	<u>745,605</u>	<u>2,502,142</u>	<u>(2,707,072)</u>	<u>-</u>	<u>540,675</u>
		<u>129,500</u>	<u>4,022,693</u>	<u>(3,613,887)</u>	<u>538,306</u>

Statement of funds - prior year

	Balance at 31 March 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 March 2019 £
Unrestricted funds					
General Funds	<u>42,875</u>	<u>35,746</u>	<u>(34,942)</u>	<u>(1,746)</u>	<u>41,933</u>
Restricted funds					
Libya Programs	639,623	2,984,824	(2,932,291)	-	692,156
Syria Programs	-	366,226	(354,710)	-	11,516
Black Sea Programs	1,319	408,859	(411,924)	1,746	-
	<u>640,942</u>	<u>3,759,909</u>	<u>(3,698,925)</u>	<u>1,746</u>	<u>703,672</u>
Total funds	<u>683,817</u>	<u>3,795,655</u>	<u>(3,733,867)</u>	<u>-</u>	<u>745,605</u>

Restricted comprise the following:

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

Syria - the work in Syria focuses on human security (strengthening resilience to conflict in vulnerable communities and contributing towards stabilisation efforts) and civil society work (supporting civil society organisations to connect, share experiences, and be part of decision-making).

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.

Notes to the Financial Statements

For the year ended 30 March 2020

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,422	-	2,422
Current assets	299,027	500,978	800,005
Creditors due within one year	(261,752)	-	(261,752)
	<u>39,697</u>	<u>500,978</u>	<u>540,675</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	222	-	222
Current assets	117,583	854,557	972,140
Creditors due within one year	(75,872)	(150,885)	(226,757)
	<u>41,933</u>	<u>703,672</u>	<u>745,605</u>

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

	2020 £	2019 £
Net income for the year (as per Statement of Financial Activities)	(204,930)	61,788
Adjustment for:		
Depreciation charges	1,433	6,092
Decrease/(increase) in debtors	96,722	(397,373)
Increase)/(decrease) in creditors	34,995	(536,117)
Net cash (used in)/provided by operating activities	<u>(71,780)</u>	<u>(865,610)</u>

Notes to the Financial Statements

For the year ended 30 March 2020

15. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>399,166</u>	<u>474,579</u>
Total	<u><u>399,166</u></u>	<u><u>474,579</u></u>

16. Analysis of changes in net debt

	At 31 March 2019 £	Cash flows 2020 £	At 30 March 2020 £
Cash at bank and in hand	474,579	(75,413)	399,166
Debt due within 1 year	<u>(5,602)</u>	<u>5,602</u>	<u>-</u>
	<u><u>468,977</u></u>	<u><u>(69,811)</u></u>	<u><u>399,166</u></u>

17. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £15,396 (2019 - £13,163). Contributions totalling £1,738 (2019 - £1,532) were payable to the fund at the balance sheet date and are included in creditors.

18. Operating lease commitments

At 30 March 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	<u>7,800</u>	<u>7,800</u>

19. Related party transactions

During the year, M Holland, one of the Trustees, received £5,000 (2019: £2,500) for consultancy services. No amounts were outstanding in respect of these services at the balance sheet date. No remuneration was received for his role as a trustee.

During the year £55,901 (2019: £46,698) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year and £7,205 was paid for expenses reimbursed. At the balance sheet date an amount totalling £6,774 (2019: £986) was owed by the Charity in respect of these services.

Notes to the Financial Statements

For the year ended 30 March 2020

20. Controlling party

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