

CONCILIATION RESOURCES

England & Wales · Charity number 1055436

Details

Other names	CR
Status	Registered
Legal form	Charitable company
Company number	03196482
Registered	1996-05-17
Register	View on the Charity Commission register

Contact

Address	Conciliation Resources The Grayston Centre 28 Charles Square London N1 6HT
Phone	02073597728
Email	cr@c-r.org
Website	www.c-r.org

Activities

Objects: A) TO PROMOTE FOR THE PUBLIC BENEFIT THE PROVISION OF SERVICES AND CARRYING OUT OF ACTIVITIES DIRECTED TOWARDS CONCILIATION, MEDIATION, ARBITRATION, CONFLICT RESOLUTION, RECONCILIATION, PEACEBUILDING OR REPARATION IN DISPUTES AND CONFLICTS BETWEEN INSTITUTIONS, GROUPS, PERSONS OR ENTITIES OF ANY KIND, IN THE UNITED KINGDOM OR OVERSEAS IN PARTICULAR WHERE SUCH CONFLICTS MAY LEAD TO SOCIAL UNREST, VIOLENCE OR PUBLIC DISORDER, SO AS TO RESOLVE SUCH CONFLICTS AND PREVENT THEIR RECURRENCE. (B) TO ADVANCE PUBLIC EDUCATION AND TRAINING IN THE SUBJECTS OF CONFLICT RESOLUTION, PREVENTION AND PEACE PROCESSES BY CARRYING OUT RESEARCH AND DISSEMINATING THE USEFUL RESULTS OF SUCH RESEARCH AND BY SUCH OTHER CHARITABLE MEANS AS THE CHARITY THROUGH ITS TRUSTEES MAY DETERMINE.

Activities: Conciliation Resources works to prevent violence, promote justice and transform conflict into opportunities for development.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Overseas Aid/famine Relief, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED (IN PRACTICE WORLDWIDE)
- Armenia
- Azerbaijan
- Central African Republic
- Ethiopia
- Fiji
- Georgia
- Guinea
- India
- Ivory Coast
- Kenya
- Nigeria
- Pakistan
- Papua New Guinea
- Philippines
- Solomon Islands
- Sudan
- Uganda
- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,444,882	£11,057,297	£1,279,725	68
2023-12-31	£10,372,015	£10,665,079	£892,140	77
2022-12-31	£9,863,818	£10,497,714	£1,195,009	82
2021-12-31	£10,786,525	£10,732,328	£1,836,763	76
2020-12-31	£9,336,001	£9,329,298	£1,992,946	68

Trustees

Name	Role	Appointed
Lucy Moore	Chair	2021-04-19
Ama Afrifa-Tchie		2024-11-26
Caroline Brooks		2024-07-31
Christine Cheng		2021-04-19
Dorothee Hutter		2021-04-19
Graeme Ramshaw		2024-11-26
Jamille Jinnah		2021-04-19
Nicholas Griffin		2023-10-17

CONCILIATION RESOURCES

England & Wales - Charity number 1055436

Accounts

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2024

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Directors and Trustees

Ms L Moore – Chair
 Ms C Cheng
 Ms M Fearon
 Mr N Griffin
 Ms N Hatendi
 Ms D Hutter
 Mr J Jinnah
 Mr H Raine
 Ms L Muir (resigned 27th February 2024)
 Ms J Kemp (resigned 24th May 2024)
 Mr G Graham (resigned 26th November 2024)
 Ms C Brooks (appointed 31st July 2024)
 Ms A Afrifa-Tchie (appointed 26th November 2024)
 Mr G Ramshaw (appointed 26th November 2024)

Company Secretary

Mr G Salmon (resigned 8th January 2025)
 Mr C Newman (appointed 8th January 2025)

Executive Management Team

Mr J Cohen – Executive Director
 Mr G Salmon – Interim Chief Operating Officer (resigned 10th Jan 2025)
 Mr C Newman – Chief Operating Officer (appointed 8th Jan 2025)
 Dr T Dumasy – Research, Advisory and Policy Department Director
 Ms L Aumeer – Europe-Asia Department Director
 Mr C O'Toole – South-East Asia and Pacific Department Director
 Mr A Abdi – Africa Department Director
 Mr M Baah – Finance Director (resigned 31st August 2024)

UK Company Number 03196482

UK Charity Number 1055436

Registered Office Unit 1.1, 1st Floor
 The Grayston Centre
 28 Charles Square
 London, N1 6HT

Auditor HaysMac LLP
 10 Queen Street Place,
 London, EC4R 1AG

Bankers Royal Bank of Scotland
 40 Islington High Street
 London, N1 8XJ
 COIF Charity Deposit Funds
 80 Cheapside
 London, EC2V 6DZ

Strategic Report

The Directors, who are the Trustees of the charitable company, present their report and audited accounts of the charity for the year ended 31 December 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9th May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Board

Conciliation Resources is governed by a Board of Trustees that meets four times a year. During 2024, all meetings were held in hybrid format, in person and online. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. Risk management and Keeping People Safe were central topics during all meetings in 2024, and a standalone training on safeguarding was conducted for trustees. Alongside 'day to day' governance, during the year the Board oversaw:

- Quarterly reporting to the Board from the Diversity and Inclusion Committee, Risk and Audit Committee, and Safeguarding Committee; and annual reporting from the Remuneration Committee (which reviews EMT salaries)
- A complete Risk Register and incident review as well as quarterly 'top risks' papers were reviewed by the Risk and Audit Committee
- A review of the organisation's three-year financial forecast, financial model and sustainability plan, particularly in the context of aid sector cuts from key donors
- A review of the organisation's work on mediation support and our Accord publication on innovation and adaptation in peace mediation; and managing operational risk in Ethiopia and the Caucasus.
- A review of the organisation's strategic priorities and discussion of the strategic plan process
- A review of the organisation's Reserves Policy
- Approving 2025 annual plans and budget

Executive Management Team

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific).

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their job descriptions or on an ad hoc basis. Further details of EMT workings are defined in EMT Terms of Reference.

Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in both our external work and in how we operate internally, with an awareness that all decision making must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

Team Leader's Forum

The EMT is supported by a Team Leader's Forum (TLF) made up of senior staff from across Conciliation Resources. This group meets every quarter and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two-way function as TLF members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of TLF workings are defined in the TLF Terms of Reference.

Global Locations and Staff

With around 80 staff globally, around half of our staff are based in London, with staff also in Australia, Central African Republic, the Philippines, Ethiopia and Kenya. These offices are set up in order to ensure awareness of, and compliance with, local laws and regulations, as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

Conciliation Resources EU (CR EU) is legally an independent organisation registered in Germany with staff in Belgium, but is operationally integrated within the wider Conciliation Resources. CR EU is the face of Conciliation Resources in Brussels to the European institutions and EU Member States. Our Brussels team focuses on providing mediation support expertise and policy advice on specific thematic and geographic peacebuilding priorities.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly and is transparent within the organisation. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, within the parameters of the grading, salary structure and sector benchmarking applied to all Conciliation Resources staff.

Recruitment and Appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

After the departure of three trustees, three new trustees were appointed in 2024. CR's Chair of three years stepped down at the end of 2023. Following a recruitment process, one of the existing trustees was appointed as Interim Chair, with the appointment confirmed at the July board meeting, for the remainder of the term. The Trustees in office and up to the date of this report are set out on page 3.

- The Risk and Audit Committee, which consists of four Trustees and the Chief Operating Officer / Company Secretary, oversaw the annual statutory audit process and supported the monitoring and updating of the organisational Risk Register, including an increased focus on financial risks.
- Two trustees acted as designated Safeguarding Trustees as part of the Keeping People Safe Committee, meeting with the Chief Operating Officer / Company Secretary and safety and compliance staff four times a year with additional communications as required. The Chair also attends these meetings.
- The Board and Staff Diversity and Inclusion Committee consists of four Trustees and four staff, including the Executive Director, while the Chair also attends.
- The Remuneration Committee consists of the Chair, and chairs of the sub committees.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work. Thorough evaluations of the Chair and Executive Director were undertaken in 2024.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources' ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared.

Related Parties and Collaborations

Conciliation Resources has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. Conciliation Resources currently works with more than 80 partners globally.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the staff Trustees after consolidation of information from all teams, are compiled in a Risk Register. An initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. The register is monitored on an ongoing basis by the Senior International Safety and Compliance Officer, with formal review by the EMT and Trustees taking place once a year. The Risk Management Policy details the project and departmental approach to risk identification and management and the method for feeding that analysis into the organisational register.

Work environment

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence which incorporates safeguarding, complemented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line with laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines, Safety and Security Due Diligence and spot check processes, as well as hostile environment awareness training (HEAT). Conciliation Resources contracts external suppliers to provide security information, trip pre-briefing, contingency planning and emergency response. In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

Financial Risk

The external funding environment continues to be challenging, with a general reduction in available peacebuilding funding, particularly unrestricted funding. Funding is increasingly short term with greater levels of regulatory and compliance requirements.

There continues to be a diversion of government and private funding to immediate humanitarian and other needs related to the war in Ukraine and conflict in Gaza. The risk that insufficient funds will be generated for some of our programmes has been classified as high and is monitored closely by the Executive Management Team, which has undertaken financial contingency planning. Department Directors are responsible for sufficient fundraising and are supported to pursue their fundraising plans by the rest of the organisation.

In early 2024, we were notified by our core unrestricted donor, The Swedish International Development Cooperation Agency (Sida) that they would no longer be providing ongoing unrestricted funding after the completion of the current grant agreement in December 2024. The removal of this unrestricted funding, worth approximately £900,000 per year, would mean that CR could no longer fund its support structure in the way that it had been operating.

CR responded to this by planning a cost reduction programme which began in early 2024. This included a reduction in headcount of 9, achieved through not replacing 4 positions as individuals resigned, and making 5 roles redundant. This cost reduction, along with the improved support cost recovery that had been introduced in 2023, enabled the organisation to finish the year with a surplus which then provides a buffer for the continued uncertainty. Prompt action at the start of 2024, along with the prior years' work, positions the organisation to be able to continue even if further unrestricted funds are not secured in 2025 and beyond.

Despite the decrease in unrestricted funds, the total budget increased from 2023, with additional restricted funds being secured for programming. While this is a success, it also creates some strain given the reduced support structure. Further modelling of support cost recovery will be needed to ensure that the support structure is sufficient to provide effective service to the programme activities.

CR works with partners in our programme locations. In some cases there have been challenges in transferring funds to partners through the local banking sector. In these situations, cash couriership has been the only practical approach to transferring funds. During 2024 more than £85,000 has been transferred through this method. CR has a policy and procedures for cash couriership which is informed by Charity Commission guidance, and includes declarations to HMRC when needed. A risk assessment is carried out for all transactions through cash couriership prior to these being authorised.

Fundraising Activities

In 2024, our income was mainly derived from institutional donors, with additional amounts from trusts and foundations, and individuals. We did not work with external professional fundraisers, and donations from members of the public totalled less than 1% of income. We do not anticipate this increasing in the next few years. Management and the Development Team, which manages organisational fundraising, stayed abreast of recognised public fundraising standards. We are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. In 2024, no complaints were received in relation to our fundraising activities.

We maintained and strengthened our relationships with a range of government and multilateral donors. This included the Swedish International Development Cooperation Agency, the Department of Foreign Affairs and Trade of Ireland, and the Ministry for Foreign Affairs of Finland, all of which provided core funding. We secured project funding from a range of donors including the European Union; the Foreign, Commonwealth and Development Office of the UK; the Federal Department of Foreign Affairs of Switzerland; and the Department of Foreign Affairs and Trade of Australia. We developed our relationship with Global Affairs Canada and submitted two applications for project funding - one in West Africa and one in the Horn of Africa, both of which were successful in early 2025. We received funding from several trusts and foundations including Robert Bosch Stiftung; Misereor; and Humanity United. We strengthened fundraising capacity across the organisation, including improving our budget development tools and maintaining our online grants management system.

Keeping People Safe

Safeguarding is a responsibility of the entire Board, with the Board's Safeguarding (Keeping People Safe) Committee leading on this area of work. The Committee is made up of the Chair of the Board and 2-3 Safeguarding Trustees, one of whom chairs the Committee. The Committee, which meets on a quarterly basis, is supported by the Chief Operating Officer and the Senior International Safety and Compliance Officer and is attended by the Executive Director and the Europe-Asia Department Director.

All concerns raised have been investigated and responded to. During the year, we continued to provide 'Keeping People Safe' sessions with our partner organisations, in order to ensure necessary safeguarding standards and practices are understood. However, as part of our aim to streamline processes and reduce workload, we reduced the KPS analysis sessions with partners from 16 hours, to 3.5 hours while maintaining key elements to ensure essential KPS messages were conveyed and discussed.

The team received a total of 19 reported concerns during the year, 7 of which were near misses all of which were responded to.

We continue to develop our systems, processes and policies in this area including our Risk Management Policy, Keeping People Safe Policy, Safety and Security Policy and Programme Security Plans.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Staff Wellbeing

During 2024, CR continued with a second round of redundancies to further mitigate the impact of funding cuts from Sida. The negative impact on staff wellbeing and mental health of the redundancy programme was mitigated through establishing early and effective communication with all staff in general, and particularly with those at risk of redundancy. In addition, CR encouraged staff members to take Mental Health Days, with each employee entitled to take one Mental Health Day as additional leave each quarter. Settling in the new shared office space in London also significantly improved the working environment and resulted in greater socialisation between employees using that office.

The organisation has a Wellbeing Coordination Group of senior staff, an Employee Assistance Programme, Mental Health First Aiders and free anonymous counselling at their own discretion. Line managers are provided with line management training and tools. We continue to improve our systems, processes and policies to provide required support services.

Public Benefit Statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

Objectives and activities

Conciliation Resources is an independent international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we share what we learn from our work with partners to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

Our vision is a world where people work together to resolve conflicts and promote peaceful and inclusive societies.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of: "the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2020-2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2020-2025 Strategic Plan, we have developed a costed five-year Operational Plan with actions against the following goals, with leadership of each goal allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2024

In 2024, CR made significant progress under the peace goals in our strategic plan for 2020-2025: [Building better peace](#). Examples of activities and achievements against each goal are below.

GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE
PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES

Our work under this goal resulted in new angles from which to tackle structural obstacles to inclusion, new entry points for trust building between conflict parties, and secured new agreements in fraught peace talks.

We continued the roll-out of our innovative Gender, Climate and Conflict Analysis methodology; in 2024 we did this with partners in Fiji and Nigeria. Participatory workshops surfaced new and alternative perspectives about the connections between gender and other forms of inequality, climate, peace and conflict, and helped participants identify steps that need to be taken to enable peaceful change and inclusion in these contexts.

Our 2024 efforts fostered potential pathways forward for bilateral engagement between India and Pakistan. Building on technical and strategic dialogue processes we have convened to improve bilateral co-operation, we leveraged a renewed mutual interest from political level actors in India and Pakistan in environmental cooperation as a confidence building mechanism. The relationships and trust built through the process, as well as the substance of the initial discussions in technical areas, provide an important basis for continued dialogue between participants on next steps.

In South Sudan, we provided technical and financial support to the Kenyan Government-led Tumaini high level mediation initiative, which in turn led to the signing of six protocols by the conflict parties – a positive step forwards in the complex and fraught peace processes there.

GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS

MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT

In 2024, we strengthened connections and complementarity between different peace initiatives and networks, broke down siloes and improved relationships between formal, high-level processes and informal community-level processes.

In the South Caucasus, CR was able to leverage its role as a consortium lead and grant manager to encourage greater collaboration between consortium members from Armenia and Azerbaijan. By co-hosting events, hosting voluntary online dialogues, and championing development evaluation activities that provided opportunities for sharing information about activities and mutual learning, we saw improvements in communication and strategic engagement with each other's networks, as well as joint activities.

In the Central African Republic (CAR), we launched an innovative framework to address conflict-related trauma and to prevent it fuelling the resumption of violence. With our partners we built collaboration between people working on mental health and psychosocial support (MHPSS) and those working on peacebuilding, and connected people working on these issues at local and national levels. Their insights shaped the design of a toolkit for conflict-sensitive and gender-responsive MHPSS that will be completed in 2025. This will illustrate what culturally grounded MHPSS and gender-sensitive peacebuilding looks like in CAR, and will be used to facilitate community discussions on how to apply this.

In the Philippines, we organised a visit for members of the Philippine National Congress to London, Belfast and Dublin in order to learn about the experience of the Northern Irish peace process and its relevance for the Bangsamoro peace process. The visit made a deep impression on the participants; in a speech to the Philippines House of Representatives, Congressman Zia Alonto Adiong stated, "Our recent learning exchange in Belfast, Northern Ireland and Dublin in Ireland, brought to light lessons that resonate deeply with the challenges and aspirations of the Bangsamoro... We are beyond grateful to Conciliation Resources for this historic opportunity and privilege."

GOAL 3. INCLUSION, GENDER AND INFLUENCE

EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE

In 2024, our work in different contexts resulted in greater participation and influence of civil society, including diverse women, in peace processes at all levels.

Through the UN Women Peace and Humanitarian Fund Rapid Response Window – a UN funding mechanism partly implemented by CR – we provided operational support and technical accompaniment to seven civil society partner organisations working on the meaningful participation of women in Kosovo, Niger, the Philippines, Ethiopia, Afghanistan and Liberia, amongst others. This included work with the NGO Women for Afghanistan, to organise high level dialogues on women's participation; and with the Confederation of NGOs/Women's Associations in Niger, to increase the number of women and people with disabilities on Communal Peace Committees at the communal level.

Through confidence and trust building activities in the tri-border region of Burkina Faso, Côte d'Ivoire and Ghana, we increased the willingness and readiness of diverse community members to engage proactively and genuinely with peacebuilding initiatives in their own contexts. Our approach resulted in a 50 per cent rise in the number of active participants from across ethnoreligious and communal identity divides.

In the Somali region of Ethiopia, we accompanied the efforts of the Ugaaso-Women's Dialogue Space to build their links to regional policy initiatives and advocate more visibly and confidently for greater participation for women in politics and society. As a result, the Ugaaso-Women's Dialogue Space is now the Chair of the Board of the Somali Non-State Actor's Coalition, and a member of the Jijiga City Administration's advisory council. Ugaaso is now positioned to bring women's perspectives into initiatives and policies developed by these bodies.

GOAL 4. PEOPLE CENTRED POLICY INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST

Our research and global and context policy work generated and disseminated evidence of the effectiveness of peacebuilding, how to advance people's participation and perspectives within it, and how to ensure the regulatory environment enables this work.

The 30th edition of our flagship publication, *Accord*, analysed sector thinking and debate on the future of peace mediation at a time of geo-political change and heightened global insecurity. *Accord 30* made the case for why mediation is needed, and put forward ideas on where it needs to adapt and innovate to maintain relevance to contemporary challenges. We launched *Accord* at events in Geneva, Doha, London, Nairobi, New York and Washington DC – as well as online. Findings were timely and relevant to policymakers and practitioners.

In the UK, to advance a more enabling regulatory environment for humanitarian and peacebuilding work, we forged collaboration with NGO umbrella groups, Bond, Muslim Charities Forum and Charity Finance Group, on the impact of bank de-risking on the charity sector. We co-organised a round-table discussion hosted by law firm Bates Wells, for charities, regulators and banks to discuss the legal right to a bank account for charities. The prompted spin-off conversations on dedicated services for smaller charities.

The UK Government published its sanctions strategy in 2024 in which it committed to the introduction of legislation which would introduce a humanitarian 'exception' across UK financial sanctions, and which would bring greater consistency to exceptions already introduced within UN related sanctions. Along with a group of NGOs, we contributed evidence and arguments to the Government, including through our role in the Tri-Sector Group dialogue between government, banks and NGOs, on the need for the exception in the run-up to the strategy.

In Fiji, we fostered dialogue on climate change between the Government of Fiji and people living in informal settlements. Building on the findings of the report 'Building peace and security in Suva's climate-affected informal settlements,' an Informal Settlements Symposium was held at the end of June, bringing together key policy stakeholders with three informal settlement communities for the first time. This was an opportunity for these communities to present their issues, advocate, and engage directly with the Government of Fiji and the police. It was a crucial step in ensuring that the communities and their needs, which include young people facing unemployment and drug issues, are better addressed in future programmes.

Publications and Other Resources Produced in 2024

We produced 17 multimedia products and publications, which were viewed or downloaded 15,020 times.

Multimedia

[VIDEO: Teresa Whitfield Introduces Accord 30](#)

[WEBINAR - 'Together for Peace: Berghof Foundation and Conciliation Resources on peace and gender'](#)

[VIDEO - Reconstructing masculinities](#)

[VIDEO - Rapid Response Window: Lessons learned](#)

[PODCAST - 'In conversation: The essential role of women in peacebuilding'](#)

Publications

[Accord: Still time to talk](#)

[Reconstructing masculinities](#)

[Building peace and security in Suva's climate affected informal settlements](#)

["Wai manga! We want a peaceful Hela!" - perspectives and experiences of peace and justice in Hela Report](#)

[Embracing change: Outcome Harvesting in peacebuilding practice](#)

[Accord Insight: Peace and security for pastoralist communities in African borderlands](#)

[Annual Review 2023](#)

[Climate change and conflict risks in Bougainville](#)

[Climate change and peacebuilding in Fiji](#)

[Ugaaso: Lessons from a women's dialogue space in the Somali Regional State of Ethiopia](#)

[Enabling change: Lessons from grant-making to increase women's participation in peace processes](#)

[Peace Matrix for Afghanistan: Strengthening Afghans' pursuit of democracy, freedom and economic recovery](#)

Financial Review

During 2024, CR responded collectively to mitigate the financial challenges that emerged during the year. As noted previously, a cost saving exercise was carried out which included a reduction in headcount. Some roles were also moved to departments to place them closer to the programme work, with finance business partner roles moving from the operations team to the department teams.

The process of decentralising functions also continued with procurement and finance systems being established in the Kenya and Ethiopia offices, thus allowing more effective operational capacity. Work to determine the extent to which finance functions should be further decentralised, or whether there are additional improvements to systems, is planned for 2025.

The Statement of Financial Activities shows a net surplus, after exchange losses of £387,585 (2023 restated - net deficit of £302,869) for the year and total funds available stand at £1,279,725 (2023, £892,140). This surplus is a little lower than planned (forecast £510,000), but was planned to enable the organisation to manage the expected cuts in Sida funding in 2025, allowing time to increase restricted funding, with its associated support costs, to allow the organisation to operate in a sustainable manner.

Income recognised in 2024 was £11,444,882 compared to total income of £10,372,015 in 2023.

The level of deferred income balances as at the end of 2024 increased to £4,948,177 (2023, £3,524,473; see note 16). A contract-by-contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The ongoing success in raising restricted funding for programming activities enables CR to maintain and increase the focus of its peacebuilding work. This comes with the challenge of maintaining the necessary support structure in light of evolving regulatory requirements and reductions in unrestricted funding. CR will continue to explore alternative sources of funding as it seeks to maintain an appropriate balance of funding sources.

Despite initial messaging that funding was unlikely to continue beyond 2024, towards the end of the year The Swedish International Development Cooperation Agency (Sida) invited CR to submit a proposal for core funding for the period 2025-2027. This would enable the continuation of the longstanding and much valued relationship between our two organisations. Funding would enable investment in core support functions to improve efficiency and effectiveness in operational support to programming initiatives, while also supporting increased fundraising capacity..

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every quarter, as part of the budget reforecasting process, the Finance Team meets with all teams to discuss the respective changes in planned activities that may impact the annual finances or cashflow. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources holds accounts in seven main currencies; Australian dollar, Euro, US dollar, Ethiopian Birr, Central African Francs, Kenyan Shilling, Swedish Krona and the Pound Sterling.

Exchange rate risk is considered at a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Chief Operating Officer, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD and Australian Dollars.

Principal Funding Sources

The principal funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

Investment Powers and Policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to use all anticipated income. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount was set at £745,000 for 2024 and 2025 in accordance with the Reserves Policy approved in November 2024.

The total unrestricted funds balance at the end of the year under review was £1,279,725. Of the total reserves held at the end of the year, £115,888 was in fixed assets. Consequently, the charity had free reserves of £1,163,837 at the year end. This ensures that the free reserves are more than is necessary as per the reserves policy.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide office locations with increased direct financial management responsibility.

Plans for the Future

Despite changing political and donor dynamics, particularly as a result of the war in Ukraine as well as the Israel-Gaza conflict, the Trustees are pleased with the final year of the 2020-2025 Strategic Plan and the corresponding 2020-2025 Operational Plan. We continue to have a positive impact, and 2025 will witness the initial work required to develop the organisation's next Strategic Plan.

We see a continued need for our work and unique peacebuilding approach. Continuity and long-term partnership are necessary elements of good peacebuilding. During the strategic planning process we will consider whether we should be looking to adjust our geographical or thematic focus, responding to the contextual needs. We will also make plans on how we can maintain a broad and diverse funding base, and further refine our cost recovery approaches to ensure we can continue to meet the needs of our operations. This will enable us to mitigate further fluctuations in unrestricted donor income.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities' SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditor

In accordance with company law, the Company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

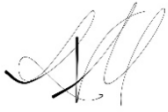
Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board. On 18 November 2024, the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

The trustees have agreed to re-appoint the auditors to undertake the 2025 Year End audit and HaysMac LLP has indicated its willingness to continue in office.

Approval

This Trustees Report was approved by the Board of Directors and Trustees on the 16th June 2025 and signed on its behalf. The Trustees Report includes the Strategic Report as required by company law. The Strategic Report comprises the sections in relation to: Strategic Management (pages 3-4), Business Environment (pages 5-7) and Business Performance and Position (pages 7-12).

A handwritten signature in black ink, appearing to be 'LM' or 'Lucy Moore', written over a horizontal line.

Lucy Moore
Director and Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES YEAR ENDED 31 DECEMBER 2024

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES YEAR ENDED 31 DECEMBER 2024

Based on our understanding of the group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

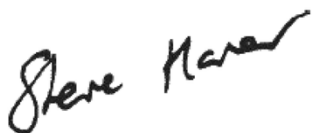
- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, with a focus on recognition of grant income at the year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
26th June 2025

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including an Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 (restated) £
Income from:					
Donations and core funding	2	994,505	-	994,505	1,247,008
Charitable activities	3	100,227	10,312,119	10,412,346	9,086,947
Investments	4	38,031	-	38,031	38,060
Total income		<u>1,132,763</u>	<u>10,312,119</u>	11,444,882	<u>10,372,015</u>
Expenditure on:					
Raising funds	5	155,593	-	155,593	226,636
Charitable activities	6	1,435,363	9,466,341	10,901,704	10,448,248
Total expenditure		<u>1,590,956</u>	<u>9,466,341</u>	11,057,297	<u>10,674,884</u>
Net (expenditure)/income		(458,193)	845,778	387,585	(302,869)
Transfers between funds	19	845,778	(845,778)	-	-
Net movement in funds		<u>387,585</u>	<u>-</u>	387,585	<u>(302,869)</u>
Reconciliation of funds:					
Total funds brought forward		892,140	-	892,140	1,195,009
Total funds carried forward	19	<u>1,279,725</u>	<u>-</u>	1,279,725	<u>892,140</u>

The Statement of Financial Activities also complies with the requirement for an Income & Expenditure Account under the Companies Act 2006.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

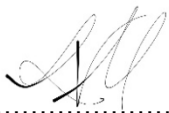
Full comparative figures for the year ended 31 December 2023 are shown in note 27.

The accompanying notes form part of these Financial Statements.

CONSOLIDATED BALANCE SHEET

	Notes	£	2024	£	£	2023	£
Fixed assets							
Intangible fixed assets	12			95,557		127,513	
Tangible fixed assets	13			20,331		34,229	
				<u>115,888</u>		<u>161,742</u>	
Current assets							
Debtors	14	1,344,218			1,532,310		
Cash at bank and in hand		5,455,405			3,520,011		
		<u>6,799,623</u>			<u>5,052,321</u>		
Creditors: amounts falling due within one year	15	<u>(5,608,710)</u>			<u>(4,271,447)</u>		
Net current assets				1,190,913		730,398	
Provisions	18			(27,075)		(50,476)	
Total Net assets				<u>1,279,725</u>		<u>892,140</u>	
Charity Funds							
Unrestricted funds							
- General funds	19			1,279,725		892,140	
Restricted funds	19			-		-	
TOTAL FUNDS				<u>1,279,725</u>		<u>892,140</u>	

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 19th June 2025 and were signed on its behalf by:



..... Lucy Moore (Director and Chair of Trustees)



..... Callum Newman (Company Secretary)

The accompanying notes form part of these Financial Statements.

BALANCE SHEET (Company only)

	2024		2023 (As restated)	
	£	£	£	£
Fixed assets				
Intangible fixed assets		95,557		127,513
Tangible fixed assets		20,331		34,229
		<u>115,888</u>		<u>161,742</u>
Current assets				
Debtors	1,570,983		1,522,933	
Cash at bank and in hand	<u>4,987,194</u>		<u>2,625,144</u>	
	6,558,177		4,148,077	
Creditors: amounts falling due within one year	<u>(5,236,776)</u>		<u>(3,970,872)</u>	
Net current assets		1,321,401		177,205
Provisions		-		-
Total Net assets		<u>1,437,289</u>		<u>338,947</u>
Charity Funds				
Unrestricted funds				
- General funds		1,437,289		338,947
- Designated funds		-		-
Restricted funds		-		-
TOTAL FUNDS	28	<u>1,437,289</u>		<u>338,947</u>

The net income for the charitable company for the 12-month period to 31 December 2024 was £1,098,342 (2023: £218,137).

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 19th June 2025 and were signed on its behalf by:



..... Lucy Moore (Director and Chair of Trustees)



..... Callum Newman (Company Secretary)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2024 £	2023 £
Cash flow from operating activities	22	2,221,848	1,222,513
Net cash flow provided by operating activities		2,221,848	1,222,513
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,160)	(15,496)
Additions to intangible fixed assets		-	-
Dividend and interest receivable		38,031	38,060
Net cash (used in)/ provided by investing activities		29,871	22,564
(Decrease)/increase in cash and cash equivalents in the year		2,251,718	1,245,077
Cash and cash equivalents at the beginning of the year		3,520,011	2,381,996
Change in cash and cash equivalents due to exchange rate movements		(316,324)	(107,062)
Total cash and cash equivalents at year end		5,455,405	3,520,011
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,455,405	3,520,011
Cash and cash equivalents at 31 December		5,455,405	3,520,011

The accompanying notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company Registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Basis of Consolidation

The consolidated statement of financial activities (SOFA), group balance sheet and consolidated statement of cash flows consolidate the financial statements of the Charity and its subsidiary (Conciliation Resources Australia-CRA). The financial statements of the subsidiary are consolidated with the Charity on a line-by-line basis. Transactions and balances between entities are eliminated on consolidation.

No separate SOFA has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total income of the Company for the period was £10,611,113 (2023: £9,563,294) and the net result of the Company was a surplus of £1,098,342 (2023: deficit £218,137).

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2024, Conciliation Resources has faced changes in the funding landscape resulting in some impact on our organisational development and support teams as well as the programme teams. At the same time, 2024 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2025 and 2026, as well as the satisfactory levels of cash and reserves which it holds. Hence, the directors have not identified any material uncertainty in the charity's ability to continue as a going concern. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

1. Summary of significant accounting policies (continued)

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

Volunteers and Donated Services and Facilities

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

During 2024 (2023-nil), the charity had no volunteers.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

1. Summary of significant accounting policies (continued)**Intangible Assets**

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software 7 years

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight-line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

Debtors

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 the settlement value.

Funds

Unrestricted general funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

1. Summary of significant accounting policies (continued)**Tax**

The charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

2. Unrestricted Income from donations and grants

	Group	
	2024	2023
	£	£
Donations	15,788	18,480
Core funding	978,717	1,228,528
	994,505	1,247,008

Income from donations and core funding was £994,505 (2023 - £1,247,008) all of which was attributable to unrestricted funds (2023 - all).

Core funding includes £978,717 (2023 - £1,228,528) of government grants receivable in the year.

2. Unrestricted Income from donations and grants (continued)

These grants were awarded as follows:

	2024	Group
	£	2023
		£
The Swedish International Development Cooperation Agency (Sida)	890,321	1,049,462
Department of Foreign Affairs and Trade, Ireland	84,296	87,756
Ministry for Foreign Affairs of Finland	-	86,310
Others	4,100	5,000
	978,717	1,228,528

100% (2023: 100%) of core funding is received from funders outside of the United Kingdom.

3. Income from charitable activities

	2024	Group
	£	2023
		£
Project grant income	10,312,119	9,059,367
External consultancies	4,000	20,023
High Net Worth Donors	96,227	7,557
	10,412,346	9,086,947

Income from charitable activities was £10,412,346 (2023 - £9,086,947) of which £10,312,119 (2023 - £9,055,752) was attributable to restricted funds and £100,227 (2023 - £31,195) was attributable to unrestricted funds.

Grant income includes £8,679,456 (2023, £7,233,915) of government grants receivable in the year. The government and multilateral grants received are identified by a * below:

	2024	Group
	£	2023
		£
Research, Advisory and Policy		
Joseph Rowntree Charitable Trust	74,784	66,941
* Federal Department of Foreign Affairs, Switzerland	122,783	198,656
Sasakawa Peace Foundation	169,874	227,563
* Foreign, Commonwealth and Development Office, UK	835,221	516,160
Ecorys	-	11,148
PeaceNexus	-	8,686
*Department of Foreign Affairs and Trade, Ireland	10,576	7,024
	1,213,238	1,036,178

3. Income from charitable activities (continued)

	Group	
	2024 £	2023 £
Europe/South Asia		
* European Union	2,381,170	2,308,000
* Federal Department of Foreign Affairs, Switzerland	86,542	12,000
* Foreign, Commonwealth and Development Office, UK	320,668	326,771
Sigrid Rausing Trust	109,374	168,986
* Ministry for Foreign Affairs of Finland	-	27,738
Ploughshares	13,946	32
Allan & Nesta Ferguson Charitable Trust	11,624	-
United States Institute of Peace	77,710	-
* Foreign, Commonwealth and Development Office, UK	196,169	-
Misereor	31,979	30,131
	3,229,182	2,873,658
West Africa		
National Endowment for Democracy	15,252	43,192
Robert Bosch Stiftung	395,143	207,822
* Norwegian Agency for Development Cooperation	36,310	6,888
	446,705	257,902
East and Central Africa		
Zivik	207,886	255,750
* European Union	199,464	-
Expertise France	185,127	-
Peace Dividend	10,289	-
DanChurchAid	6,551	372,680
* United Nations Development Programme	1,118	271,136
	610,435	899,566
Horn of Africa		
* Federal Foreign Office, Germany	762	364,279
* Foreign, Commonwealth and Development Office, UK	881,206	1,152,759
* Department of Foreign Affairs and Trade, Ireland	761,427	589,533
* Danish Embassy, Ethiopia	186,271	-
	1,829,666	2,106,571
Pacific		
* Department of Foreign Affairs and Trade, Australia	149,695	99,573
* New Zealand Ministry of Foreign Affairs and Trade	583,498	303,892
Misereor	92,432	129,460
* Foreign, Commonwealth and Development Office, UK	410,573	92,256
* European Union	139,800	69,564
Q2IMPACT	114,224	-
* United Nations Development Programme	27,994	71,788
* Federal Foreign Office, Germany	217,500	216,130
	1,735,716	982,663

3. Income from charitable activities (continued)

	2024 £	Group 2023 £
Philippines		
* Department of Foreign Affairs and Trade, Ireland	48,278	-
* Foreign, Commonwealth and Development Office, UK	14,111	202,164
* Department of Foreign Affairs and Trade, Australia	-	40,724
	62,389	242,888
Cross Regional Programme		
* Foreign, Commonwealth and Development Office, UK	355,482	32,609
Saferworld	64,461	20,826
* The Swedish International Development Cooperation Agency (Sida)	-	172,148
Aurora Trust	12,432	-
Eva Reckitt Trust Fund	176	-
Myriad USA	1,970	-
* Ministry for Foreign Affairs of Finland	150,157	-
* UN Women's Peace and Humanitarian Fund	600,109	430,146
	1,184,787	655,729
Total grants	10,312,119	9,055,155

67% (2023 - 72%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

4. Income from investments

	2024 £	Group 2023 £
Bank interest	38,031	38,060

Income from investments was £38,031 (2023 - £38,060) of which all (2023 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	2024 £	Group 2023 £
Salaries and staff costs	125,230	174,754
Direct costs	6,064	8,837
Support costs	24,299	43,045
	155,593	226,636

All £155,593 (2023 - £226,636) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2024

6. Analysis of expenditure on charitable activities

Group	Salaries and Staff costs £	Direct costs £	Support costs £	2024 £
Research, Advisory and Policy	489,452	346,908	154,786	991,146
Europe/South Asia	489,160	2,448,857	543,739	3,481,756
West Africa	146,023	222,769	68,253	437,045
East and Central Africa	152,532	377,632	98,118	628,282
Horn of Africa	288,807	1,181,833	272,172	1,742,812
Pacific	676,054	624,106	240,621	1,540,781
Philippines	67,713	114,476	33,718	215,907
Cross Regional Programme	6,280	661,908	124,181	792,369
Africa Department	139,760	177,566	58,662	375,988
Europe Asia Department	266,272	11,100	50,880	328,252
Cross-departmental expenditure	-	-	367,366	367,366
Total	2,722,053	6,167,155	2,012,496	10,901,704

2023 Comparative Information

Group	Salaries and Staff costs £	Direct costs £	Support costs £	2023 (restated) £
Research, Advisory and Policy	601,490	382,585	230,725	1,214,800
Europe/South Asia	461,848	2,194,943	622,907	3,279,698
West Africa	134,702	130,702	62,226	327,630
East and Central Africa	235,550	602,706	196,536	1,034,792
Horn of Africa	333,836	1,477,903	424,777	2,236,516
Pacific	656,655	422,410	252,996	1,332,061
Philippines	56,607	119,272	41,236	217,115
Cross Regional Programme	-	300,403	70,910	371,313
Africa Department	27,219	51,700	19,680	98,599
Europe Asia Department	258,330	7,029	60,560	325,919
Cross-departmental expenditure			9,805	9,805
Total	2,766,237	5,689,653	1,992,358	10,448,248

£9,466,341 (2023 - £8,625,010) of the above costs were attributable to restricted funds and £1,435,363 (2023 - £1,823,238) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2024

7. Allocation of support costs

Group	Management, Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2024
	£	£	£	£	£	£	£
Costs of raising funds	14,681	5,004	456	3,009	404	745	24,299
Research, Advisory and Policy	93,520	31,875	2,901	19,168	2,576	4,745	154,785
Europe/South Asia	328,523	111,972	10,193	67,336	9,047	16,670	543,741
West Africa	41,238	14,055	1,279	8,452	1,136	2,092	68,252
East and Central Africa	59,282	20,205	1,839	12,151	1,633	3,008	98,118
Horn of Africa	164,444	56,048	5,102	33,705	4,529	8,344	272,172
Pacific	145,381	49,551	4,510	29,798	4,004	7,377	240,621
Philippines	20,372	6,943	632	4,176	561	1,034	33,718
Cross Regional Programme	74,715	25,466	2,318	15,314	2,058	3,791	123,662
Africa Department	35,483	12,094	1,101	7,273	977	1,800	58,728
Europe Asia Department	31,015	10,571	962	6,357	854	1,574	51,333
Cross-departmental expenditure	-	-	-	-	-	367,366	367,366
Total	1,008,654	343,784	31,293	206,739	27,779	418,546	2,036,795

2023 Comparative Information

Group	Management, Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2023 (restated)
	£	£	£	£	£	£	£
Costs of raising funds	24,866	9,652	1,297	5,072	1,829	329	43,045
Research, Advisory and Policy	133,288	51,733	6,953	27,186	9,288	2,276	230,724
Europe/South Asia	359,849	139,669	18,774	73,395	25,177	6,043	622,907
West Africa	35,948	13,952	1,875	7,332	2,643	475	62,225
East and Central Africa	113,538	44,068	5,923	23,157	8,349	1,501	196,536
Horn of Africa	245,391	95,244	12,802	50,051	18,044	3,245	424,777
Pacific	146,154	56,727	7,625	29,810	10,747	1,933	252,996
Philippines	23,822	9,246	1,243	4,859	1,752	315	41,237
Cross Regional Programme	40,677	15,788	2,122	8,297	2,991	1,036	70,911
Africa Department	10,689	4,149	558	2,180	786	1,319	19,681
Europe Asia Department	35,953	13,954	1,876	7,333	1,444	-	60,560
Cross-departmental expenditure	-	-	-	-	-	9,805	9,805
Total	1,170,175	454,182	61,048	238,672	83,050	28,277	2,035,404

Support costs are allocated in accordance with the accounting policies on pages 23 & 24.

8. Governance costs

	Group	
	2024	2023
	£	£
Board costs	1,136	1,182
Auditors' remuneration (UK)	19,000	18,000
Auditors' remuneration (Ethiopia)	759	2,000
Auditors' remuneration (Australia)	6,884	4,194
Legal, professional fees and other support costs	17,032	56,161
	44,811	81,537

9. Net income for the year

The net income is stated after charging:

	Group	
	2024	2023
	£	£
Depreciation of tangible fixed assets	22,059	40,120
Amortisation of intangible fixed assets	31,956	31,956
Operating lease rentals	44,721	44,721
Audit's remuneration	19,000	18,000
Statutory audit (current auditor)		
Statutory audit (Ethiopia)	759	2,000
Statutory audit (Australia)	6,884	4,194
Grant audits	48,310	63,019
Foreign Exchange Translation Gains/(Losses)	(316,324)	(107,062)

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £1,136 (2023 - £1,182) were paid on behalf of four (2023 - three) trustees.

The number of key management personnel in the year was seven (2023 - seven). The total amount of employee benefits received by key management personnel during the year was £649,592 (2023, £623,265). The Charity considers its key management personnel to be the Executive Management Team.

11. UK Staff costs and employee benefits

The total UK staff costs and employee benefits were as follows:

	2024	Group	2023
	£		£
Employee salaries	3,151,990		3,351,824
Social security	283,673		302,991
Defined contribution pension costs	319,771		322,978
	3,755,434		3,977,793
Termination payments	30,844		45,400
	3,786,278		4,023,193

4 employees received termination payment in 2024, (2023 - 6).

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	2024	Group	2023
£90,001 to £100,000	1		1
£80,001 to £90,000	2		-
£70,001 to £80,000	3		4
£60,000 to £70,000	8		9

During the year the charity paid £95,897 (2023 - £90,871) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

Group	2024	2024	2023	2023
	Number	FTE	Number	FTE
Executive Management Team	7.67	7.67	9.33	9.07
Research, Advisory and Policy	7.13	6.73	9.87	9.27
Africa Department	1.62	1.62	0.50	0.50
Europe/South Asia	7.02	7.02	7.65	7.65
West Africa	2.00	2.00	2.00	2.00
East and Central Africa	3.50	3.50	5.81	5.81
Europe Asia Department	2.86	2.68	2.50	2.40
Horn of Africa	7.63	7.63	7.37	7.27
Pacific	3.86	3.86	3.76	3.76
Philippines and Colombia	3.18	3.18	2.19	2.19
South East Asia Department	6.16	6.16	7.04	7.04
Cross Regional Programme	0.75	0.75	1.00	1.00
Administrative, financial management and fundraising support	14.24	13.44	17.51	16.37
Total	67.6	66.2	76.5	74.3

12. Intangible fixed assets

Group and Company	Computer Software £
Cost	
Balance as at 1 January 2024	297,196
Additions in the year	-
At 31 December 2024	<u>297,196</u>
Amortisation	
Balance as at 1 January 2024	169,683
Charge for the year	31,956
At 31 December 2024	<u>201,639</u>
Net book value	
As at 31 December 2024	<u>95,557</u>
As at 31 December 2023	<u>127,513</u>

13. Tangible fixed assets

Group and Company	Leasehold improvement s £	Computer equipment £	Fixtures & Fittings £	Total £
Cost				
Balance as at 1 January 2024	316,564	207,834	54,287	578,685
Additions	-	8,160	-	8,160
Disposals	-	-	-	-
At 31 December 2024	<u>316,564</u>	<u>215,994</u>	<u>54,287</u>	<u>586,845</u>
Depreciation				
Balance as at 1 January 2024	314,882	175,287	54,287	544,456
Charge for the year	1,682	20,377	-	22,059
Depreciations on Disposals	-	-	-	-
At 31 December 2024	<u>316,564</u>	<u>195,664</u>	<u>54,287</u>	<u>566,515</u>
Net book value				
As at 31 December 2024	<u>-</u>	<u>20,331</u>	<u>-</u>	<u>20,331</u>
As at 31 December 2023	<u>1,682</u>	<u>32,547</u>	<u>-</u>	<u>34,229</u>

14. Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	(Restated)
				£
Grants receivable	48,984	424,148	48,984	496,924
Other debtors	9,471	114,747	6,437	38,937
Prepayments and accrued income	309,462	509,281	253,648	424,724
Grants accrued	976,301	484,134	1,235,157	327,348
Amounts owed by CR Australia	-	-	26,757	235,000
	1,344,218	1,532,310	1,570,983	1,522,933

Other debtors includes rent deposits of £9,471 (2023 - £32,500) which is receivable in more than one year.

15. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	188,060	269,580	168,347	248,720
Social security and other taxes	132,326	109,869	84,833	83,928
Other creditors	199,442	199,319	199,902	199,319
Accruals	140,705	95,431	104,080	91,912
Accounts payable	-	72,776	-	-
Deferred income (Note 16)	4,948,177	3,524,472	4,679,614	3,346,993
	5,608,710	4,271,447	5,236,776	3,970,872

16. Deferred income

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Balance as at 1 January	3,524,473	2,793,298	3,343,993	2,683,558
Amount released to income in the year	(3,524,473)	(2,793,298)	(3,343,993)	(2,683,558)
Amount deferred in the year	4,948,177	3,524,473	4,679,614	3,343,993
	4,948,177	3,524,473	4,679,614	3,343,993

16. Deferred income (continued)

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Foreign, Commonwealth and Development Office, UK	275,709	64,504	55,369	48,838
The Swedish International Development Cooperation Agency (Sida)	14,096	14,096	14,096	14,096
Department of Foreign Affairs and Trade, Ireland	811,609	790,262	811,609	790,262
European Union	2,334,448	996,731	2,305,735	993,552
Department of Foreign Affairs & Trade, Australia	1,179	-	-	-
Federal Department of Foreign Affairs, Switzerland	137,516	-	137,516	-
Joseph Rowntree Charitable Trust	18,361	34,293	18,360	34,293
Ploughshares	41,392	-	41,392	-
New Zealand Ministry of Foreign Affairs and Trade	-	583,498	-	583,498
Sasakawa Peace Foundation	643	13,802	643	13,802
Federal Foreign Office, Germany	17,633	161,635	-	-
Allan & Nesta Ferguson Charitable Trust	13,376	-	13,376	-
UN Women and United Nations Development Programme	18,297	460,574	17,600	460,574
Sigrid Rausing	9,294	140,543	9,294	140,543
DanChurchAid	-	2,906	-	2,906
PeaceNexus	13,368	-	13,368	-
Robert Bosch Stiftung	534,873	84,714	534,873	84,714
Ministry for Foreign Affairs of Finland	271,648	172,620	271,648	172,620
Peace Dividend Initiative	-	4,295	-	4,295
Humanity United	37,290	-	37,290	-
Expertise France	32,258	-	32,258	-
Danish Embassy, Ethiopia	365,187	-	365,187	-
	4,948,177	3,524,473	4,679,614	3,343,993

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows. These relate to office rent:

	Group and Company	
	2024	2023
	£	£
Not later than one year	44,721	44,721
Later than one and not later than five years	144,984	178,885
	189,705	223,606

18. Provisions for liabilities

	Group	
	2024	2023
	£	£
Balance as at 1 January	50,476	97,257
Additions during the year	-	50,476
Cancellations	(23,401)	(97,257)
Balance as at 31 December	27,075	50,476

Charges to the Statement of Financial Activities for disallowable expenditure against restricted grants restricted during the year amount to £nil (2023 - £50,476) of which all (2023 - all) were attributable to unrestricted funds.

19. Fund reconciliation 2024

Group	Balance as at 01.01.24 £	Income £	Expenditure £	Transfers & gains/(losses) £	Balance as at 31.12.24 £
Restricted Funds:					
Charitable Activities:					
Research, Advisory and Policy	-	1,213,238	(1,056,881)	(156,357)	-
Europe/South Asia	-	3,229,183	(3,074,078)	(155,105)	-
West Africa	-	446,705	(420,158)	(26,547)	-
East and Central Africa	-	610,435	(588,330)	(22,105)	-
Horn of Africa	-	1,829,666	(1,720,714)	(108,952)	-
Pacific	-	1,735,716	(1,475,850)	(259,866)	-
Philippines	-	62,389	(48,278)	(14,111)	-
Cross Regional Programme	-	1,184,787	(1,082,052)	(102,735)	-
Total Restricted Funds	-	10,312,119	(9,466,341)	(845,778)	-
General funds					
Total Unrestricted Funds	892,140	1,132,763	(1,590,956)	845,778	1,279,725
Total Funds	892,140	11,444,882	(11,057,297)	-	1,279,725

19. Fund reconciliation 2024 (continued)

Company	Balance as at 01.01.24 £	Income £	Expenditure £	Transfers & gains/(losses) £	Balance as at 31.12.24 £
Restricted Funds:					
Charitable Activities:					
Research, Advisory and Policy	-	1,213,238	(988,293)	(224,945)	-
Europe/South Asia	-	3,229,183	(3,074,078)	(155,105)	-
West Africa	-	446,705	(420,158)	(26,547)	-
East and Central Africa	-	610,435	(588,330)	(22,105)	-
Horn of Africa	-	1,829,666	(1,720,714)	(108,952)	-
Pacific	-	988,092	(94,382)	(893,710)	-
Philippines	-	48,278	(3,028)	(45,250)	-
Cross Regional Programme	-	1,184,788	(1,055,789)	(128,999)	-
Total Restricted Funds	-	9,550,385	(7,944,772)	(1,605,613)	-
General funds					
Total Unrestricted Funds	338,945	1,060,728	(1,567,997)	1,605,613	1,437,289
Total Funds	338,945	10,611,113	(9,512,769)	-	1,437,289

Fund reconciliation 2023

Group	Balance as at 01.01.23 £	Income £	Expenditure £	Transfers & gains/(losses) £	Balance as at 31.12.23 £
Restricted Funds:					
Charitable Activities:					
Research, Advisory and Policy	-	1,036,177	(920,710)	(115,467)	-
Europe/South Asia	-	2,873,657	(2,816,855)	(56,802)	-
West Africa	-	257,903	(235,674)	(22,229)	-
East and Central Africa	-	899,566	(834,453)	(65,113)	-
Horn of Africa	-	2,106,571	(1,986,520)	(120,051)	-
Pacific	-	1,226,150	(1,232,719)	6,569	-
Cross Regional Programme	-	655,729	(598,080)	(57,649)	-
Total Restricted Funds	-	9,055,753	(8,625,011)	(430,742)	-
General funds					
Total Unrestricted Funds	1,195,009	1,316,263	(2,049,874)	430,742	892,140
Total Funds	1,195,009	10,372,015	(10,674,884)		892,140

19. Fund reconciliation 2024 (continued)

Fund reconciliation 2023

Company	Balance as at 01.01.24 £	Income £	Expenditure £	Transfers & gains/(losses) £	Balance as at 31.12.24 £
Restricted Funds:					
Charitable Activities:					
Research, Advisory and Policy	-	1,036,177	(920,710)	(115,467)	-
Europe/South Asia	-	2,873,657	(2,816,855)	(56,802)	-
West Africa	-	257,903	(235,674)	(22,229)	-
East and Central Africa	-	899,566	(834,453)	(65,113)	-
Horn of Africa	-	2,106,571	(1,986,520)	(120,051)	-
Pacific	-	417,429	(442,585)	25,156	-
Cross Regional Programme	-	655,729	(598,080)	(57,649)	-
Total Restricted Funds	-	8,247,032	(7,834,877)	(412,155)	-
General funds					
Total Unrestricted Funds	557,082	1,316,263	(1,946,555)	412,155	338,945
Total Funds	557,082	9,563,295	(9,781,432)	-	338,945

Purposes of Restricted Funds:

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by the charity are used to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Research, Advisory and Policy to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Transfers between funds:

In 2023 and 2024, a transfer was made from restricted to unrestricted funds in respect of Indirect Cost Recovery (ICR) for funded projects during the financial year.

20. Analysis of net assets between funds – Group

Group	General Funds £	Designated Funds £	Restricted Funds £	Total 2024 £
Fixed assets	115,888	-	-	115,888
Cash	5,455,405	-	-	5,455,405
Other current assets/liabilities	(4,291,568)	-	-	(4,291,568)
	1,279,725	-	-	1,279,725

Analysis of net assets between funds – 2023 comparative

Group	General Funds £	Designated Funds £	Restricted Funds £	Total 2023 £
Fixed assets	161,742	-	-	161,742
Cash	3,520,011	-	-	3,520,011
Other current assets/liabilities	(2,789,613)	-	-	(2,789,613)
	892,140	-	-	892,140

Analysis of net assets between funds – Company

Company	General Funds £	Designated Funds £	Restricted Funds £	Total 2024 £
Fixed assets	115,888	-	-	115,888
Cash	4,987,194	-	-	4,987,194
Other current assets/liabilities	(3,665,793)	-	-	(3,665,793)
	1,437,289	-	-	1,437,289

Analysis of net assets between funds - 2023 comparative

Company	General Funds (restated) £	Designated Funds £	Restricted Funds £	Total 2023 (restated) £
Fixed assets	161,742	-	-	161,742
Cash	2,625,144	-	-	2,625,144
Other current assets/liabilities	(2,447,939)	-	-	(2,447,939)
	338,947	-	-	338,947

21. Analysis of changes in net funds

Group	At start of year £	Cash-Flows £	Foreign exchange movements £	Other non-cash changes £	At end of year £
Cash	3,520,011	2,251,718	(316,324)	-	5,455,405

Analysis of changes in net funds- 2023 comparative

Group	At start of year £	Cash-Flows £	Foreign exchange movements £	Other non-cash changes £	At end of year £
Cash	2,381,996	1,245,077	(107,062)	-	3,520,011

As at 31 December 2024, Conciliation Resources had no net debt, (2023 - £nil).

22. Reconciliation of net expenditure to net cash flow from operating activities

	Group	
	2024 £	2023 £
Net income/(expenditure) for the year	438,627	(400,126)
Interest receivable	(38,031)	(38,060)
Depreciation of tangible fixed assets	22,059	40,120
Amortisation of intangible fixed assets	31,956	31,956
(Increase)/decrease in debtors	188,092	747,419
Increase/(decrease) in creditors and provisions	1,313,862	734,143
Movement on reserves	(51,042)	-
Unrealised exchange rate gains/(loss) on cash and cash equivalents	316,324	107,062
Net cash flow from operating activities	(2,221,848)	(1,222,513)

23. Pensions and other post-retirement benefits

Defined contribution pension plans

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £319,771 (2023 - £322,978).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

The total related transactions with CR Australia was £26,757 (2023 - £235,000). There were no other related transactions.

25. Financial instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Investments

Charity

Conciliation Resources Australia ("CRA") is registered as an Australian legal entity, as both a company (limited by guarantee) and a charity (PBI subtype) with an Australian Business Number (94 642 321 640). It is a subsidiary ("Branch") of Conciliation Resources with an MoU in place between the entities. The CRA Board is constituted with CRA and CR staff on a 50/50 basis.

Subsidiary: Conciliation Resources Australia

	2024	2023
	£	£
Total turnover	833,769	808,721
Total expenditure	(1,540,042)	893,452
Net result for the year	(706,273)	(84,731)

The aggregate of assets, liabilities and funds was

	2024	2023
	£	£
		(restated)
Total assets	613,601	982,459
Total liabilities	(766,681)	(429,266)
Total funds	(153,080)	553,193

As explained in note 28, it has been identified that the 31 December 2023 balance sheet contained debtors owed by Conciliation Resources Australia to the parent charity which were not recoverable. Accordingly, these have been impaired and a prior year adjustment made to correct the prior year figures. The above disclosure is revisited to correctly show only those amounts which were due to the parent charity at 31 December 2023.

27. Comparative Statement of Financial Activities (2023)

		Unrestricted Funds £ (restated)	Restricted funds £ (restated)	Total 2023 £ (restated)
Income from:				
Donations and core funding	2	1,247,008	-	1,247,008
Charitable activities	3	31,195	9,055,752	9,086,947
Investments	4	38,060	-	38,060
Total income		1,316,263	9,055,752	10,372,015
Expenditure on:				
Raising funds	5	226,636	-	226,636
Charitable activities	6	1,823,238	8,625,010	10,448,248
Total expenditure		2,049,874	8,625,010	10,674,884
Net (expenditure)/income		(733,611)	430,742	(302,869)
Transfers between funds	19	430,742	(430,742)	-
Net movement in funds		(302,869)		(302,869)
Reconciliation of funds:				
Total funds brought forward		1,195,009		1,195,009
Total funds carried forward	19	892,140		892,140

28. Prior Year Adjustment

Company balance sheet

A prior year adjustment has been made to recognise an impairment of debtors shown in the 31 December 2023 balance sheet. This is due to funds that had been contracted by the parent Company but spent by the Australian branch, and had been recorded as debtors. The adjustment recognises these were not debtors, but funds that were transferred to the Australian branch for project activities. The transfers occurred prior to the 1st January 2023, hence adjustments are needed to the 2023 balance sheet and the opening balances at 1st January 2023. The following summarises the changes:

	£
Debtors at 31 December 2023 as previously stated	4,320,424
Impact of prior year adjustment	(£2,797,491)
Debtors at 31 December 2023 as restated	1,522,933
Net assets at 31 December 2023, as previously stated	3,136,437
Impact of prior year adjustment	(2,797,491*)
Net assets at 31 December 2023, as restated	338,947
Net assets at 1 January 2023 as previously stated	3,354,574
Impact of prior year adjustment	(2,797,491*)
Net assets at 1 January 2023 as restated	557,082

* rounded

28. Prior Year Adjustment (continued)**Group Statement of Financial Activities**

In addition to the above, the Trustees have also revisited certain aspects of the presentation of the Financial Activities, and the following have been restated:

Movements on provisions which were previously shown as other movements on reserves have been reclassified to expenditure: reduction of expenditure amounting to £97,257

Foreign exchange losses relating to transactions during the year have been reclassified to expenditure: increase of expenditure amounting to £107,062

The net impact of the above is an increase in 2023 group expenditure from £10,665,079 (as previously stated) to £10,674,884. There is no impact on the group net assets at 31 December 2023.

Annex

Included within income and expenditure in the Statement of Financial Activities are the following amounts relating to FCDO funded projects:

Charitable activities income recognised / expenditure

Project	2024 £	2023 £
Conflict Transformation	320,668	326,771
Women Mediators Across the Commonwealth	355,482	32,609
Peace by Piece: Bridging Divides through Dialogue for Inclusive and Sustainable Peace in eastern Ethiopia	881,206	1,152,758
Strengthening Pacific Regional Peacebuilding Capacity	83,480	-
Developing Inter-Governmental Analysis and Learning for Ongoing Understanding and Engagement with the ICG	32,239	60,871
Bougainville Community Capacities for Peace	129,082	92,256
Community Peacebuilding – Bougainville	165,772	-
XCEPT - The Cross-Border Conflict Evidence, Policy and Trends Programme	8,744	184,342
Peace and Conflict Resolution Evidence Platform	202,528	274,449
Strengthening support for peace processes	590,790	57,369
Expert Discussion: Innovation in Peace Mediation – matched funding	33,159	-
Pakistan India Conflict Resolution Dialogues	196,169	-
Comparative Learning Support to the Comprehensive Agreement on the Bangsamoro	14,111	137,501
Support to the ICG Phase 2	-	3,793
	3,013,430	2,322,719

CONCILIATION RESOURCES

England & Wales - Charity number 1055436

Accounts

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2023

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CONCILIATION RESOURCES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2023

Directors and Trustees

Ms D Good - Chair (resigned 28th Nov 2023)
Mr A Peck - Treasurer (resigned 28th Nov 2023)
Ms C Cheng
Mr G Graham
Ms N Hatendi
Ms D Hutter
Mr J Jinnah
Ms J Kemp
Ms L Muir (resigned 28th February 2024)
Ms L Moore - Interim Chair
Mr H Raine (appointed 29th July 2023)
Ms M Fearon (appointed 29th July 2023)
Mr N Griffin (appointed 17th Oct 2023)

Company Secretary

Mr T Hansen (resigned 17th Oct 2023)
Mr G Salmon (appointed 28th Nov 2023)

Executive Management Team

Mr J Cohen - Executive Director
Mr T Hansen - Chief Operating Officer (resigned 8th Nov 2023)
Mr G Salmon - Interim Chief Operating Officer (appointed 1st Nov 2023)
Dr T Dumasy - Research, Advisory and Policy Department Director
Ms L Aumeer - Europe-Asia Department Director
Mr C O'Toole - South East Asia and Pacific Department Director
Mr A Abdi - Africa Department Director
Mr M Baah - Finance Director

UK Company Number

03196482

UK Charity Number

1055436

Registered Office

Unit 1.1, 1st Floor
The Grayston Centre
28 Charles Square
London, N1 6HT

Auditor

Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Bankers

Royal Bank of Scotland
40 Islington High Street
London N1 8XJ

COIF Charity Deposit Funds
80 Cheapside
London EC2V 6DZ

The Directors, who are the Trustees of the charitable company, present their report and audited accounts of the charity for the year ended 31 December 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9th May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Board

Conciliation Resources is governed by a Board of Trustees that meets four to six times a year. During 2023, all meetings were held in hybrid format, in person and online. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. Risk management and Keeping People Safe were central topics during all meetings in 2023. Alongside 'day to day' governance, during the year the Board oversaw:

- A complete Risk Register and incident review as well as quarterly 'top risks' papers
- Quarterly reporting from a Board and staff Diversity and Inclusion Committee, a Risk and Audit Committee, and a Safeguarding Committee and annual reporting from the Board Remuneration Committee (which reviews EMT salaries)
- A review of the organisation's three year financial forecast, financial model and sustainability plan
- A review of the organisation's work in Ethiopia, Kashmir, Papua New Guinea and the Philippines
- A review of the organisation's strategic priorities

Executive Management Team

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific) and the Finance Director.

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their job descriptions or on an ad hoc basis. Further details of EMT workings are defined in EMT Terms of Reference.

Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in both our external work and in how we operate internally, with an awareness that all decision making must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

Organisation (continued)**Team Leader's Forum**

The EMT is supported by a Team Leader's Forum (TLF) made up of senior staff from across Conciliation Resources. This group meets every quarter and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two way function as TLF members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of TLF workings are defined in the TLF Terms of Reference.

Global Locations and Staff

With around 80 staff globally, around half of our staff are based in London, with staff also in Australia, Central African Republic, the Philippines and Ethiopia. These offices are set up in order to ensure awareness of, and compliance with, local laws and regulations as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

We also have a close connection with Conciliation Resources EU, an independent organisation registered in Germany with staff in Belgium. Conciliation Resources EU is the face of Conciliation Resources in Brussels to the European institutions and EU Member States. Our Brussels team focuses on providing mediation support expertise and policy advice on specific thematic and geographic peacebuilding priorities.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly and is transparent within the organisation. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, within the parameters of the grading, salary structure and sector benchmarking applied to all Conciliation Resources staff.

Recruitment and Appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. A vice-chair is also informally appointed on a rotating basis. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

Ahead of the departure of two long serving trustees including the Chair, three new trustees were appointed in 2023. Following an unsuccessful recruitment process for a new Chair, an Interim Chair was appointed, and will remain in position until a new Chair is appointed. The Trustees in office and up to the date of this report are set out on page 2.

- The Risk and Audit Committee, which consists of four Trustees, the Finance Director and the Chief Operating Officer / Company Secretary, oversaw the annual statutory audit process and supported the monitoring and updating of the organisational Risk Register, including an increased focus on financial risks.
- Two trustees acted as designated Safeguarding Trustees as part of the Keeping People Safe Committee, meeting with the Chief Operating Officer / Company Secretary and safety and compliance staff four times a year with additional communications as required. The Chair also attends these meetings.
- The Board and Staff Diversity and Inclusion Committee consists of four Trustees and four staff, including the Chair and Executive Director.
- The Remuneration Committee consists of the Chair, and chairs of the sub committees.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work. Thorough evaluations of the Chair and Executive Director were undertaken in 2023.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources' ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared.

Related Parties and Collaborations

Conciliation Resources has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. Conciliation Resources currently works with more than 80 partners globally.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the Trustees after consolidation of information from all teams, are compiled in a Risk Register and reviewed at least bi-annually or more frequently as needed. An initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. The Risk Management Policy details the project and departmental approach to risk identification and management and the method for feeding that analysis into the organisational register.

Work environment

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence which incorporates safeguarding, complemented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line with laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines, Safety and Security Due Diligence and spot check processes, as well as hostile environment awareness training (HEAT). Conciliation Resources contracts external suppliers to provide security information, trip pre-briefing, contingency planning and emergency response. In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

Financial Risk

The external funding environment continues to be challenging, with a general reduction in available peacebuilding funding, particularly unrestricted funding. Funding is increasingly short term with greater levels of regulatory and compliance requirements.

There continues to be a diversion of government and private funding to immediate humanitarian and other needs related to the war in Ukraine. The risk that insufficient funds will be generated for some of our programmes has been classified as high and is monitored closely by the Executive Management Team, which has undertaken financial contingency planning. Department Directors are responsible for sufficient fundraising and are supported to pursue their fundraising plans by the rest of the organisation.

Financial Risk (continued)

In 2023, following the election of a new government in Sweden, we were notified by our core unrestricted donor Swedish International Development Cooperation Agency (Sida) that the new national government had reduced its available funding and as a result our funding would be reduced at short notice by around £350,000 (23% of our Sida's funding for the year). These cuts were responded to without closure of peacebuilding work but with some impact on our organisational development and support teams as well as the programme teams.

In 2023, analysis was undertaken on CR's financial model, which led to a greater focus on achieving appropriate levels of Support Cost Recovery (SCR) from restricted funding. Despite the aforementioned cut, we continued to increase our restricted funding grants. During 2023, outreach was undertaken to all European state donors, maintaining the organisation's reputation with key stakeholders, which is an important element to renewing existing contracts and winning new tenders. We also undertook targeted outreach to Trusts and Foundations. Investment made in 2022 has resulted in a steady stream of low-level individual giving in 2023.

Fundraising Activities

In 2023, our income was mainly derived from institutional donors, with small additional amounts from trusts and foundations and individuals. We did not work with professional fundraisers and donations from members of the public totalled less than 1% of income. We do not anticipate this increasing in the next few years. Management and the Development Team, which manages organisational fundraising, stayed abreast of recognised public fundraising standards. We are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. In 2023, no complaints were received in relation to our fundraising activities.

We maintained and developed relationships with existing institutional donors and sought to diversify our income by focussing fundraising research and engagement efforts on a prioritised list of governments to develop relationships, raise our profile and position ourselves to successfully bid for funding. We took on a new core donor, the Finnish Ministry of Foreign Affairs, and brought in new project funding from the French Ministry for Europe and Foreign Affairs. After completing requisite due diligence, we secured a place on the UK Government's Conflict Stability and Security Fund framework, and joined two separate successful bids as subcontractors to two Lots on the UK Government's Global Development Delivery Framework. We continued to engage with a range of small trusts and foundations in the UK and US, and secured limited levels of new and recurring funding. We focussed on strengthening fundraising capacity across the organisation including through bid-writing training and a workshop on fundraising with an external consultant.

Keeping People Safe

Safeguarding is a responsibility of the entire Board, with the Board's Safeguarding (Keeping People Safe) Committee leading on this area of work. The Committee is made up of the Chair of the Board and 2-3 Safeguarding Trustees, one of whom chairs the Committee. The Committee, which meets on a quarterly basis is supported by the Chief Operating Officer and the International Safety and Compliance Manager.

All concerns raised have been investigated and responded to. During the year, we continued with the multi-day 'Keeping People Safe' sessions with our partner organisations. The team responded to a total of 9 Keeping People Safe concerns during the year. There were a further 14 general incidents / concerns which were also responded to.

We continue to develop our systems, processes and policies in this area including our Risk Management Policy, Keeping People Safe Policy, Safety and Security Policy and Programme Security Plans.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Staff Wellbeing

During 2023, in order to mitigate the funding cut from Sida, CR undertook a redundancy programme that negatively impacted staff wellbeing and mental health. To mitigate its impact, CR introduced Mental Health Days, with each employee entitled to take one Mental Health Day as additional leave each quarter. A London office move also significantly improved the working environment and resulted in greater socialisation between employees using that office. The organisation has a Wellbeing Coordination Group of senior staff, Employee Assistance Programme, Mental Health First Aiders and free anonymous counselling at their own discretion. Line managers are provided with line management training and tools. CR continues to improve our systems, processes and policies to provide required support services.

Public Benefit Statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

Objectives and activities

Conciliation Resources is an independent international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we share what we learn from our work with partners to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

Our vision is a world where people work together to resolve conflicts and promote peaceful and inclusive societies.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of: "the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2025 Strategic Plan, we have developed and costed a five-year Operational Plan under the following headings, with goal leads allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2023

In 2023 we continued working towards our four strategic goals, to improve how peace is built.

GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES

In 2023, the challenges of building and sustaining peace continued to grow. The outbreak of violent conflict in Sudan and Israel-Gaza, and the already heightened geo-political tensions following Russia's invasion of Ukraine, fuelled increased defence spending at the expense of investment in political dialogue and mediation, contributing to pressures on the peacebuilding sector.

Against this backdrop, we continued to work with, and support, our partners on ways to progress peace and the prevention of conflict. We explored new approaches and strategies to adapt to the changing nature of conflict and the increasing impact of climate change on conflict dynamics, while also addressing the legacy of conflicts and its effect on vulnerable and marginalised members of society.

Building on research into Futures Thinking – an approach that helps people envisage different future scenarios and how to get there – in May we brought people together from different conflict contexts to learn about the approach and how they might apply it in their peacebuilding work. This included representatives from the Government of Philippines and Moro Islamic Liberation Front involved in the implementation of the Bangsamoro Peace Agreement (BPA), a process which has been hampered by political tensions and violence. Participants saw potential for the approach to be used to renew inter-governmental dialogue on the implementation of the BPA.

Conciliation Resources worked with representatives of the Ogaden National Liberation Front to help them overcome concerns about the inclusiveness and impartiality of the planned National Dialogue Commission and the Somali Region's Truth and Reconciliation Commission. As a result, the ONLF adopted a constructive approach and encouraged civil society and elders to do likewise; a helpful step towards de-escalating political tensions.

Along with our partners in Nigeria, we helped to ensure that districts in the north-east of the country were spared election related violence, by providing civic education on voting and voters' rights and responsibilities and by sharing our experience of the 'Ballot, not Bullet' campaign in the Mano River Region.

We continued to develop our understanding of the relationship between climate and conflict, including by consolidating analysis and lessons from climate change projects in different contexts and publishing practice papers on the topic. We actively engaged in external discussions and events, including a closed expert workshop organised by the Stockholm International Peace Research Institute.

Conflicts arising from or resulting in self-determination claims have for decades accounted for half the conflicts in the world. They are the most protracted and the difficult conflicts to mediate. In 2023 we published a key report in partnership with the Sasakawa Peace Foundation on approaches to peace mediation in these contexts and how these can open new avenues and prospects for progress. We presented findings at the annual EU Community of Practice on Peace Mediation in Brussels.

GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS

MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT

Building sustainable connections between people is central to our work and forms the basis for any peace process. We do this by working with local partners in conflict-affected areas to understand people's needs, share learning and work collaboratively to build processes that complement local peace efforts.

We organised a comparative learning trip to Northern Ireland with key representatives of the Bangsamoro to explore how inter-governmental dialogue and coordination mechanisms between the British Government and Northern Ireland could serve as a guide for the Bangsamoro and Philippine governments to coordinate and resolve issues in inter-governmental relations. In the Hela province of Papua New Guinea we brought together Hela Government representatives and peacebuilding and development partners to analyse challenges and solutions to conflicts.

Conflict doesn't respect borders and its impact can be felt far beyond the state boundaries. As part of our cross-border work in West Africa, we established relationships with the Boundary Commissions of the governments of Ghana, Burkina Faso and Côte d'Ivoire to share analysis and implement cross-border peace and security initiatives. In East Central Africa we helped to strengthen networks between local peace structures on the Uganda, South Sudan and Kenya borders, to support work with counterparts across national borders to resolve emerging tensions and conflicts.

In Ethiopia, we helped to start rebuilding trust between opposition parties and the National Electoral Board of Ethiopia (NEBE). We supported joint work between political parties and NEBE's Somali branch to advocate for increased autonomy and devolved powers, including for recruitment of poll station staff, oversight mechanisms and regionally-based conflict resolution processes.

GOAL 3. INCLUSION, GENDER AND INFLUENCE

EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE

Sustainable peace is founded on inclusive peace processes and peacebuilding, where the diverse people affected by conflict have a say in their future. In 2023 we continued to advocate for gender-sensitive peacebuilding programming including through the launch of our new Gender strategy, 'Towards an Inclusive and Transformative Peace (2023-2028)', which sets out the steps we will take over the next five years to become a gender responsive, and ultimately a gender transformative, organisation. The Strategy responds to recommendations made in an independent Gender Review of CR's work and consultations with staff, external experts and the piloting of the new Gender Integration Cycle exercises in Pakistan and Central African Republic.

Women peacebuilders still face many barriers to inclusion in peace processes. This includes a lack of access to funding. With support from the UN Women's Peace and Humanitarian Fund, we continued our partnership on the Rapid Response Window (RRW) small grants scheme. Through this facility we provided short-term grants to civil society organisations in Ethiopia and Kenya, and also brought together partners from the two countries and Liberia to share learning about how to better support women peacebuilders.

In Ethiopia, we continued our support to the Women's Dialogue Spaces, which help women access training and gain prominence in political spaces. At policy level, in the UK we provided suggestions and language to the Government in the development of their new UK National Action Plan on Women, Peace and Security for 2023-28. We explored the intersection of gender, climate change and conflict, including by weaving climate change questions into and involving environmental experts in gender-sensitive conflict analysis exercises.

We responded to increasing interest amongst policymakers and practitioners in mental health and psychosocial support in peacebuilding. Gender can shape people's motivation to engage in violence, the types of trauma they confront and their ability to process trauma. To further understanding in this area, we published two reports based on research in Central African Republic; the first sheds light on how the conflict has influenced the way individuals and

communities experience distress, and suggests how to adapt mental health and psychosocial support to local needs; the second report explores the link between gender, mental health and reconciliation.

GOAL 4. PEOPLE CENTRED POLICY

INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST

The conflict in Ukraine and political shifts in Europe are driving increased funding and political support for hard security and military responses to conflict. It is a difficult context in which to make the case for peacebuilding. Yet, given the level of conflict globally it is even more important that we do so, and that people are at the centre of peacebuilding and conflict prevention efforts. We make this case to governments and in the media; in 2023 Al Jazeera published an opinion article by the Executive Director on rising defence budgets and falling investment in peace ahead of the G7 summit. The article was picked up by 35 outlets across 10 countries.

The potential of the climate crisis to significantly exacerbate existing conflicts and generate new conflict is increasingly clear. We published a paper emphasising the need for conflict-sensitive climate change solutions, and how peacebuilders can support better coordination and collaboration among governments and communities. The report was based on the local knowledge and expertise of people on the frontline of climate change and conflict. We presented findings to EU policymakers in Brussels and the Swedish government.

In the Pacific, we worked with other organisations to convene a workshop for government and civil society representatives from Fiji, Kiribati, Marshall Islands and Tuvalu to better understand the complex climate change related conflicts in the Pacific. As part of our work in the South Caucasus, we published analysis on the challenges faced by the EU as a peace actor in the Armenian-Azerbaijani context, and shared policy ideas and written reports on the Georgian-Abkhaz context with policymakers in Brussels, Vienna and Bern.

We played a central role in the EU Community of Practice on Peace Mediation, the annual event for international policymakers, practitioners, experts and civil society representatives in the field of peace mediation. As well as providing support to event design, we organised three panels with speakers from conflict affected contexts attended by a total of 100 participants in person and over 500 online.

Our Accord series focused on mediation. We continued to develop and present emerging ideas to policymakers on how the peace mediation field needs to adapt. A workshop hosted by King's College London to discuss emerging findings was attended by representatives of the UK, Finnish, Norwegian, Swiss and Swedish governments, mediation practitioners and experts from the global South and North. We also held an online discussion with the UN Mediation Support Unit in New York and the UN Standby Team of Mediation experts.

We continued to work with NGOs, governments and banks on protecting the space for humanitarian and peacebuilding work from the negative impact of counter-terrorism laws and sanctions legislation. With Chatham House we convened law firms and legal advisers to find solutions to difficulties in providing legal advice in this domain; and along with other NGOs we argued against proscription of the Houthis in Yemen by the UK Government due to the risk of severe de-risking of humanitarian activity by the financial sector.

Publications and Other Resources Produced in 2023

We produced 18 multimedia products and publications, which were viewed or downloaded 16,889 times.

Multimedia

[VIDEO - Explainer: Why is inclusion vital for peace?](#)

[VIDEO - Equity in peacebuilding: What does it mean?](#)

[Infographic: Peace and the Sustainable Development Goals](#)

[Infographic: Climate change, conflict and peace](#)

[Video: Climate change and conflict in Kashmir and the Philippines](#)

[VIDEO - Self-determination: How can diverse groups in self-determination conflicts be supported to find a common position?](#)

[VIDEO - Self-determination: Why is the psychosocial dimension so important in mediating self-determination conflicts?](#)

[VIDEO - Self-determination: How might a sub-regional approach help address self-determination conflicts?](#)

Publications

[European Union support to the Armenian-Azerbaijani peace process](#)

[Building trust in peace mediation](#)

[Towards an inclusive and transformative peace: our approach to gender](#)

[Annual Review 2022](#)

[Mental health and peacebuilding in the Central African Republic](#)

[Gender, mental health and reconciliation in the Central African Republic: implications for policy and practice](#)

[Case for support](#)

[A changing climate for peace: navigating conflict in the climate crisis](#)

[Gender, cultural identity, conflict and climate change](#)

[Mediating self-determination conflicts](#)

Financial Review

In 2023, Departments responded collectively to mitigate the financial challenges that emerged during the year. Whilst unrestricted expenditure was reduced, we continued the journey of moving operational and programme capacity to our global offices. This will continue in the coming years as we take forward our strategies related to decolonisation and localisation.

An example of this is our regional/branch office in Kenya, which was registered in 2022, to assist and oversee our operations in Jigjiga, Ethiopia and Bangui, Central Africa Republic. Investments included creating finance and operational capacity for the new entity.

The Statement of Financial Activities shows a net deficit, after Exchange losses of £400,126 (2022 net deficit of £641,754) for the year and total funds available stand at £892,140 (2022 - £1,195,009). We undertook a second year of planned 'spending down' of reserves in 2023 to align the organisation with its reserves ceiling, funding investments in Department structures as well as the continuation of several critical peace processes and other peacebuilding programmes.

This budgeted deficit position was maintained by reducing expenditure in line with reductions of funding. As such, we believe the organisation is in a reasonable position to pursue sustainable finances, respond to any financial challenges and achieve a surplus in 2024.

Income recognised in 2023 was £10,372,015 compared to total income of £9,863,817 in 2022.

The level of deferred income balances as at the end of 2023 increased to £3,524,473 (2022 - £2,793,298; see note 15). A contract by contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The evolving and welcome focus on safeguarding, keeping staff and people we interact with safe, alongside evolving regulatory requirements such as the development of the UK's sanctions regime and Ukraine related sanctions and funding re-alignment, will all continue to require attention and increased financial resources in the years ahead due to the nature and location of our work.

Conciliation Resources continues to plan, adapt and adjust to changing and emerging trends through our Fundraising Strategy which now incorporates an increased focus on commercial contracting and close attention to cost recovery.

Despite reductions, we are fortunate to have the support of the Swedish International Development Cooperation Agency (Sida) for 2024. This continues the longstanding and much valued relationship between our two organisations.

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every quarter, as part of the budget reforecasting process, the Finance Team meets with all teams to discuss the respective changes in planned activities that may impact the annual finances or cashflow. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources holds accounts in six main currencies; Australian dollar, Euro, US dollar, Ethiopian Birr, Central African Francs, Swedish Krona and the Pound Sterling.

Exchange rate risk is considered at a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Finance Director, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD and Australian Dollars.

Principal Funding Sources

The principal funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

Investment Powers and Policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to use all anticipated income. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount was set at £756,000 in 2023 in accordance with the Reserves Policy.

The total unrestricted funds balance at the end of the year under review was £892,140. Of the total reserves held at the end of the year, £161,742 was in fixed assets. Consequently, the charity had free reserves of £730,398 at the year end. The company plans to rectify the small shortfall of £25,602 between its free reserves and its reserves policy amount of £756,000 in 2024, which is projected to be a surplus year.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide office locations with increased direct financial management responsibility.

Plans for the Future

Despite changing political and donor dynamics, particularly as a result of the war in Ukraine as well as the Israel-Gaza conflict, the Trustees are pleased with the fourth year of the 2020-2025 Strategic Plan and the 2020-2025 Operational Plan. We continue to have a positive impact, and 2024 will witness the initial work required to develop the organisation's next Strategic Plan.

We see a continued need for our work and unique peacebuilding approach. Continuity and long-term partnership are necessary elements of good peacebuilding. We will not be seeking significant growth of the overall operational budget or staff body in the next few years, but we will continue to focus on ensuring the financial model of the organisation continues to meet the needs of its operations.

Diligently maintaining strong relationships with a diverse range of institutional donors to ensure the continuity of our work over the longer term. The organisation will continue to move towards a full cost recovery model to ensure its ability to mitigate unrestricted funding risks.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities' SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditor

In accordance with company law, the Company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board.

The trustees have agreed to re-appoint the auditors to undertake the 2024 Year End audit and Haysmacintyre LLP has indicated its willingness to continue in office.

Approval

This report was approved by the Board of Directors and Trustees on 24 May 2024 and signed on its behalf.



Lucy Moore
Director and Interim Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

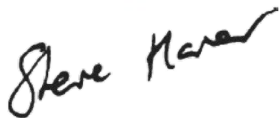
- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, with a focus on recognition of grant income at the year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
3rd June 2024

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including an Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income from:					
Donations and core funding	2	1,247,008	-	1,247,008	1,730,088
Charitable activities	3	31,195	9,055,752	9,086,947	8,126,086
Investments	4	38,060	-	38,060	7,644
Total income		1,316,263	9,055,752	10,372,015	9,863,818
Expenditure on:					
Raising funds	5	226,636	-	226,636	329,015
Charitable activities	6	1,813,433	8,625,010	10,438,443	10,168,699
Total expenditure		2,040,069	8,625,010	10,665,079	10,497,714
Net (expenditure)/income		(723,806)	430,742	(293,064)	(633,896)
Transfers between funds	19	430,742	(430,742)	-	-
Foreign exchange (losses)/gains		(107,062)		(107,062)	(7,858)
Net movement in funds		(400,126)		(400,126)	(641,754)
Reconciliation of funds:					
Other movements in reserves		97,257		97,257	
Total funds brought forward		1,195,009		1,195,009	1,836,763
Total funds carried forward	19	892,140		892,140	1,195,009
		=====	=====	=====	=====

The Statement of Financial Activities also complies with the requirement for an Income & Expenditure Account under the Companies Act 2006.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Full comparative figures for the year ended 31 December 2022 are shown in note 26.

The accompanying notes form part of these Financial Statements.

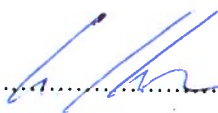
CONSOLIDATED BALANCE SHEET

	Notes	2023	2022
		£	£
Fixed assets			
Intangible fixed assets	12	127,513	159,469
Tangible fixed assets	13	34,229	58,853
		-----	-----
		161,742	218,322
Current assets			
Debtors	14	1,532,310	2,279,729
Cash at bank and in hand		3,520,011	2,381,996
		-----	-----
		5,052,321	4,661,725
Creditors: amounts falling due within one year	15	(4,271,447)	(3,587,781)
		-----	-----
Net current assets		730,398	1,073,944
Provisions	18	(50,476)	(97,257)
		-----	-----
Total Net assets		892,140	1,195,009
		=====	=====
Charity Funds			
Unrestricted funds			
- General funds	19	892,140	1,195,009
Restricted funds	19	-	-
		-----	-----
TOTAL FUNDS		892,140	1,195,009
		=====	=====

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 24 May 2024 and were signed on its behalf by:



..... Lucy Moore (Director and Interim Chair of Trustees)



..... Gavin Salmon (Company Secretary)

The accompanying notes form part of these Financial Statements.

BALANCE SHEET (Company only)

	2023	2022
£	£	£
Fixed assets		
Intangible fixed assets	127,513	159,469
Tangible fixed assets	34,229	58,853
	<u>161,742</u>	<u>218,322</u>
Current assets		
Debtors	4,320,423	4,798,550
Cash at bank and in hand	2,625,144	1,832,800
	<u>6,945,567</u>	<u>6,631,350</u>
Creditors: amounts falling due within one year	<u>(3,970,872)</u>	<u>(3,397,840)</u>
Net current assets	2,974,695	3,233,510
Provisions	-	(97,257)
Total Net assets	<u>3,136,437</u> =====	<u>3,354,575</u> =====
Charity Funds		
Unrestricted funds		
- General funds	3,136,437	3,354,575
- Designated funds	-	-
Restricted funds	-	-
TOTAL FUNDS	<u>3,136,437</u> =====	<u>3,354,574</u> =====

The net income for the charitable company for the 12-month period to 31 December 2023 was -£218,137

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 24 May 2024 and were signed on its behalf by:



..... Lucy Moore (Director and Interim Chair of Trustees)



..... Gavin Salmon (Company Secretary)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2023 £	2022 £
Cash flow from operating activities	22	1,222,513	(1,174,675)
Net cash flow provided by operating activities		1,222,513	(1,174,675)
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,496)	(29,100)
Additions to intangible fixed assets		-	-
Dividend and interest receivable		38,060	7,644
Net cash (used in)/ provided by investing activities		22,564	(21,456)
(Decrease)/Increase in cash and cash equivalents in the year		1,245,077	(1,196,131)
Cash and cash equivalents at the beginning of the year		2,381,996	3,585,985
Change in cash and cash equivalents due to exchange rate movements		(107,062)	(7,858)
Total cash and cash equivalents at year end		3,520,012	2,381,996
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,520,011	2,381,996
Cash and cash equivalents at 31 December		3,520,011	2,381,996

The accompanying notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS**1. Summary of significant accounting policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company Registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Basis of Consolidation

The consolidated statement of financial activities (SOFA), group balance sheet and consolidated statement of cash flows consolidate the financial statements of the Charity and its subsidiary (Conciliation Resources Australia-CRA). The financial statements of the subsidiary are consolidated with the Charity on a line-by-line basis. Transactions and balances between entities are eliminated on consolidation.

CRA was not consolidated in 2022 because most of the contracts were still held by CR UK. But during 2023, CRA income totalled £840,494 and became material to the group consolidation.

No separate SOFA has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total income of the Company for the period was £9,563,294 (2022: £9,604,286) and the net result of the Company was a deficit of £218,137 (2022: surplus 941,372).

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2023, Conciliation Resources has faced changes in the funding landscape resulting in some impact on our organisational development and support teams as well as the programme teams. At the same time, 2023 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2024 and 2025, as well as the satisfactory levels of cash and reserves which it holds. Hence, the directors have not identified any material uncertainty in the charity's ability to continue as a going concern. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

1. Accounting policies (continued)

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

Volunteers and Donated Services and Facilities

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

During 2023 (2022-nil), the charity had no volunteers.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software	7 years
-------------------	---------

1. Accounting policies (continued)

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

Debtors

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 the settlement value.

Funds

Unrestricted general funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

1. Accounting policies (continued)

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

2. Unrestricted Income from donations and grants

	Group	
	2023	2022
	£	£
Donations	18,480	12,190
Core funding	1,228,528	1,717,898
	-----	-----
	1,247,008	1,730,088
	=====	=====

Income from donations and core funding was £1,247,008 (2022-£1,730,088) all of which was attributable to unrestricted funds (2022 - all).

Core funding includes £1,228,528 (2022-£1,717,398) of government grants receivable in the year. These grants were awarded as follows:

	Group	
	2023	2022
	£	£
Swedish International Development Agency (SIDA)	1,049,462	1,602,420
Irish Aid	87,756	114,978
Ministry of Foreign Affairs, Finland	86,310	-
Others	5,000	-
	-----	-----
	1,228,528	1,717,398
	=====	=====

100% (2022: 100%) of core funding is received from funders outside of the United Kingdom.

3. Income from charitable activities

	Group	
	2023	2022
	£	£
Project grant income	9,059,367	8,094,733
External consultancies	20,023	20,712
High Net Worth Donors	7,557	10,641
	-----	-----
	9,086,947	8,126,086
	=====	=====

Income from charitable activities was £9,086,947 (2022-£8,126,086) of which £9,055,752 (2022-£8,081,808) was attributable to restricted funds and £31,195 (2022-£44,278) was attributable to unrestricted funds.

3. Income from charitable activities (continued)

Grant income includes £7,233,915 (2022-£6,565,576) of government grants receivable in the year. The government grants received are identified by a * below:

	Group	
	2023 £	2022 £
Accord, Policy, Practice		
Joseph Rowntree Charitable Trust, UK	66,941	69,889
* Federal Department of Foreign Affairs, Switzerland	198,656	54,306
Sasakawa Foundation	227,563	97,027
* Foreign Commonwealth Development Office, UK	516,160	481,625
International Idea	-	18,370
Ecorys	11,148	17,885
PeaceNexus	8,686	179
United State Institute of peace	-	17,325
*Irish Aid	7,024	-
	-----	-----
	1,036,178	756,606
	-----	-----
Caucasus		
* European Union	2,308,000	922,046
* Federal Department of Foreign Affairs, Switzerland	12,000	165,887
* Foreign Commonwealth Development Office, UK	326,771	258,662
SwissPeace	-	29,325
Sigrid Rausing Trust	168,986	140,471
Ministry for Foreign affairs, Finland	27,738	-
	2,843,494	1,516,391
	-----	-----
West Africa		
National Endowment for Democracy, USA	43,192	74,544
* Foreign Commonwealth Development Office, UK	-	126,551
Robert Bosch Stiftung	207,822	139,932
Norad	6,888	-
	-----	-----
	257,902	341,027
	-----	-----
East and Central Africa		
Zivik	255,750	274,841
DanChurch Aid	372,680	151,113
United Nations Development Programme	271,136	200,227
	-----	-----
	899,566	626,181
	-----	-----

3. Income from charitable activities (continued)

	Group	
	2023	2022
	£	£
Horn of Africa		
* Federal Minister for Foreign Affairs, Germany	364,279	371,212
* Foreign Commonwealth Development Office, UK	1,152,759	768,358
* Irish Aid-Ethiopia	589,533	1,090,990
	-----	-----
	2,106,571	2,230,560
	-----	-----
South Asia		
Ploughshares Fund	32	40,701
Allen & Nesta Ferguson	-	9,892
Misereor	30,131	81,582
* Swedish International Development Agency (SIDA)	-	279,548
	-----	-----
	30,163	411,723
	-----	-----
Pacific		
* Department of Foreign Affairs and Trade, Australia	99,573	-
* Ministry of Foreign Affairs		
	303,892	717,017
Misereor	129,460	119,307
* Foreign Commonwealth Development Office, UK	92,256	-
* European Union	69,564	344,808
* United Nations Development Program (UNDP)	71,788	142,512
* German Foreign Office	216,130	290,496
	-----	-----
	982,664	1,834,148
	-----	-----
Philippines		
* Foreign Commonwealth Development Office, UK	202,164	99,773
* Department of Foreign Affairs and Trade, Australia	40,724	6,017
	-----	-----
	242,888	105,790
	-----	-----
Cross Regional Project		
* Foreign Commonwealth Development Office, UK	32,609	31,451
Saferworld	20,826	33,622
*SIDA	172,148	150,100
*United Nations Development Programme	430,146	44,209
	-----	-----
	655,729	259,382
	-----	-----
Total grants	9,055,155	8,081,808
	=====	=====

72% (2022-76%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

4. Income from investments

	Group	
	2023	2022
	£	£
Bank interest	38,060	7,644
	=====	=====

Income from investments was £38,060 (2022-£7,644) of which all (2022 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	Group	
	2023	2022
	£	£
Salaries and staff costs	174,754	193,530
Direct costs	8,837	66,458
Support costs	43,045	69,027
	-----	-----
	226,636	329,015
	=====	=====

All £329,015 (2021-£214,928) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

6. Analysis of expenditure on charitable activities

Group	Salaries and Staff costs £	Direct costs £	Support costs £	2023 £
Accord, Policy, Practice	601,490	382,585	230,725	1,214,800
South Caucasus	292,510	2,166,771	576,599	3,035,880
West Africa	134,702	130,702	62,226	327,630
East and Central Africa	235,550	602,706	196,536	1,034,792
Horn of Africa	333,836	1,477,903	424,777	2,236,516
South Asia	169,338	28,172	46,308	243,818
Pacific	656,655	422,410	252,996	1,332,061
Philippines	56,607	119,272	41,236	217,115
Cross Regional Project	-	300,403	70,910	371,313
Africa Department	27,219	51,700	19,680	98,599
Europe Asia Department	258,330	7,029	60,560	325,919
Total	2,766,237	5,689,653	1,982,553	10,438,443

2022 Comparative Information

Group	Salaries and Staff costs £	Direct costs £	Support costs £	2022 £
Accord, Policy, Practice	564,832	307,330	231,561	1,103,723
South Caucasus	290,476	1,031,866	351,085	1,673,427
West Africa	131,356	180,609	82,827	394,792
East and Central Africa	247,954	410,926	174,934	833,814
Horn of Africa	306,178	1,729,247	540,409	2,575,834
South Asia	216,408	338,795	147,408	702,611
Pacific	942,422	816,973	467,123	2,226,518
Philippines	23,698	60,795	22,433	106,926
Cross Regional Project	736	4,253	1,325	6,314
Africa Department	88,362	83,229	45,558	217,149
Europe Asia Department	234,664	24,199	68,728	327,591
Total	3,047,086	4,988,222	2,133,391	10,168,699

£8,625,010 (2022-£7,646,004) of the above costs were attributable to restricted funds and £1,513,433(2022- £2,522,695) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

7. Allocation of support costs

YEAR ENDED 31 DECEMBER 2023

Group	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2023
	£	£	£	£	£	£	£
Costs of raising funds	24,866	9,652	1,297	5,072	1,829	329	43,045
Accord, Policy, Practice	133,288	51,733	6,953	27,186	9,287	2,276	230,724
South Caucasus	333,097	129,286	17,378	67,939	23,210	5,689	576,599
West Africa	35,948	13,952	1,875	7,332	2,643	475	62,225
East and Central Africa	113,538	44,068	5,923	23,157	8,349	1,501	196,536
Horn of Africa	245,391	95,244	12,802	50,051	18,044	3,245	424,777
South Asia	26,752	10,383	1,396	5,456	1,967	354	46,308
Pacific	146,154	56,727	7,625	29,810	10,747	1,933	252,996
Philippines	23,822	9,246	1,243	4,859	1,752	315	41,237
Cross Regional Project	40,677	15,788	2,122	8,297	2,991	1,036	70,911
Africa Department	10,689	4,149	558	2,180	786	1,319	19,681
Europe Asia Department	35,953	13,954	1,876	7,333	1,444	-	60,560
Total	1,170,175	454,182	61,048	238,672	86,046	15,475	2,025,598

2022 Comparative Information

Group	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2022
	£	£	£	£	£	£	£
Costs of raising funds	38,007	16,123	1,836	6,699	3,477	2,885	69,027
Accord, Policy, Practice	127,499	54,087	6,158	22,472	11,666	9,679	231,561
South Caucasus	193,309	82,004	9,338	34,072	17,687	14,675	351,085
West Africa	45,605	19,346	2,203	8,038	4,173	3,462	82,827
East and Central Africa	96,320	40,860	4,653	16,976	8,813	7,312	174,934
Horn of Africa	297,552	126,225	14,374	52,445	27,225	22,588	540,409
South Asia	81,163	34,431	3,921	14,305	7,426	6,162	147,408
Pacific	257,200	109,108	12,424	45,333	23,533	19,525	467,123
Philippines	12,352	5,240	597	2,177	1,130	938	22,434
Cross Regional Project	729	309	35	129	67	1,946	3,215
Africa Department	25,084	10,641	1,212	4,421	2,295	2,866	46,519
Europe Asia Department	37,842	16,053	1,828	6,670	3,462	21	65,876
Total	1,212,662	514,427	58,579	213,737	110,954	92,059	2,202,418

Support costs are allocated in accordance with the accounting policy on page 23.

CONCILIATION RESOURCES**YEAR ENDED 31 DECEMBER 2023****8. Governance costs**

	Group	
	2023	2022
	£	£
Board costs	1,182	5,691
Auditors' remuneration (UK)	18,000	15,750
Auditors' remuneration (Ethiopia)	2,000	5,000
Auditors' remuneration (Australia)	4,194	7,421
Legal, professional fees and other support costs	56,161	77,092
	-----	-----
	81,537	110,954
	=====	=====

9. Net income for the year

The net income is stated after charging:

	Group	
	2023	2022
	£	£
Depreciation of tangible fixed assets	40,120	38,001
Amortisation of intangible fixed assets	31,956	31,956
Operating lease rentals	44,721	155,000
Audit's remuneration – Statutory audit (current auditor)	18,000	15,750
Statutory audit (Ethiopia)	2,000	5,000
Statutory audit (Australia)	4,194	7,421
Grant audits	63,019	40,136
Foreign Exchange Translation Gains/(Losses)	(107,062)	(7,858)
	=====	=====

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £1,182(2022-£5,691) were paid on behalf of three (2022-six) trustees.

The number of key management personnel in the year was seven (2022-seven). The total amount of employee benefits received by key management personnel during the year was £547,119 (2022-£637,286). The Charity considers its key management personnel to be the Executive Management Team.

11. UK Staff costs and employee benefits

The total UK staff costs and employee benefits were as follows:

	Group	
	2023	2022
	£	£
Employee salaries	3,351,824	3,618,136
Social security	302,991	335,162
Defined contribution pension costs	322,978	335,621
	-----	-----
	3,977,793	4,288,919
Termination payments	45,400	-
	-----	-----
	4,023,193	4,288,919
	=====	=====

6 employees received termination payment in 2023.

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	Group	
	2023	2022
£90,001 to £100,000	1	-
£80,001 to £90,000	-	4
£70,001 to £80,000	4	1
£60,000 to £70,000	9	11

During the year the charity paid £90,871 (2022-£98,206) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

Group	2023		2022	
	Number	FTE	Number	FTE
Executive Management Team	9.33	9.07	9.1	9.1
Accord, Policy, Practice	9.87	9.27	9.1	8.7
Africa Department	0.50	0.50	1.8	1.8
Caucasus	4.90	4.90	4.9	4.9
West Africa	5.81	5.81	5.2	5.2
East and Central Africa	2.50	2.40	2.1	1.9
Europe Asia Department	7.37	7.27	6.9	6.9
Horn of Africa	2.00	2.00	2.0	2.0
South Asia	2.75	2.75	4.0	4.0
Pacific	7.04	7.04	7.5	7.5
Philippines and Colombia	2.19	2.19	1.7	1.7
South East Asia Department	3.76	3.76	6.6	6.0
Cross Regional Project	1.00	1.00	1.0	1.0
Administrative, financial management and fundraising support	17.51	16.37	20.3	19.1
	-----	-----	-----	-----
Total	76.5	74.3	82.2	79.8
	=====	=====	=====	=====

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

12. Intangible fixed assets

Group and Company

	Computer Software £
Cost	
Balance as at 1 January 2023	297,196
Additions in the year	-
At 31 December 2023	297,196
Amortisation	
Balance as at 1 January 2023	137,727
Charge for the year	31,956
At 31 December 2023	169,683
Net book value	
As at 31 December 2023	127,513
As at 31 December 2022	159,469

13. Tangible fixed assets

Group and Company	Leasehold Improvements	Computer equipment	Fixtures & fittings	Total
	£	£	£	£
Cost				
Balance as at 1 January 2023	316,564	192,338	54,287	563,189
Additions	-	15,496	-	15,496
Disposals	-	-	-	-
At 31 December 2023	316,564	207,834	54,287	578,685
Depreciation				
Balance as at 1 January 2022	306,180	144,225	53,931	504,337
Charge for the year	8,702	31,062	356	40,120
Depreciations on Disposals	-	-	-	-
At 31 December 2022	314,882	175,287	54,287	544,456
Net book value				
As at 31 December 2023	1,682	32,547	-	34,229
As at 31 December 2022	10,384	48,113	356	58,853

CONCILIATION RESOURCES**YEAR ENDED 31 DECEMBER 2023****14. Debtors**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Grants receivable	424,148	1,364,925	496,924	1,364,925
Other debtors	114,747	35,046	38,937	32,500
Prepayments and accrued income	509,281	401,788	424,724	347,642
Grants accrued	484,134	477,970	327,348	413,797
Inter Company Accounts CRA	-	-	3,032,491	2,639,687
	-----	-----	-----	-----
	1,532,310	2,279,729	4,320,424	4,798,551
	=====	=====	=====	=====

Other debtors includes a rent deposit of £32,500 (2022 - £32,500) which is receivable in more than one year.

15. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	269,580	301,694	248,720	271,907
Social security and other taxes	109,869	144,499	83,928	116,811
Other creditors	199,319	225,312	199,319	225,312
Accruals	95,431	122,978	91,912	100,252
Accounts payable	72,776	-	-	-
Deferred income (Note 16)	3,524,473	2,793,298	3,343,993	2,683,558
	-----	-----	-----	-----
	4,271,447	3,587,781	3,970,872	3,397,840
	=====	=====	=====	=====

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

16. Deferred income

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Balance as at 1 January	2,793,298	2,896,650	2,683,558	2,793,298
Amount released to income in the year	(2,793,298)	(2,896,650)	(2,683,558)	(2,793,298)
Amount deferred in the year	3,524,473	2,793,298	3,343,993	2,683,558
	-----	-----	-----	-----
	3,524,473	2,793,298	3,343,993	2,683,558
	=====	=====	=====	=====

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
UK Foreign & Commonwealth Office	64,504	72,456	48,838	72,456
Swedish International Development Co-operation Agency (SIDA)	14,096	103,091	14,096	103,091
Irish Aid*	790,262	561,039	790,262	561,039
European Union	996,731	1,092,233	993,552	1,026,690
Department of Foreign Affairs & Trade (Australia)	-	82,384	-	64,614
Misereor	-	6,030	-	6,030
Federal Department of Foreign Affairs, Switzerland	-	48,884	-	48,884
Joseph Rowntree Charitable Trust	34,293	12,248	34,293	12,248
Minister for Foreign Trade and Development, Netherlands	583,498	272,352	583,498	272,352
Sasakawa Peace Foundation	13,802	50,499	13,802	50,499
Federal Ministry for Foreign Affairs Germany	161,635	79,624	-	53,197
UN (Women & DP)	460,574	143,637	460,574	143,637
Sigrid Rausing	140,543	159,529	140,543	159,529
DanChurch Aid	2,906	40,808	2,906	40,808
PeaceNexus	-	8,501	-	8,501
United States Institute of Peace	-	1,965	-	1,965
Robert Bosch Stiftung	84,714	58,018	84,714	58,018
Ministry For Foreign Affairs, Finland	172,620	-	172,620	-
Peace Dividend Initiative	4,295	-	4,295	-
	-----	-----	-----	-----
	3,524,473	2,793,298	3,343,993	2,683,558
	=====	=====	=====	=====

*Includes Deferred Income Irish Aid Ethiopia of £788,264 (2022-£561,039)

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Group and Company

	2023 £	2022 £
Not later than one year	44,721	156,947
Later than one and not later than five years	178,885	38,750
	-----	-----
	223,606	195,697
	=====	=====

18. Provisions for liabilities

Group

	2023 £	2022 £
Balance as at 1 January	97,257	95,914
Additions during the year	50,476	1,343
Cancellations	(97,257)	-
	-----	-----
Balance as at 31 December	50,476	97,257
	=====	=====

The provision related to the dilapidations expense expected for the London office lease was cancelled after the office move from Burghley Yard to The Graystone Centre.

Charges to the Statement of Financial Activities for disallowable expenditure against restricted grants restricted during the year amount to £50,476 (2022- nil) of which all (2022 - all) were attributable to unrestricted funds.

19. Fund reconciliation 2023

Group	Balance as at 01.01.23 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.23 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	1,036,177	(920,710)	115,467	-
South Caucasus	-	2,843,494	(2,786,692)	56,802	-
West Africa	-	257,903	(235,674)	22,229	-
East and Central Africa	-	899,566	(834,453)	65,113	-
Horn of Africa	-	2,106,571	(1,986,520)	120,051	-
South Asia	-	30,163	(30,163)	0	-
Pacific	-	1,226,150	(1,232,719)	(6,569)	-
Cross Regional Project	-	655,729	(598,080)	57,649	-
	-----	-----	-----	-----	-----
Total Restricted Funds	-	9,055,753	(8,625,011)	430,742	-
	-----	-----	-----	-----	-----
<i>General funds</i>				97,257	
Total Unrestricted Funds*	1,195,009	1,316,263	(2,040,069)	323,680	892,140
	-----	-----	-----	-----	-----
Total Funds	1,195,009	10,372,015	(10,665,079)	(107,062)	892,140
	=====	=====	=====	=====	=====

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

Company	Balance as at 01.01.23 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.23 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	1,036,177	(920,710)	115,467	-
South Caucasus	-	2,843,494	(2,786,692,)	56,802	-
West Africa	-	257,903	(235,674)	22,229	-
East and Central Africa	-	899,566	(834,453)	65,113	-
Horn of Africa	-	2,106,571	(1,986,520)	120,051	-
South Asia	-	30,163	(30,163)	0	-
Pacific	-	417,429	(442,585)	(25,156)	-
Cross Regional Project	-	655,729	(598,080)	57,649	-
Total Restricted Funds	-	8,247,032	(7,834,877)	412,155	-
<i>General funds</i>				97,257	
Total Unrestricted Funds*	3,354,574	1,316,263	(1,954,775)	323,118	3,136,437
Total Funds	3,354,574	9,563,294	(9,789,651)	(89,037)	3,136,437

Fund reconciliation 2022

Group	Balance as at 01.01.22 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.22 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	756,606	(728,085)	(28,521)	-
Caucasus	-	1,516,391	(1,462,240)	(54,151)	-
West Africa	-	341,027	(309,368)	(31,659)	-
East and Central Africa	-	626,181	(574,808)	(51,373)	-
Horn of Africa	-	2,230,560	(2,110,071)	(120,489)	-
South Asia	-	411,723	(411,717)	(6)	-
Pacific	-	1,834,148	(1,725,739)	(108,409)	-
Philippines and Columbia	-	105,790	(96,471)	(9,319)	-
Cross Regional Project	-	259,382	(227,505)	(31,877)	-
Total Restricted Funds	-	8,081,808	(7,646,004)	(435,804)	-
Total Unrestricted Funds	1,836,763	1,782,010	(2,851,710)	427,946	1,195,009
Total Funds	1,836,763	9,863,818	(10,497,714)	(7,858)	1,195,009

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

19. Fund reconciliation 2023 (continued)

Company

	Balance as at 01.01.22 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.22 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	756,606	(740,528)	16,078	-
Caucasus	-	1,516,391	(1,462,240)	54,151	-
West Africa	-	341,027	(309,368)	31,659	-
East and Central Africa	-	626,181	(574,808)	51,373	-
Horn of Africa	-	2,230,560	(2,110,071)	120,489	-
South Asia	-	411,723	(411,717)	6	-
Pacific	-	1,680,406	(114,454)	1,565,952	-
Cross Regional Project	-	259,382	(196,615)	62,767	-
Total Restricted Funds	-	7,822,276	(5,919,801)	1,902,474	-
Total Unrestricted Funds	2,413,202	1,782,010	(2,738,370)	1,897,733	3,354,575
Total Funds	2,413,202	9,604,286	(8,658,172)	(4,741)	3,354,575

Purposes of Restricted Funds:

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by the charity are used to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Accord, Policy and Practice team to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Transfers between funds:

In 2023, a transfer was made from restricted to unrestricted funds in respect of Indirect Cost Recovery (ICR) for funded projects during the financial year.

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

20. Analysis of net assets between funds

Group	General Funds	Designated Funds	Restricted Funds	Total 2023
	£	£	£	£
Fixed assets	161,742	-	-	161,742
Cash	3,520,011	-	-	3,520,011
Other current assets/liabilities	(2,789,613)	-	-	(2,789,613)
	-----	-----	-----	-----
	892,140	-	-	892,140
	=====	=====	=====	=====

Analysis of net assets between funds-2022 comparative

	General Funds	Designated Funds	Restricted Funds	Total 2022
	£	£	£	£
Fixed assets	218,322	-	-	218,322
Cash	2,381,996	-	-	2,381,996
Other current assets/liabilities	(1,308,052)	-	-	(1,308,052)
Provisions	(97,257)	-	-	(97,257)
	-----	-----	-----	-----
	1,195,009	-	-	1,195,009
	=====	=====	=====	=====

20 Analysis of net assets between funds (continued)

Company	General Funds	Designated Funds	Restricted Funds	Total 2023
	£	£	£	£
Fixed assets	161,742	-	-	161,742
Cash	2,625,144	-	-	2,625,144
Other current assets/liabilities	349,551	-	-	349,551
	-----	-----	-----	-----
	3,136,437	-	-	3,136,437
	=====	=====	=====	=====

Analysis of net assets between funds-2022 comparative

	General Funds	Designated Funds	Restricted Funds	Total 2022
	£	£	£	£
Fixed assets	218,322	-	-	218,322
Cash	1,832,800	-	-	1,832,800
Other current assets/liabilities	1,400,710	-	-	1,400,710
Provisions	(97,257)	-	-	(97,257)
	-----	-----	-----	-----
	3,354,575	-	-	3,354,575
	=====	=====	=====	=====

CONCILIATION RESOURCES**YEAR ENDED 31 DECEMBER 2023****21. Analysis of changes in net funds**

GROUP	At start of year	Cash-Flows	Foreign exchange movements	Other non-cash changes	At end of year
	£	£	£	£	£
Cash	2,381,996	1,245,077	(107,062)	-	3,520,011
	=====	=====	=====	=====	=====

Analysis of changes in net funds-2022 comparative

	At start of year	Cash-Flows	Foreign exchange movements	Other non-cash changes	At end of year
	£	£	£	£	£
Cash	3,585,985	(1,196,131)	(7,858)	-	2,381,996
	=====	=====	=====	=====	=====

As at 31 December 2022, Conciliation Resources had no net debt.

22. Reconciliation of net expenditure to net cash flow from operating activities

	GROUP	
	2023	2022
	£	£
Net income/(expenditure) for the year	(400,126)	(641,754)
Interest receivable	(38,060)	(7,644)
Depreciation of tangible fixed assets	40,120	38,001
Amortisation of intangible fixed assets	31,956	31,956
(Increase)/decrease in debtors	747,419	(738,793)
Increase/(decrease) in creditors and provisions	734,143	135,701
Unrealised exchange rate gains/(loss) on cash and cash equivalents	107,062	7,858
	-----	-----
Net cash flow from operating activities	(1,222,513)	(1,174,675)
	=====	=====

23. Pensions and other post-retirement benefits**Defined contribution pension plans**

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £322,978 (2022- £335,621).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

The total related transactions with CR Australia was £3,032,491 (2022-£2,639,687).

25. Financial instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Investments

Charity

Conciliation Resources Australia ("CRA") is registered as an Australian legal entity, as both a company (limited by guarantee) and a charity (PBI subtype) with an Australian Business Number (94 642 321 640). It is a subsidiary ("Branch") of Conciliation Resources with an MoU in place between the entities. The CRA Board is constituted with CRA and CR staff on a 50/50 basis.

Subsidiary: Conciliation Resources Australia

	2023	2022
	£	£
Total turnover	808,721	259,532
Total expenditure	893,452	1,842,659
	-----	-----
Net result for the year	(84,731)	(1,583,127)

The aggregate of assets, liabilities and funds was

	2023	2022
	£	£
Total assets	1,139,245	681,693
Total liabilities	1,223,976	2,264,820
	-----	-----
Total funds	(84,731)	(1,583,127)

CONCILIATION RESOURCES

YEAR ENDED 31 DECEMBER 2023

27. Comparative Statement of Financial Activities (2022)

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:				
Donations and core funding	2	1,730,088	-	1,730,088
Charitable activities	3	44,278	8,081,808	8,126,086
Investments	4	7,644	-	7,644
Total income		1,782,010	8,081,808	9,863,818
Expenditure on:				
Raising funds	5	329,015	-	329,015
Charitable activities	6	2,522,695	7,646,004	10,168,699
Total expenditure		2,851,710	7,646,004	10,497,714
Net (expenditure)/income		(1,069,700)	435,804	(633,896)
Transfers between funds	19	435,804	(435,804)	-
Foreign exchange (losses)/gains		(7,858)		(7,858)
Net movement in funds		(641,754)	-	(641,754)
Reconciliation of funds:				
Total funds brought forward		1,836,763	0	1,836,763
Total funds carried forward	19	1,195,009	-	1,195,009

CONCILIATION RESOURCES

England & Wales - Charity number 1055436

Accounts

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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CONCILIATION RESOURCES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2022

Directors and Trustees

Ms D Good - Chair
Mr A Peck - Treasurer
Ms T Bajwa (resigned 21 Nov 2022)
Ms C Cheng
Mr G Graham
Ms N Hatendi
Ms D Hutter
Mr J Jinnah
Ms J Kemp
Ms L Muir
Ms L Moore

Company Secretary

Mr T Hansen

Executive Management Team

Mr J Cohen - Executive Director
Mr T Hansen - Chief Operating Officer
Dr T Dumasy - Research, Advisory and Policy Department
Director
Ms L Aumeer - Europe-Asia Department Director
Mr C O'Toole - South East Asia and Pacific Department
Director
Mr A Abdi - Africa Department Director
Mr M Baah - Finance Director

UK Company Number

03196482

UK Charity Number

1055436

UK VAT Number

249002623

Registered Office

Burghley Yard
106 Burghley Road
London NW5 1AL

Auditor

Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Bankers

Royal Bank of Scotland
40 Islington High Street
London N1 8XJ

COIF Charity Deposit Funds
80 Cheapside
London EC2V 6DZ

The Directors, who are the Trustees of the charitable company, present their report and audited accounts of the charity for the year ended 31 December 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9 May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Board

Conciliation Resources is governed by a Board of Trustees that meets four to six times a year. During 2022, all meetings were held in hybrid format, in person and online. The consequent reduction in staff and Board interaction was mitigated by both 'breakout' rooms online for trustees to speak to staff before each Board meeting and an increase in Board Committee activity. In-person Board and staff contact has increased in 2023. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. Risk management and Keeping People Safe were central topics during all meetings in 2022. Alongside 'day to day' governance, during the year the Board oversaw:

- A review of Board effectiveness
- A complete Risk Register and incident review as well as quarterly 'top risks' papers
- Internal learning and development following the ongoing implementation of an Anti-Racism Plan
- Quarterly reporting from a Board and staff Diversity and Inclusion Committee, a Risk and Audit Committee, and a Safeguarding Committee and annual reporting from the Board Remuneration Committee (which reviews EMT salaries)
- Application for registration of an entity in Kenya and further growth of the team in that region.
- A review of the work of our Gender team
- A review of the impact of the war in Ukraine and subsequent sanctions
- A review of our organisational governance and structures

The Board were also directly involved in a two day organisational 'strategic retreat' with all available staff in September and discussions with staff on:

- The strategic direction of the organisation
- New programme development
- Partner selection
- Safety of staff across all locations
- Climate and peacebuilding
- Our Outcome Harvesting Results 2021 - 2022

Organisation (continued)**Executive Management Team**

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific) and the Finance Director.

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their job descriptions or on an ad hoc basis. Further details of EMT workings are defined in EMT Terms of Reference.

Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in both our external work and in how we operate internally, with an awareness that all decision making must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

Team Leader's Forum

The EMT is supported by a Team Leader's Forum (TLF) made up of senior staff from across Conciliation Resources. This group meets every quarter and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two way function as TLF members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of TLF workings are defined in TLF ToRs.

Global Locations and Staff

With around 90 staff globally, a small increase on 2021, around half of our staff are based in London, with staff also in Australia, Central African Republic, the Philippines and Ethiopia. These offices are set up in order to ensure awareness of, and compliance with, local laws and regulations as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

We also have a close connection with Conciliation Resources EU, an organisation registered in Germany with staff in Belgium. Conciliation Resources EU is the face of Conciliation Resources in Brussels to the European institutions and EU Member States. Our Brussels team focuses on providing mediation support expertise and policy advice on specific thematic and geographic peacebuilding priorities.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly and is transparent within the organisation. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, within the parameters of the grading, salary structure and sector benchmarking applied to all Conciliation Resources staff.

Recruitment and Appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. A vice-chair is also informally appointed on a rotating basis. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

After a skills audit and following the departure of several long-serving trustees, six were appointed in 2021 with one resigning in late 2022 due to an unexpected work opportunity. The Trustees in office and up to the date of this report are set out on page 2. In 2022,

- The Risk and Audit Committee, which consists of four Trustees, the Finance Director and the Chief Operating Officer / Company Secretary, oversaw the annual statutory audit process and supported the monitoring and updating of the organisational Risk Register, including an increased focus on cybersecurity.

Recruitment and Appointment of Trustees (continued)

- Two trustees acted as designated Safeguarding Trustees as part of the Safeguarding Committee, meeting with the Chief Operating Officer / Company Secretary and International Safety and Compliance Manager at least every two months with additional communications as required. The Chair also attends these meetings.
- The Board and Staff Diversity and Inclusion Committee consists of four Trustees and four staff, including the Chair and Executive Director.
- The Remuneration Committee consists of the Chair, the chairs of the sub committees and the treasurer.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work. Thorough evaluations of the Chair and Executive Director, as well as internal board effectiveness analysis was undertaken in 2022.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources' ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared. During 2022, this was supplemented by a two day staff and trustee 'strategic retreat'.

Related Parties and Collaborations

Conciliation Resources has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. We currently work with over 60 partners globally.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the Trustees after consolidation of information from all teams, are compiled in a Risk Register and reviewed at least bi-annually or more frequently as needed. An initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. The Risk Management Policy details the project and departmental approach to risk identification and management and the method for feeding that analysis into the organisational register.

Work environment

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence which incorporates safeguarding, complemented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line with laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines, Safety and Security Due Diligence and spot check processes, as well as hostile environment awareness training (HEAT). In 2022 we established a comprehensive relationship with International SOS for information sharing, trip pre-briefing, contingency planning and emergency response. In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

Financial Risk

The external funding environment continues to be challenging. We continue to see a general reduction in available peacebuilding funding, increasing amounts of funding which are short term, increasing commercialisation of grant making, increasing regulatory and compliance requirements.

Financial Risk (continued)

These trends are now compounded by pandemic-impacted economies and the diversion of government and private funding to immediate humanitarian and other needs related to the war in Ukraine. The risk that insufficient funds will be generated for some of our programmes has been classified as high.

The Executive Management Team has undertaken financial contingency planning. Department Directors are responsible for sufficient fundraising in line with the Financial Model and are supported to pursue their fundraising plans by the rest of the organisation.

To mitigate financial risk and insecurity, as well as dependency on a small number of significant donors, in 2022 we trialled projects towards a broader donor base, both for the organisation as a whole and for each programme. We continue to seek long-term funding both institutionally and for individual programmes due to the criticality of continuous rather than ad-hoc support to peace processes. During 2022, outreach was undertaken to all European state donors, leading to several new funding relationships. We also undertook targeted outreach to Trusts and Foundations. In addition, investment in individual giving has led to some success that continues to be built on in 2023.

There were no significant financial cuts in 2022 however, following the election of a new government in Sweden in early 2023 we were notified by our core unrestricted donor Swedish International Development Cooperation Agency (Sida) that the new national government had reduced its available funding and as a result our funding would be reduced at short notice by around £350,000 (23% of Sida's funding for the year). These cuts have been responded to without closure of peacebuilding work but with some impact on our organisational development and support teams as well as the programme teams.

Notwithstanding the cuts and challenges, we continue to increase our restricted funding grants and also drew down on our deferred income pot to maintain appropriate levels of funding for our peacebuilding work. We manage the impact of unsuccessful bids, contract delivery challenges and cuts as described above through the quarterly re-forecast process. 2022 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions.

Fundraising Activities

Conciliation Resources' approach to fundraising is increasingly centred on institutional government funding. In 2022 we set targets for a small increase across a range of new income streams, ensuring that expectations are modest in line with the minimal investment and the challenging and competitive external environment. In 2022, we increased our reach and engagement across social media platforms, building on our bolder messaging and visual identity. We held three hybrid information events at the Swiss Embassy and at Linklaters LLP global law firm on topics such as the intersection between climate change, gender and conflict, as part of our #SeeTheHuman Campaign which helped us reach new audiences.

Recognising the increased complexity and scale of limited funding opportunities, in 2022 we decided to apply for the UK's Conflict, Stability and Security Fund Framework, requiring significant organisational improvement work around commercial pricing and tendering, cybersecurity, data protection, staff training, due diligence, contracting and other areas.

80-85% of our income is project based. In 2022, our income was mainly derived from institutional donors, with small additional amounts from trusts and foundations and individuals. We did not work with professional fundraisers and donations from members of the public totalled less than 1% of income. We do not anticipate this increasing in the next few years. Management and the fundraising team stay abreast of recognised public fundraising standards and we are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. In 2022, no complaints were received in relation to our fundraising activities.

Keeping People Safe

Safeguarding is a responsibility of the entire Board, with the Board's Safeguarding (Keeping People Safe) Committee leading on this area of work. The Committee is made up of the Chair of the Board and 2-3 Safeguarding Trustees, one of whom chairs the Committee. The Committee, which meets on a quarterly basis is supported by the Chief Operating Officer and the International Safety and Compliance Manager.

All concerns raised have been investigated and responded to. Travel increased gradually at the end of 2021 and at the start of 2022, allowing partners and participants to raise concerns in person. During the year, we completed multi-day 'Keeping People Safe' sessions with over 30 partner organisations. The team responded to a total of 10 Keeping People Safe concerns during the year. There were a further 21 general incidents / concerns which were also responded to.

Keeping People Safe (continued)

We continue to develop our systems, processes and policies in this area including our Risk Management Policy, Keeping People Safe Policy, Safety and Security Policy and Programme Security Plans.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Staff Wellbeing

During 2022, initial planning for a People and Culture Team of four staff was paused for financial reasons. The intention is for this team to facilitate a renewed focus on wellbeing and additional focus on diversity, inclusion and anti-racism as well as shift of human resources practice to clearer global/local setup in line with staff locations. There is a Wellbeing Coordination Group of senior staff and staff are provided with an Employee Assistance Programme, Mental Health First Aiders and free anonymous counselling at their own discretion. Line managers are provided with line management training and tools.

Public Benefit Statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

Objectives and activities

Conciliation Resources is an independent international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we share what we learn from our work with partners to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

Our vision is a world where people work together to resolve conflicts and promote peaceful and inclusive societies.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of: "the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2025 Strategic Plan, we have developed and costed a five-year Operational Plan under the following headings, with goal leads allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2022

In 2022 we continued working towards our four strategic goals, to improve how peace is built.

GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES

In 2022, we've seen new barriers to peace emerging, and old challenges deepening. The war in Ukraine has had far-reaching implications, the climate crisis continues to impact many of the communities we work with, and we're seeing a regression in women's rights around the world. In response, we have worked alongside our partners to find innovative ways to adapt to these challenges and overcome barriers to building peace.

In regions of protracted conflict, we see these innovations supporting incremental steps towards peace. In South Asia, we launched an award-winning new joint venture, where tackling the shared challenge of the climate crisis is helping to build confidence between divided communities in Punjab. In the South Caucasus, where Russia's invasion of Ukraine has led to serious operational challenges, we've found creative logistical solutions to help our partners continue their vital work. And amidst war in other parts of Ethiopia, in the Somali Regional State (SRS) we supported the formation of a regional Truth and Reconciliation Commission to address the legacies of conflict.

Dialogue and mediation are central to what we do, supporting those in conflict to find common ground and tackle the legacies of violence. In the Central African Republic, we helped break down barriers between young people from different ethno-religious backgrounds and in the Philippines, building on many years of work, we created guidance for how to establish local peacebuilding groups. We also began working in Hela Province, in Papua New Guinea, supporting community leaders who are transforming conflict resolution practices in a region facing high levels of interpersonal and inter-group violence.

Women peacebuilders are facing additional barriers in their work, from a lack of funding and a broader regression in women's rights around the world. Through our partnership with the Women's Peace and Humanitarian Fund's (WPHF) Rapid Response Window, we have been able to address urgent funding gaps with targeted support for women-led civil society organisations in Liberia, and through the Women, Peace and Security Helpdesk, we're working to ensure UK policy responds to the specific barriers preventing women's participation.

**GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS
MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT**

For peace to be sustainable, we need to connect those working for peace at different levels, from community networks and initiatives, to political processes. We build connections, support learning and knowledge sharing, and help to strengthen local peacebuilding networks.

In the Somali Regional State of Ethiopia, we helped connect over 300 victims and survivors of conflict with the regional Truth and Reconciliation Commission, ensuring the reconciliation process is victim-centred. In the Philippines, we've seen leaders from our long-term partner organisations gaining positions in the Bangsamoro government, allowing them to connect marginalised groups to the ongoing political transition in the region.

Our work has also built connections between local security officials and communities. In the Central African Republic, our innovative new Decentralised Dialogue process enabled previously marginalised communities to discuss concerns with the police and provincial authorities. Elsewhere our work has improved trust between security agencies and local communities in the cross-border regions of Burkina Faso, Côte d'Ivoire and Ghana.

Through Women's Dialogue Spaces in Ethiopia's SRS, we're helping build strong cross-political relationships, bringing together aspiring and seasoned women in politics to learn from each other and jointly advocate for women's participation in politics.

Across all regions in which we work, we've continued to accompany local peacebuilding networks, supporting new networks in the Philippines and the Pacific and maintaining spaces for inclusive dialogue in Kashmir.

**GOAL 3. INCLUSION, GENDER AND INFLUENCE
EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE**

Understanding how gender impacts conflict dynamics is vital for sustainable peace and in 2022 we developed a new strategy to ensure gender is central to all of our work. Taking an intersectional approach, we consider the way that gender, age, ethnicity and other identity factors impact how people experience conflict and the opportunities they have to shape peace.

This goes beyond our own work - we continue to influence international thinking and practice on gender and peacebuilding. This year, we helped establish the Women, Peace and Security Helpdesk, providing analysis and expertise on gender and Women, Peace and Security (WPS) to UK government teams, as well as inputting into the UK's new National Action Plan on WPS. We ran training on gender and conflict sensitivity with various teams in European Union (EU) institutions and our Pacific team has engaged with the EU on the topic of masculinities and peacebuilding in the region.

Inclusion is central to our work across all geographies and we aim to ensure that marginalised groups have opportunities to shape peace. In Nigeria, we've worked with our partners to ensure women and young people are represented in peace networks and coalitions, and in the Philippines we've supported indigenous communities to share their experiences on issues such as climate change and conflict, with regional leaders. The impacts of climate change have also been at the forefront of our work in Fiji, and a conference we held with our partners allowed communities affected by climate change relocation to voice their concerns to the government.

Civil society organisations play a key role in championing and enabling an inclusive peace. In the SRS our work with partners has helped transform the way civil society engages with the government, with the regional parliament adopting a new law to protect civic space in the region.

We're also bringing people from diverse professions into the peacebuilding sphere, combining our knowledge and experience for a common goal. For example in the South Caucasus and the Central African Republic, we've worked with psycho-social health specialists and youth platforms, whilst in Kashmir we're working with environmentalists and agricultural leaders. In the Central African Republic, we also worked with a team of gender consultants to contextualise our approach to gender and develop a joint training and analysis package on this. We hosted two events with the Swiss Embassy in London. The first brought together mental health and peace practitioners to explore how psychology can impact and enhance peace mediation practice, whilst the second was a discussion with digital sector experts on the role of digital platforms in conflict, and their potential for peacebuilding.

GOAL 4. PEOPLE CENTRED POLICY

INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST

We encourage national and international policies to be people-centred, putting the needs and agency of people at the heart of peacebuilding and conflict prevention. We advocate for policies, regulations and funding which enable long-term, adaptive and creative approaches to peace.

Our in-depth research and analysis allows us to understand and share what works in peacebuilding. This year, we produced a new Accord Spotlight on implementing peace accords sustainably, and as part of a global research programme, we're analysing the impact of climate change on conflict in the border regions in central and west Africa to inform peacebuilding responses.

Understanding the links between the climate crisis and conflict has been a priority in many of the contexts in which we work, and we piloted exciting new research on the role gender plays in this complex system, looking specifically at Uganda, Kashmir and the Philippines. We shared what we're learning with UK policymakers through training courses, and events including a public discussion hosted by BBC Climate Editor, Justin Rowlatt, and a roundtable with HRH The Countess of Wessex.

Our context-specific expertise has also enabled us to advise on national policy in the places in which we work. In the Central African Republic, we were approached by a government Minister to provide support to a national-level dialogue programme, and in Fiji we've been engaged with the government Ministry working on climate change relocation. Our analysis of the impact of Russia's invasion of Ukraine on the South Caucasus region is helping inform thinking on the wider implications of the conflict.

We continued to influence high-level UK, EU and international policy on peace and security. In the wake of Russia's invasion of Ukraine and the imposition of wide-ranging sanctions on Russia, our work through the Tri-Sector Group helped to ensure that humanitarian and peacebuilding support to Ukraine could continue. Our coordination of advocacy on UK counter-terrorism laws and sanctions has also led to the issuing of guidance and protections for humanitarian, peacebuilding and development work.

Publications and Other Resources Produced in 2022

We produced 22 multimedia products and publications, which were viewed or downloaded 14,598 times.

Multimedia

[Climate change and peacebuilding](#)

[Climate, conflict and peace](#)

[The Climate Crisis, Conflict and Peace event](#)

[Slideshow: Disability and conflict](#)

[Slideshow: Integrating gender into the DNA of peacebuilding](#)

[Paris Peace Forum project scale-up announcement](#)

[#SeeTheHuman Event 1: In conversation with Yalda Hakim and Emma Leslie](#)

[#SeeTheHuman Event 2: In conversation with Betty Bigombe and Janine di Giovanni](#)

[Slideshow: Six lessons on engaging diverse youth in peacebuilding](#)

[Slideshow: Steps to peace](#)

[Steps to peace challenge: Hiking the Line of Control](#)

[What does 'futures thinking' mean for peacebuilding?](#)

Publications

[Annual Review 2021](#)

[Conflict challenges and opportunities for building peace in Hela province, Papua New Guinea](#)

[Implementing peace accords sustainably: alternative avenues to bypass blockages and mitigate resistance](#)

[Looking forward: connecting futures thinking, reconciliation and mediation](#)

[Make peace possible](#)

[Peacebuilding Approaches to Climate Change in Fijian Communities](#)

[Prospects for Dialogue: Community Perspectives from Armenia](#)

[Scoping for dialogue: Mapping Armenian constituencies and issues](#)

[Towards peaceful and plural politics in Afghanistan](#)

[Under the Pall of War](#)

Financial Review

2022 was the first of two planned investment years, reducing reserves and building organisational capacity.

Three Programme Departments and the Research, Policy and Advisory Department were delegated increased financial autonomy, passing more flexible funding and more decision making to our peacebuilding departments. We have also cautiously expanded or shifted small amounts of programmes and support work to our global offices, a process that we anticipate will continue gradually in the coming years as we continue to develop our strategies related to decolonisation and localisation.

We initiated registration of a regional/branch office in Kenya to assist and oversee our slightly expanded operations in Jigjiga, Ethiopia and Bangui, Central Africa Republic. The Africa Department will continue to require significant investment.

The Statement of Financial Activities shows a net deficit of £633,986 (2021 surplus of £54,197) for the year and total funds available stand at £1,195,009 (2021 - £1,836,763). We undertook a planned 'spending down' of reserves in 2022 to move towards our reserves ceiling, fund the continued embedding of our Departmental structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

With this planned investment and necessary reserves reduction in 2022 and 2023, we believe the organisation is in a reasonable position to pursue sustainable finances and a return to a small surplus in 2024.

Income recognised in 2022 was £9,863,817 compared to total income of £10,786,525 in 2021.

The level of deferred income balances as at the end of 2022 reduced to £2,793,298. (2022 - £2,896,650); see note 15. A contract by contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The evolving and welcome focus on safeguarding, keeping staff and people we interact with safe, alongside evolving regulatory requirements such as the development of the UK's sanctions regime and Ukraine related sanctions and funding re-alignment, will all require continued attention and increased financial resources in the years ahead due to the nature and location of our work.

Conciliation Resources continues to plan, adapt and adjust to changing and emerging trends through our Fundraising Strategy which now incorporates an increased focus on commercial contracting and attention to cost recovery.

Despite reductions, we are fortunate to have the support of the Swedish International Development Cooperation Agency (Sida) for the period 2020 - 2023. This continues the longstanding and much valued relationship between our two organisations.

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions. In 2022, the finance team, under the direction of the Finance Director, continued to embed a new financial accounting system introduced in 2021.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every quarter, as part of the budget reforecasting process, the Finance Team meets with all teams to discuss the respective changes in planned activities that may impact the annual finances or cashflow. In 2022, these meetings included cautious estimates regarding the impact of potential funding reductions due to changing donor priorities. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources holds accounts in six main currencies; Australian dollar, Euro, US dollar, Ethiopian Birr, Central African Francs and Pound Sterling. In 2022, we also held accounts in Swedish Krona.

Exchange rate risk is considered at a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Finance Director, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD and Australian Dollars.

Principal Funding Sources

The principal funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

Investment Powers and Policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to use all anticipated income. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount was set at £756,000 in 2022 in accordance with the Reserves Policy.

In addition to the reserves, the organisation also retains an operational contingency. The amount of this contingency was £220,687 as at the end of 2022, after adjusting for the net book value of our fixed assets.

The total unrestricted funds balance at the end of the year under review was £1,195,009. Of the total reserves held at the end of the year, £218,322 was in fixed assets. Consequently, the charity had free reserves of £976,687 at the year end. We will undertake a second year of 'spending down' of reserves in 2023 to reach our reserves ceiling, fund the continued embedding of this new structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide office locations with increased direct financial management responsibility.

Plans for the Future

In early 2023, the peacebuilding sector is needed more than ever yet faces significant challenges. Despite changing political and donor dynamics, particularly as a result of the war in Ukraine, the Trustees are pleased with the third year of the 2020-2025 Strategic Plan and the 2020-2025 Operational Plan. We are having a positive impact and we see a continued need for our work and for our peacebuilding approach. We believe that our message is continuing to gain traction.

Continuity and long term partnership are necessary elements of good peacebuilding. As seen from 2021 to 2022, we will not be seeking significant growth of the overall operational budget or staff body in the next few years. Instead we will be seeking to maintain our ongoing high quality work, improve our systems and processes and to develop our internal workflows, financial model and international office structure across Africa and SouthEast Asia and the Pacific in particular.

We were aware that a reduction in direct unrestricted funding, alongside continued donor hesitancy to cover support costs, would challenge the premises of our financial model. With the reduction in funding from Sida and uncertainty regarding levels of unrestricted funding in the coming years, we are shifting away from low return efforts at diversification and towards a full cost recovery model and the ability to tender or subcontract for more commercial and restricted funding to provide risk spreading through multiple institutional support for programmes.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities' SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditor

In accordance with company law, the Company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

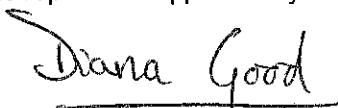
Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board.

The trustees have agreed to re-appoint the auditors to undertake the 2022 Year End audit and Haysmacintyre LLP has indicated its willingness to continue in office.

Approval

This report was approved by the Board of Directors and Trustees on 30 May 2022 and signed on its behalf.



Diana Good
Director and Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or

- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, with a focus on recognition of grant income at the year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 13 June 2023

10 Queen Street Place
London
EC4R 1AG

CONCILIATION RESOURCES

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and core funding	2	1,730,088	-	1,730,088	1,792,043
Charitable activities	3	44,278	8,081,808	8,126,086	8,994,217
Investments	4	7,644	-	7,644	265
Total income		<u>1,782,010</u>	<u>8,081,808</u>	<u>9,863,818</u>	<u>10,786,525</u>
Expenditure on:					
Raising funds	5	329,015	-	329,015	214,928
Charitable activities	6	2,522,695	7,646,004	10,168,699	10,517,400
Total expenditure		<u>2,851,710</u>	<u>7,646,004</u>	<u>10,497,714</u>	<u>10,732,328</u>
Net (expenditure)/income		<u>(1,069,700)</u>	<u>435,804</u>	<u>(633,896)</u>	<u>54,197</u>
Transfers between funds	19	435,804	(435,804)	-	-
Foreign exchange (losses)/gains		(7,858)		(7,858)	(210,380)
Net movement in funds		<u>(641,754)</u>	<u>-</u>	<u>(641,754)</u>	<u>(156,183)</u>
Reconciliation of funds:					
Total funds brought forward		1,836,763	0	1,836,763	1,992,946
Total funds carried forward	19	<u>1,195,009</u>	<u>-</u>	<u>1,195,009</u>	<u>1,836,763</u>

The Statement of Financial Activities also complies with the requirement for an Income & Expenditure Account under the Companies Act 2006.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Full comparative figures for the year ended 31 December 2021 are shown in note 26.

The accompanying notes form part of these Financial Statements.

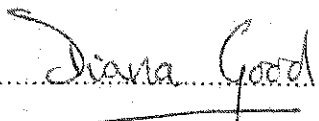
CONCILIATION RESOURCES

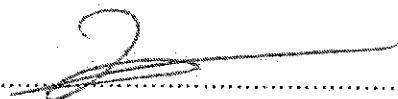
BALANCE SHEET AT 31 DECEMBER 2022

Company Registration No. 03196482

	Notes	£	2022	£	£	2021	£
Fixed assets							
Intangible fixed assets	12			159,469		191,425	
Tangible fixed assets	13			58,853		67,754	
				<u>218,322</u>		<u>259,179</u>	
Current assets							
Debtors	14	2,279,729			1,540,936		
Cash at bank and in hand		2,381,996			3,585,985		
		<u>4,661,725</u>			<u>5,126,921</u>		
Creditors: amounts falling due within one year	15	(3,587,781)			(3,453,423)		
Net current assets				1,073,944		1,673,498	
Provisions	18			(97,257)		(95,914)	
Total Net assets				<u>1,195,009</u>		<u>1,836,763</u>	
Charity Funds							
Unrestricted funds							
- General funds	19			1,195,009		1,836,763	
- Designated funds	19			-		-	
Restricted funds	19			-		-	
TOTAL FUNDS				<u>1,195,009</u>		<u>1,836,763</u>	

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ³⁰ May 2022 and were signed on its behalf by:

 D Good (Director and Chair of Trustees)

 T Hansen (Company Secretary)

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flow from operating activities	22	(1,174,675)	(1,659,712)
Net cash flow provided by operating activities		<u>(1,174,675)</u>	<u>(1,659,712)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(29,100)	(30,237)
Additions to intangible fixed assets		-	(219,963)
Dividend and interest receivable		7,644	265
Net cash (used in)/ provided by investing activities		<u>(21,456)</u>	<u>(249,935)</u>
(Decrease)/increase in cash and cash equivalents in the year		(1,196,131)	(1,909,647)
Cash and cash equivalents at the beginning of the year		3,585,985	5,706,012
Change in cash and cash equivalents due to exchange rate movements		(7,858)	(210,380)
Total cash and cash equivalents at year end		<u>2,381,996</u>	<u>3,585,985</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,381,996	3,585,985
Cash and cash equivalents at 31 December		<u>2,381,996</u>	<u>3,585,985</u>

The accompanying notes form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company Registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2022, Conciliation Resources has faced changes in the funding landscape resulting in some impact on our organisational development and support teams as well as the programme teams. At the same time, 2022 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2023 and 2024, as well as the satisfactory levels of cash and reserves which it holds. Hence, the directors have not identified any material uncertainty in the charity's ability to continue as a going concern. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income Recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

1. Accounting Policies (continued)**Volunteers and Donated Services and Facilities**

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

During 2022, the charity had no volunteers.

Expenditure Recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software	7 years
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Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

1. Accounting Policies (continued)**Debtors**

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 the settlement value.

Funds

Unrestricted general funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

1. Accounting Policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

2. Unrestricted Income from donations and grants

	Total 2022 £	Total 2021 £
Donations	12,190	15,315
Core funding	1,717,898	1,776,728
	<u>1,730,088</u>	<u>1,792,043</u>

Income from donations and core funding was £1,730,088 (2021-£1,792,043) all of which was attributable to unrestricted funds (2021 - all).

Core funding includes £1,717,398 (2021-£1,768,578) of government grants receivable in the year. These grants were awarded as follows:

	Total 2022 £	Total 2021 £
Federal Department of Foreign Affairs, Switzerland	-	166,900
Swedish International Development Co-operation Agency (SIDA)	1,602,420	1,501,745
Irish Aid	114,978	99,933
	<u>1,717,398</u>	<u>1,768,578</u>

100% (2021: 100%) of core funding is received from funders outside of the United Kingdom.

3. Income from charitable activities

	Total 2022 £	Total 2021 £
Project grant income	8,094,733	8,988,028
Other charitable income	20,712	6,189
High Net Worth Donors	10,641	-
	<u>8,126,086</u>	<u>8,994,217</u>

Income from charitable activities was £8,126,086 (2021- £8,994,217) of which £8,081,808 (2021- £8,972,618) was attributable to restricted funds and £44,278 (2021- £21,599) was attributable to unrestricted funds.

3. Income from charitable activities (continued)

Grant income includes £6,565,576 (2021-£8,090,099) of government grants receivable in the year. The government grants received are identified by a * below:

	Total 2022 £	Total 2021 £
Accord, Policy, Practice		
Joseph Rowntree Charitable Trust, UK	69,889	64,435
* Federal Department of Foreign Affairs, Switzerland	54,306	
Sasakawa Foundation	97,027	55,597
* Foreign Commonwealth Development Office, UK	481,625	74,889
Chemonics		70,977
Saferworld		150,115
International Idea	18,370	
Ecorys	17,885	
PeaceNexus	179	
United State Institute of peace	17,325	
	<u>756,606</u>	<u>416,013</u>
Caucasus		
* European Union	922,046	955,263
* Federal Department of Foreign Affairs, Switzerland	165,887	74,611
* UK's Conflict, Stability and Security Fund	258,662	338,271
COBERM	-	97,696
SwissPeace	29,325	42,509
Sigrid Rausing Trust	140,471	45,971
	<u>1,516,391</u>	<u>1,554,321</u>
West Africa		
National Endowment for Democracy, USA	74,544	13,969
* Foreign Commonwealth Development Office, UK	126,551	123,227
* Minister for Foreign Trade and Development, Netherlands	-	13,152
Robert Bosch Stiftung	139,932	
	<u>341,027</u>	<u>150,348</u>
East and Central Africa		
Zivik	274,841	24,511
DanChurch Aid	151,113	-
United Nations Development Programme	200,227	-
	<u>626,181</u>	<u>24,511</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

3. Income from charitable activities (continued)

	Total 2022 £	Total 2021 £
Horn of Africa		
* Federal Minister for Foreign Affairs, Germany	371,212	398,169
* Foreign Commonwealth Development Office, UK	768,358	499,330
* Irish Department for Foreign Affairs and Trade	1,090,990	496,276
	<u>2,230,560</u>	<u>1,393,775</u>
South Asia		
Ploughshares Fund	40,701	13,466
Allen & Nesta Ferguson	9,892	20,088
UNDP	-	30,797
Misereor	81,582	12,586
* European Union	-	199,947
* Swedish International Development Agency (SIDA)	279,548	367,628
	<u>411,723</u>	<u>644,512</u>
Pacific		
* Department of Foreign Affairs and Trade, Australia	220,008	374,260
* Ministry of Foreign Affairs	717,017	285,280
Misereor	119,307	142,858
* European Union	344,808	487,642
* United Nations Development Program (UNDP)	142,512	55,680
* German Foreign Office	290,496	168,480
	<u>1,834,148</u>	<u>1,514,200</u>
Philippines and Colombia		
* European Union	-	33,581
* Foreign Commonwealth Development Office, UK	99,773	96,944
* Department of Foreign Affairs and Trade, Australia	6,017	
	<u>105,790</u>	<u>130,525</u>
Cross Regional Project		
* Foreign Commonwealth Development Office, UK	31,451	3,016,314
* UN Women	-	128,099
Saferworld	33,622	
* SIDA	150,100	
* United Nations Development Programme	44,209	
	<u>259,382</u>	<u>3,144,413</u>
Total grants	<u>8,081,808</u>	<u>8,972,618</u>

76% (2021-52%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

4. Income from investments

	Total 2022 £	Total 2021 £
Bank interest	7,644	265

Income from investments was £7,644 (2021-£265) of which all (2021 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	Total 2022 £	Total 2021 £
Salaries and staff costs	193,530	160,006
Direct costs	66,458	14,140
Support costs	69,027	40,782
	<u>329,015</u>	<u>214,928</u>

All £329,015 (2021-£214,928) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

6. Analysis of expenditure on charitable activities

	Salaries and Staff costs	Direct costs	Support costs	2022
	£	£	£	£
Accord, Policy, Practice	564,832	307,330	231,561	1,103,723
Caucasus	290,476	1,031,866	351,085	1,673,427
West Africa	131,356	180,609	82,827	394,792
East and Central Africa	247,954	410,926	174,934	833,814
Horn of Africa	306,178	1,729,247	540,409	2,575,834
South Asia	216,408	338,795	147,408	702,611
Pacific	942,422	816,973	467,123	2,226,518
Philippines and Columbia	23,698	60,795	22,433	106,926
Cross Regional Project	736	4,253	1,325	6,314
Africa Department	88,362	83,229	45,558	217,149
Europe Asia Department	234,664	24,199	68,728	327,591
Total	3,047,086	4,988,222	2,133,391	10,168,699

£7,646,004 (2021-£8,289,837) of the above costs were attributable to restricted funds and £2,522,695 (2021-£2,227,563) of the above costs were attributable to unrestricted funds.

	Salaries and Staff costs	Direct costs	Support costs	2021
	£	£	£	£
Accord, Policy, Practice	511,994	181,621	162,434	856,049
Caucasus	255,476	1,080,457	312,854	1,648,787
West Africa	124,159	215,545	79,554	419,258
East and Central Africa	186,994	207,664	92,423	487,081
Horn of Africa	191,838	787,915	229,443	1,209,196
South Asia	195,649	455,265	152,434	803,348
Pacific	687,050	499,471	277,864	1,464,385
Philippines and Columbia	41,570	276,518	74,491	392,579
Cross Regional Project	106,803	2,200,955	540,441	2,848,199
Africa Department	126,292	13,009	32,622	171,923
Europe Asia Department	173,257	2,240	41,098	216,595
Total	2,601,082	5,920,660	1,995,658	10,517,400

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

7. Allocation of support costs

	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2022
Costs of raising funds	£ 38,007	£ 16,123	£ 1,836	£ 6,699	£ 3,477	£ 2,885	£ 69,027
Accord, Policy, Practice	127,499	54,087	6,158	22,472	11,666	9,679	231,561
Caucasus	193,309	82,004	9,338	34,072	17,687	14,675	351,085
West Africa	45,605	19,346	2,203	8,038	4,173	3,462	82,827
East and Central Africa	96,320	40,860	4,653	16,976	8,813	7,312	174,934
Horn of Africa	297,552	126,225	14,374	52,445	27,225	22,588	540,409
South Asia	81,163	34,431	3,921	14,305	7,426	6,162	147,408
Pacific	257,200	109,108	12,424	45,333	23,533	19,525	467,123
Philippines and Columbia	12,352	5,240	597	2,177	1,130	938	22,434
Cross Regional Project	729	309	35	129	67	1,946	3,215
Africa Department	25,084	10,641	1,212	4,421	2,295	2,866	46,519
Europe Asia Department	37,842	16,053	1,828	6,670	3,462	21	65,876
Total	1,212,662	514,427	58,579	213,737	110,954	92,059	2,202,418

Support costs are allocated in accordance with the accounting policy on page 23.

2021 Comparative Information	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2021
Costs of raising funds	£ 24,363	£ 7,024	£ 1,281	£ 4,681	£ 636	£ 2,797	£ 40,782
Accord, Policy, Practice	97,037	27,978	5,102	18,643	2,533	11,141	162,434
Caucasus	186,897	53,887	9,826	35,907	4,878	21,459	312,854
West Africa	47,525	13,703	2,499	9,130	1,240	5,457	79,554
East and Central Africa	55,213	15,919	2,902	10,608	1,441	6,340	92,423
Horn of Africa	137,068	39,520	7,206	26,334	3,578	15,737	229,443
South Asia	91,063	26,256	4,788	17,495	2,377	10,455	152,434
Pacific	165,994	47,861	8,727	31,891	4,333	19,058	277,864
Philippines and Columbia	44,501	12,830	2,340	8,549	1,162	5,109	74,491
Cross Regional Project	322,856	93,087	16,974	62,027	8,427	37,070	540,441
Africa Department	19,488	5,619	1,024	3,744	509	2,238	32,622
Europe Asia Department	24,552	7,079	1,291	4,717	641	2,818	41,098
Total	1,216,557	350,763	63,960	233,726	31,755	139,679	2,036,440

8. Governance costs

	2022 £	2021 £
Board costs	5,691	847
Auditors' remuneration (UK)	15,750	12,500
Auditors' remuneration (Ethiopia)	5,000	5,000
Auditors' remuneration (Australia)	7,421	-
Legal, professional fees and other support costs	77,092	13,408
	<u>110,954</u>	<u>31,755</u>

9. Net income for the year

The net income is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	38,001	43,544
Amortisation of intangible fixed assets	31,956	31,956
Operating lease rentals	155,000	155,000
Audit's remuneration – Statutory audit (current auditor)	15,750	12,500
Statutory audit (Ethiopia)	5,000	5,000
Statutory audit (Australia)	7,421	-
Grant audits	40,136	54,600
Foreign Exchange Translation Gains/(Losses)	<u>(7,858)</u>	<u>(210,380)</u>

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £5,691 (2021-£847) were paid on behalf of six (2021-three) trustees.

The number of key management personnel in the year was seven (2021-seven). The total amount of employee benefits received by key management personnel during the year was £637,286 (2021-£600,668). The Charity considers its key management personnel to be the Executive Management Team.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

11. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	2022 £	2021 £
Employee salaries	2,589,399	2,620,644
Social security	300,186	281,538
Defined contribution pension costs	237,840	235,013
	<u>3,127,425</u>	<u>3,137,195</u>
Termination payment	-	17,496
	<u>3,127,425</u>	<u>3,154,691</u>

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	2022	2021
£80,001 to £90,000	4	1
£70,001 to £80,000	1	3
£60,000 to £70,000	11	4

During the year the charity paid £98,206 (2021-£51,469) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2022 Number	2022 FTE	2021 Number	2021 FTE
Executive Management Team	9.1	9.1	8.9	8.9
Accord, Policy, Practice	9.1	8.7	8.6	8.1
Africa Department	1.8	1.8	2.0	2.0
Caucasus	4.9	4.9	4.5	4.5
West Africa	5.2	5.2	2.0	2.0
East and Central Africa	2.1	1.9	4.0	4.0
Europe Asia Department	6.9	6.9	2.8	2.6
Horn of Africa	2.0	2.0	4.4	4.4
South Asia	4.0	4.0	3.4	3.4
Pacific	7.5	7.5	4.7	4.3
Philippines and Columbia	1.7	1.7	2.0	2.0
South East Asia Department	6.6	6.0	6.8	6.8
Cross Regional Project	1.0	1.0	1.6	1.6
Administrative, financial management and fundraising support	20.3	19.1	20.2	18.9
Total	<u>82.2</u>	<u>79.8</u>	<u>75.9</u>	<u>73.5</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

12. Intangible fixed assets

	Computer Software £
Cost	
Balance as at 1 January 2022	297,196
Additions in the year	-
At 31 December 2022	297,196
Amortisation	
Balance as at 1 January 2022	105,771
Charge for the year	31,956
At 31 December 2022	137,727
Net book value	
As at 31 December 2022	159,469
As at 31 December 2021	191,425

13. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
Balance as at 1 January 2022	316,564	186,263	54,287	557,114
Additions	-	29,100	-	29,100
Disposals	-	(23,025)	-	(23,025)
At 31 December 2022	316,564	192,338	54,287	563,189
Depreciation				
Balance as at 1 January 2022	297,478	140,248	51,634	489,360
Charge for the year	8,702	27,002	2,297	38,001
Depreciations on Disposals	-	(23,025)	-	(23,025)
At 31 December 2022	306,180	144,225	53,931	504,336
Net book value				
As at 31 December 2022	10,384	48,113	356	58,853
As at 31 December 2021	19,086	46,015	2,653	67,754

14. Debtors

	2022 £	2021 £
Grants receivable	1,364,925	546,434
Other debtors	35,046	241,532
Prepayments and accrued income	401,788	223,013
Grants accrued	477,970	529,957
	2,279,729	1,540,936

Other debtors includes a rent deposit of £32,500 (2021 - £32,500) which is receivable in more than one year.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

15. Creditors: Amounts Falling Due Within One Year

	2022 £	2021 £
Trade creditors	301,694	99,121
Social security and other taxes	144,499	141,050
Other creditors	225,312	196,982
Accruals	122,978	119,620
Deferred income (Note 16)	2,793,298	2,896,650
	<u>3,587,781</u>	<u>3,453,423</u>

16. Deferred income

	2022 £	2021 £
Balance as at 1 January	2,896,650	3,848,330
Amount released to income in the year	(2,896,650)	(3,848,330)
Amount deferred in the year	2,793,298	2,896,650
	<u>2,793,298</u>	<u>2,896,650</u>

	2022 £	2021 £
UK Foreign & Commonwealth Office	72,456	27,825
Swedish International Development Co-operation Agency (SIDA)	103,091	112,208
Irish Aid	561,039	772,643
Conflict, Stability and Security Fund		51,943
European Union	1,092,233	684,783
Department of Foreign Affairs & Trade (Australia)	82,384	143,635
Misereor	6,030	7,127
National Endowment for Democracy, USA	-	18,809
Federal Department of Foreign Affairs, Switzerland	48,884	83,111
Joseph Rowntree Charitable Trust	12,248	29,806
Ploughshares		40,386
Minister for Foreign Trade and Development, Netherlands	272,352	531,644
Sasakawa Foundation	50,499	5,055
Federal Minister for Foreign Affairs Germany	79,624	44,466
Alan & Nesta Ferguson Charitable Trust	-	9,913
UN (Women & DP)	143,637	168,537
Sigrid Rausing	159,529	150,522
Zivik	-	1,387
Saferworld	-	1,469
Chemonics	-	9,234
International Idea	-	2,147
DanChurch Aid	40,808	-
PeaceNexus	8,501	-
United States Institute of Peace	1,965	-
Robert Bosch Stiftung	58,018	-
	<u>2,793,298</u>	<u>2,896,650</u>

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	156,947	165,543
Later than one and not later than five years	38,750	193,750
	<u>195,697</u>	<u>359,293</u>

18. Provisions for liabilities

	2022 £	2021 £
Balance as at 1 January	95,914	94,590
Additions during the year	1,343	1,324
Balance as at 31 December	<u>97,257</u>	<u>95,914</u>

The provision relates to the dilapidations expense expected for the London office lease.

Charges to the Statement of Financial Activities resulting from provisions during the year amount to £1,343 (2021-£1,324) of which all (2021 - all) was attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

19. Fund reconciliation 2022

	Balance as at 01.01.22 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.22 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	756,606	(728,085)	(28,521)	-
Caucasus	-	1,516,391	(1,462,240)	(54,151)	-
West Africa	-	341,027	(309,368)	(31,659)	-
East and Central Africa	-	626,181	(574,808)	(51,373)	-
Horn of Africa	-	2,230,560	(2,110,071)	(120,489)	-
South Asia	-	411,723	(411,717)	(6)	-
Pacific	-	1,834,148	(1,725,739)	(108,409)	-
Philippines and Columbia	-	105,790	(96,471)	(9,319)	-
Cross Regional Project	-	259,382	(227,505)	(31,877)	-
Total Restricted Funds	-	8,081,808	(7,646,004)	(435,804)	-
Total Unrestricted Funds	1,836,763	1,782,010	(2,851,710)	427,946	1,195,009
Total Funds	1,836,763	9,863,818	(10,497,714)	(7,858)	1,195,009

Fund reconciliation 2021	Balance as at 01.01.21 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.21 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	416,013	(392,291)	(23,722)	-
Caucasus	-	1,554,322	(1,507,667)	(46,655)	-
West Africa	-	150,348	(122,678)	(27,670)	-
East and Central Africa	-	24,511	(22,224)	(2,287)	-
Horn of Africa	-	1,393,774	(1,238,955)	(154,819)	-
South Asia	-	644,512	(609,192)	(35,320)	-
Pacific	-	1,644,725	(1,492,038)	(152,687)	-
Philippines and Columbia	-	-	-	-	-
Cross Regional Project	-	3,144,413	(2,904,792)	(239,621)	-
Total Restricted Funds	-	8,972,618	(8,289,837)	(682,781)	-
Designated Funds:					
Staff contingency fund	53,368	-	-	(53,368)	-
General Funds	1,939,578	1,813,907	(2,442,491)	525,769	1,836,763
Total Unrestricted Funds	1,992,946	1,813,907	(2,442,491)	472,401	1,836,763
Total Funds	1,992,946	10,786,525	(10,732,328)	(210,380)	1,836,763

19. Fund reconciliation 2022 (continued)

Purposes of Restricted Funds:

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by the charity are used to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Accord, Policy and Practice team to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Transfers between funds:

In 2022, a transfer was made from restricted to unrestricted funds in respect of Indirect Cost Recovery (ICR) for funded projects during the financial year.

20. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Fixed assets	218,322	-	-	218,322
Cash	2,381,996	-	-	2,381,996
Other current assets/liabilities	(1,308,052)	-	-	(1,308,052)
Provisions	(97,257)	-	-	(97,257)
	<u>1,195,009</u>	<u>-</u>	<u>-</u>	<u>1,195,009</u>

Analysis of net assets between funds-2021 comparative

	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
Fixed assets	259,179	-	-	259,179
Cash	3,585,985	-	-	3,585,985
Other current assets/liabilities	(1,912,487)	-	-	(1,912,487)
Provisions	(95,914)	-	-	(95,914)
	<u>1,836,763</u>	<u>-</u>	<u>-</u>	<u>1,836,763</u>

21. Analysis of changes in net funds

	At start of year	Cash- Flows	Foreign exchange movements	Other non- cash changes	At end of year
	£	£	£	£	£
Cash	3,585,985	(1,196,131)	(7,858)	-	2,381,996

As at 31 December 2022, Conciliation Resources had no net debt.

22. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year	(641,754)	(156,183)
Interest receivable	(7,644)	(265)
Depreciation of tangible fixed assets	38,001	43,544
Amortisation of intangible fixed assets	31,956	31,956
(Increase)/decrease in debtors	(738,793)	(370,244)
Increase/(decrease) in creditors and provisions	135,701	(1,418,900)
Unrealised exchange rate gains/(loss) on cash and cash equivalents	7,858	210,380
Net cash flow from operating activities	(1,174,675)	(1,659,712)

23. Pensions and other post-retirement benefits**Defined contribution pension plans**

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £237,840 (2021- £235,013).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

There were no related party transactions during 2022 (2021: None).

25. Financial Instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Comparative Statement of Financial Activities (2021)

	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:			
Donations and legacies	1,792,043	-	1,792,043
Charitable activities	21,599	8,972,618	8,994,217
Investments	265	-	265
Total income	<u>1,813,907</u>	<u>8,972,618</u>	<u>10,786,525</u>
Expenditure on:			
Raising funds	214,928	-	214,928
Charitable activities	2,227,563	8,289,837	10,517,400
Total expenditure	<u>2,442,491</u>	<u>8,289,837</u>	<u>10,732,328</u>
Net income/(expenditure)	<u>(628,584)</u>	<u>682,781</u>	<u>54,197</u>
Transfers between funds	682,781	(682,781)	-
Foreign exchange gains/(losses)	(210,380)	-	(210,380)
Net movement in funds	<u>(156,183)</u>	<u>-</u>	<u>(156,183)</u>
Reconciliation of funds:			
Total funds brought forward	<u>1,992,946</u>	<u>-</u>	<u>1,992,946</u>
Total funds carried forward	<u><u>1,836,763</u></u>	<u><u>-</u></u>	<u><u>1,836,763</u></u>

CONCILIATION RESOURCES

England & Wales - Charity number 1055436

Accounts

CONCILIATION RESOURCES

**DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

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CONCILIATION RESOURCES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2021

Directors and Trustees

Ms D Good (Chair – from 23 February 2021)
Mr A Peck (Treasurer)
Ms T Bajwa
Ms C Cheng (appointed 19 April 2021)
Mr D Donoghue (Chair - resigned 23 February 2021)
Mr G Graham
Ms N Hatendi (appointed 19 April 2021)
Ms D Hutter (appointed 19 April 2021)
Mr J Jinnah (appointed 19 April 2021)
Ms J Kemp
Mr R Marsden (resigned 16 November 2021)
Ms L Muir (appointed 19 April 2021)
Ms M Parlevliet - resigned 23 February 2021
Ms L Moore (appointed 19 April 2021)
Mr M van Bellinghen - resigned 23 February 2021

Company Secretary

Mr T Hansen

Executive Management Team

Mr J Cohen - Executive Director
Mr T Hansen - Chief Operating Officer
Dr T Dumasy - Research, Advisory and Policy Department Director
Ms L Aumeer - Europe-Asia Department Director (Member of EMT from 1 March 2021)
Mr C O'Toole - South East Asia and Pacific Programme Director (Member of EMT from 1 March 2021)
Mr A Abdi - Africa Department Director (Member of EMT from 1 March 2021)
Mr M Baah - Finance Director (Member of EMT from 1 March 2021)
Dr K Tomlinson – Director of Programmes (resigned 29 January 2021)

UK Company Number 03196482

UK Charity Number 1055436

UK VAT Number 249002623

Registered Office Burghley Yard
106 Burghley Road
London NW5 1AL

Auditor Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Bankers Royal Bank of Scotland
40 Islington High Street
London N1 8XJ

COIF Charity Deposit Funds
80 Cheapside
London EC2V 6DZ

The Directors, who are the Trustees of the charitable company, present their report and audited accounts of the charity for the year ended 31 December 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9 May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Board

Conciliation Resources is governed by a Board of Trustees that meets four to six times a year. During 2021, all meetings were held online. The consequent reduction in staff and Board interaction was mitigated by both 'breakout' rooms online for trustees to speak to staff before each Board meeting and an increase in Board Committee activity. In-person Board and staff contact has increased in 2022 through travel and increased office use. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. The coronavirus pandemic, risk management and safeguarding were central topics during all meetings in 2021. Alongside 'day to day' governance, during the year the Board oversaw:

- Finalisation of a departmental restructure to improve support to teams and internal resource sharing
- A complete Risk Register and incident review
- Internal learning and development followed by the articulation of an Anti-Racism Plan
- A Strategic Processes review, at the midpoint of our five year Strategic Plan.
- A review of Fundraising diversification
- The creation of both a combined Board and staff Diversity and Inclusion Committee and a Board Remuneration Committee (which reviews EMT salaries), to work alongside the existing Risk and Audit Committee, Safeguarding Committee and Remuneration Committee
- Registration of an entity in Australia and further growth of the team in that region.
- A review and 're-launch' of safeguarding efforts as 'Keeping People Safe'
- An assessment of the peacebuilding, funding and partnership needs within the Africa Department

Executive Management Team

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific) and the Finance Director.

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their job descriptions or on an ad hoc basis. Further details of EMT workings are defined in EMT Terms of Reference.

In 2021, the EMT undertook a series of externally guided learning and development sessions regarding institutional racism and its prevalence in our society and in our sector. Alongside staff consultation, these sessions fed into the development of our Anti-Racism Plan. Our vision is an organisation in which all colleagues feel respected and are enabled to contribute their full potential to our peacebuilding mission. Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in both our external work and in how we operate internally, with an awareness that all decision making must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

Organisation (continued)**Senior Leadership Team**

The EMT is supported by a Senior Leadership Team (SLT) made up of senior staff from across Conciliation Resources. This group meets every two months and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two way function as SLT members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of SLT workings are defined in SLT ToRs, which are currently under review to ensure the best mix of representation and function with our current scale and global spread of staff.

The restructure into three Programme Departments was initiated in 2020 and finalised in early 2021 after considerable internal and external consultation beginning in 2018. The changes required to move to this setup involved almost 30 internal recruitments and several additional posts, with no redundancies.

Global Locations and Staff

With around 85 staff globally, a small increase on 2020, we are primarily based in London, with staff also in Australia, Central African Republic, the Philippines and Ethiopia. These offices are set up in order to ensure awareness of, and compliance with, local laws and regulations as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

We also have a close connection with Conciliation Resources EU, an organisation registered in Germany with staff in Belgium. Conciliation Resources EU is the face of Conciliation Resources in Brussels to the European institutions and EU Member States. Our Brussels team focuses on providing mediation support expertise and policy advice on specific thematic and geographic peacebuilding priorities.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, with reference to the grading and salary structure applied to all Conciliation Resources staff.

Recruitment and Appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. A vice-chair is also informally appointed. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

After a skills audit and following the departure of several long serving trustees, six Trustees, Mr J Jinnah, Ms L Muir, Ms D Hutter, Ms L Moore, Ms C Cheng and Ms N Hatendi were appointed in 2021. The Trustees in office and up to the date of this report are set out on page 2. In 2021, the Risk and Audit Committee, which consists of four Trustees, the Finance Director and the Chief Operating Officer / Company Secretary, oversaw the annual statutory audit process and supported the monitoring and updating of the organisational Risk Register. Two trustees acted as designated Safeguarding Trustees as part of the Safeguarding Committee, meeting with the Chief Operating Officer / Company Secretary and International Safety and Compliance Manager at least once a month. The Board and Staff Diversity and Inclusion Committee consists of four Trustees and four staff, including the Chair and Executive Director. The Remuneration Committee consists of the Chair, the chairs of the sub committees and the treasurer.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work. Thorough evaluations of the Chair and other Trustees, as well as internal board effectiveness analysis was undertaken at the beginning of 2022.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources' ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared. During 2021, this was supplemented by staff and trustee 'breakout sessions' online without executive management present, to ensure direct access of staff to the Board.

Related Parties and Collaborations

Conciliation Resources has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. We currently work with over 60 partners globally.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the Trustees, are compiled in a Risk Register and reviewed at least bi-annually or more frequently as needed. An initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. The Risk Management Policy details the project and departmental approach to risk identification and management and the method for feeding that analysis into the organisational register.

Work environment

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence which incorporates safeguarding, complemented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line with laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines, Safety and Security Due Diligence and spot check processes, as well as hostile environment awareness training (HEAT). In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

Financial Risk

The external funding environment is increasingly challenging. We continue to see a general reduction in available peacebuilding funding, short termism of funding, commercialisation of grant making, increasing regulatory and compliance requirements, a push for localisation and increasing 'value for money' competition from humanitarian organisations and for-profit organisations. These trends are now compounded by pandemic impacted economies and diversion of government and private funding to immediate humanitarian and other needs related to the war in Ukraine. The risk that insufficient funds will be generated has been classified as high.

The Executive Management Team has undertaken some financial contingency planning. Under the new structure, Department Directors will be responsible for sufficient fundraising in line with the Financial Model and will be supported to pursue their fundraising plans by the rest of the organisation. We are planning to agree and implement more sustainable budgets in future years.

To mitigate financial risk and insecurity, as well as dependency on a small number of significant donors, we are aiming to have a broader donor base, both for the organisation as a whole and for each programme. We continue to seek long-term funding both institutionally and for individual programmes due to the criticality of continuous rather than ad-hoc support to peace processes. During 2021, outreach was undertaken to all European state donors, leading to several new funding relationships. Targeted outreach to Trusts and Foundations. In addition, investment in individual giving has led to some success that continues to be built on in 2022.

Financial Risk (continued)

We had two significant cuts to funding this year, by the Conflict, Stability and Security Fund (CSSF) and the Foreign, Commonwealth and Development Office (FCDO), both notified in April. These cuts fit into a broader developing reality of cuts for many NGOs as a result of the reduction of UK Government overseas development assistance funding from 0.7% to 0.5% of annual national income and broader dynamics within the CSSF and Department for International Development (DFID, now part of FCDO) funding streams. These two donors provide critical supporting funds for CR as an organisation and therefore these cuts have been met with active responses of cost reviews and strategic adjustments on our side. In total, UK funding made up nearly 50% of our funding in 2021 (noting that a large amount of that was 'Smart Peace' FCDO funding which did not continue into 2022).

Notwithstanding the cuts and challenges, CR has succeeded in winning new bids and also drawn on its deferred income pot to maintain appropriate levels of funding for its peacebuilding work.

We plan to manage the impact of unsuccessful bids, contract delivery challenges and cuts as described above through the quarterly re-forecast process.

Fundraising Activities

Conciliation Resources' approach to fundraising continues to evolve whilst remaining centred on institutional government funding. In 2021 we set targets for a small increase across a range of new income streams, ensuring that expectations are modest in line with the minimal investment and the challenging and competitive external environment. In 2021, we increased our reach and engagement across social media platforms, building on our bolder messaging and visual identity. Largely due to pandemic restrictions, we did not hold any in person fundraising events however a new 'human connection' video and an online #SeeTheHuman Campaign helped us reach new audiences.

80-85% of our income is project based. With the newly implemented Programme Department structure we intend to build on these established project donor relationships as well as undertake more proactive fundraising in donor capital cities and directly in the contexts where we work.

In 2021, our income was mainly derived from institutional donors, with small additional amounts from trusts and foundations and individuals. We did not work with professional fundraisers and donations from members of the public totalled less than 1% of income in 2021. We anticipate this may increase by 1-2% in coming years. Management and the fundraising team stay abreast of recognised public fundraising standards and we are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. In 2021, no complaints were received in relation to our fundraising activities.

Keeping People Safe

Safeguarding is a responsibility of the entire Board, with the Board's Safeguarding (Keeping People Safe) Committee leading on this area of work. The Committee is made up of the Chair of the Board and 2-3 Safeguarding Trustees, one of whom chairs the Committee. The Committee, which meets on a quarterly basis is supported by the Chief Operating Officer and the International Safety and Compliance Manager.

Safeguarding risks became exacerbated in 2021 due to Covid-19, as a result of the pandemic making vulnerable individuals more so and many organisations' resources being too stretched to abide by their normal safeguarding practices. The concerns raised at CR increased in 2021. All concerns raised have been investigated and responded to. We view this increase in reporting as a positive indication of engagement with our systems and processes. Travel increased gradually at the end of 2021 and at the start of 2022, allowing partners and participants to raise concerns in person.

We continue to develop our systems, processes and policies in this area including our Risk Management Policy, Keeping People Safe Policy, Safety and Security Policy and Programme Security Plans. Given the initial decreased presence of staff in context, a key focus for 2021 was training partners remotely wherever possible to do so.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Staff Wellbeing

In early 2022, the EMT decided to set up a People and Culture Team of four staff within the Core and Ops Department. The People and Culture Director will sit on the EMT and report to the Executive Director. This structure and added capacity will facilitate a renewed focus on wellbeing and additional focus on diversity, inclusion and anti-racism as well as shift of human resources practice to clearer global/local setup in line with staff locations.

Public Benefit Statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

Objectives and activities

Conciliation Resources is an independent international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we share what we learn from our work with partners to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

Our vision is a world where people work together to resolve conflicts and promote peaceful and inclusive societies.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of: "the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2025 Strategic Plan, we have developed and costed a five-year Operational Plan under the following headings, with goal leads allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2021

In 2021 we continued working towards our four strategic goals, to improve how peace is built.

**GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE
PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES**

2021 was another year that provided a host of challenges for peacebuilding in the various places in which we work. The COVID-19 pandemic impacted communities and travel globally, and new crises emerged in multiple locations. To respond, we worked with partners to adapt to changing circumstances and find incremental ways to build more peaceful societies.

Dialogue and mediation remained central to our work throughout the year. Supporting community-level mediation and dialogue processes, we successfully prepared community members to play leadership roles in resolving local conflicts. As a result, our work led to numerous examples of conflicting sides reaching compromise, for instance in Mindanao in the Philippines and Bougainville, Papua New Guinea.

In the Central African Republic (CAR), a district of Bossangoa where herders had once lived but had fled due to conflict, saw these pastoralists return following dialogue led by a local Mayor whom we supported. Likewise, on the back of a number of different interventions in northeast Nigeria, communities acknowledged their role in accepting people formerly associated with Boko Haram.

To help shape future prospects for peace in the South Caucasus, we continued to focus on initiatives to document and learn from the past in relation to the Georgian-Abkhaz conflict. In several places, we also brought people together across conflict divides both online and in person, sharing ideas from dialogue with the wider public and enabling more formal dialogue processes to continue. This included across the Line of Control in Jammu and Kashmir, and in the South Caucasus. While in the Somali Regional State of Ethiopia (SRS), we continued to support dialogue processes as well as connecting political parties to work together on a common agenda to reduce violence.

GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS**MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT**

This year our work focused on supporting, strengthening and connecting various peace processes and structures, to help those experiencing violent conflict find creative ways to address it. Convening meetings and spaces both online and in person, we sought to ensure people working on peace at different levels and with multiple perspectives, were sharing and learning from each other.

In all contexts, we worked within communities to build and strengthen peace networks and develop communities' understanding of peacebuilding approaches. In Bougainville, Papua New Guinea and in northeast Nigeria we supported diverse groups of young people and women to develop mediation knowledge, and lead peacebuilding initiatives. In Jammu and Kashmir we expanded networks of peacebuilders and groups working for peace, both within the respective sides and across the dividing Line of Control.

Community Security Working Groups in Mindanao, the Philippines, provided spaces for communities to interact with local government – strengthening trust and transparency and enabling practical solutions to be found for the issues people are facing. In CAR, we supported civil society to propose alternative approaches to dialogue, and both here and in Bougainville, we successfully demonstrated the effectiveness of community-led peacebuilding activities to decision-makers.

We connected community peacebuilding initiatives with national and regional processes to enable activities to be coherent and joined-up. Supporting local efforts in Afghanistan, we developed the skills of community members to engage in dialogue and advocate deescalation of local-level conflicts. In the SRS, linking a network of victims and survivors of the conflict, as well as other remote communities, to local and regional governments and political parties increased visibility for the network, and facilitated direct support from the President of the SRS.

In South Asia, publishing a report advocating the resumption of cross-Line of Control trade, we contributed to shaping a positive narrative for bilateral economic engagement between India and Pakistan and for promoting measures which build confidence between the sides. We also helped improve trust and collaboration between traders and the Kashmir Chamber of Commerce and Industry, despite an ongoing suspension of trade across the Line-of-Control.

Working with Women Mediators across the Commonwealth (WMC), we continued to promote the work of women mediators across the globe, and in particular provided direct support to members' ongoing practical mediation endeavours through the provision of small grants.

GOAL 3. INCLUSION, GENDER AND INFLUENCE**EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE**

A substantial focus of our work across all geographies in 2021 was ensuring greater inclusion in processes to build peace. Reaching out to groups who are often marginalised, we found ways to include them in initiatives that respond to the conflicts they are impacted by. Taking an intersectional approach to our work, we considered the way that issues such as gender, age and ethnicity relate to each other.

We helped diverse women to actively participate in peacebuilding, for example in Indian-administered Kashmir we made space for women from different backgrounds to take part in women-only dialogue groups. Taking these online meant we successfully brought new women into these conversations, such as those with disabilities. In the Philippines, indigenous leaders – including women – began playing leadership roles in building peace, including taking on formal local government roles. At the same time, the WMC Strategic Mediation Fund enabled women mediators in Cameroon to increase their visibility within communities, and work to bridge the intergenerational divide between women peacebuilders. In several countries, we worked to include persons with disabilities in peacebuilding, and we published research on this topic. In the Philippines, a woman we worked with was appointed chair of a municipal Persons with Disabilities Affairs Office.

Involving armed groups and former combatants is a crucial part of peacebuilding – in 2022 we engaged with and supported previous members of armed groups in a number of countries. In northeast Nigeria, we helped the reintegration of those formerly associated with Boko Haram back into their communities, taking account of the differing needs of men and women. In the Philippines, we provided practical support to enable former combatants to transition back to civilian life, and through our work in Ethiopia, we supported women ex-combatants to advocate for their needs.

GOAL 3. INCLUSION, GENDER AND INFLUENCE**EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE (continued)**

We continued to champion the integration of gender into peacebuilding, providing guidance to governments and other institutions, and promoting a gender-sensitive approach to conflict analysis. For example, in South Asia, we trained remotely UNDP Pakistan's local partners using our gender conflict analysis tool and facilitator's guide. We led research which explored how peacebuilders can better consider masculinities in their work, and addressed violence caused by toxic masculinity, for example, organising a regional exchange meeting for those in the Pacific working specifically with men and boys. With WMC, we helped increase the visibility of women mediators, publishing a report which examined the factors supporting women in mediation, and launching an independent website and database for WMC members.

We supported young people to grow in confidence and participate in dialogue and peace processes. We engaged with young people in the Georgian-Abkhaz context in the South Caucasus in work responding to COVID-19 and in recording oral histories, and we continued to connect, support and inspire youth in northeast Nigeria. Research we published focused on the views of diverse youth and young combatants in CAR, and as a result of trauma and resiliency training in Fiji, young people took the lead in organising activities to support their communities to deal with trauma.

GOAL 4. PEOPLE CENTRED POLICY**INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST**

Throughout 2021, we engaged with policy- and decision-makers in the UK, EU and in the countries in which we work, to promote approaches to addressing conflict which focus on the views and needs of the people affected. Undertaking research, and drawing lessons from our practical experience, we shared learning which helped advance the knowledge of what works and what doesn't in peacebuilding.

Exploring specific peacebuilding themes, we contributed to national and international debate on climate change and the impacts of this on conflicts in Fiji and the wider Pacific region. We published research on reconciliation and how it can help deal with the legacies of past conflict and shape the future, sharing knowledge with governments and peacebuilding practitioners. Our two substantive pieces of research on gender and masculinities informed the Swiss National Action Plan on Women Peace and Security. Leading the Smart Peace consortium, we shared lessons about innovation in peacebuilding and our latest Accord Spotlight provided expert guidance on developments in ceasefire support and monitoring as a key ingredient in transitions from war to peace.

We continued working collaboratively with the UK Government, NGOs and banks to counter the negative impact of counter-terrorism legislation and sanctions on peacebuilding and humanitarian work. Separately, we examined the issue of how best to finance and fund peacebuilding activities. We published media articles to promote conflict prevention and peacebuilding, and worked to influence the UK Government's Integrated Review of Security, Defence, Development and Foreign Policy, which included a commitment to conflict prevention. In the EU, we engaged with policymakers and collaborated with civil society organisations and networks, to amplify support for peacebuilding and mediation efforts as a first-response to violent conflict. We also contributed to debates on conflict topics including gender, peace and security, and climate change and peacebuilding.

Working to influence policies in the countries in which we work, we undertook a number of initiatives to connect with opinion-formers and decision-makers, and propose new ideas and thinking on how to respond to conflicts. For example, we increased our influence and visibility among those working to move CAR towards peace. Advocating increased inclusion and greater consideration of local dynamics in CAR's peace process, we published a number of reports, media articles and commentaries. In Nigeria, we helped bring the issue of the reintegration of those formerly associated with Boko Haram to the attention of key policymakers and international players.

Monitoring and Evaluation

Conciliation Resources utilises an Outcome Harvesting approach to measure and analyse the impact of its work. Outcome Harvesting brings together elements of 'outcome mapping' – which looks at changes in behaviour – and 'utilisation-focused evaluation', which aims to make evaluations as useful as possible for the intended users.

Outcome Harvesting collects evidence of what has changed (outcomes) and then works backwards to determine whether and how an intervention has contributed to these changes. Outcomes are defined as changes in behaviours, actions, relationships, policies or practices of one or more social actors influenced by an intervention. The outcomes can be positive or negative, intended or unintended, direct or indirect, as long as the connection between the intervention and the outcomes is reasonable.

Monitoring and Evaluation (continued)

Unlike some evaluation approaches, Outcome Harvesting does not limit itself to measuring progress towards predetermined objectives or indicators. It explores much more than that including which other actors also contributed to that change and how. Therefore the Outcome Harvesting methodology takes into consideration the fact that conflict transformation is a long-term and complex process where set indicators and linear attribution are difficult to draw and the process of doing so would be flawed.

Publications and Other Resources Produced in 2021

Produced 38 publications and films which were downloaded or watched 34,218 times.

Multimedia

Audio recording: [Masculinities and peacebuilding in Nigeria](#)
 Film: [Accord 29 – Self determination and peace processes](#)
 Film: [Addressing toxic masculinities through peacebuilding training and education in the Pacific](#)
 Film: [Engaging people with disabilities in peacebuilding in the Philippines](#)
 Film: [Integrating masculinities into peacebuilding work in the Pacific](#)
 Film: [Introducing the Annual Review 2020](#)
 Film: [Lessons from Smart Peace, an adaptive and collaborative peacebuilding consortium](#)
 Film: [See The Human](#)
 Film: [Supporting diverse youth engagement in peacebuilding in the Democratic Republic of Congo](#)
 Film: [The role of young people in the peace process in the Somali Regional State of Ethiopia](#)
 Film: [What is Outcome Harvesting?](#)
 Slideshow: [Climate change and peacebuilding: What is the connection?](#)
 Slideshow: [Explaining “reconciliation”](#)
 Slideshow: [Integrating gender into the DNA of peacebuilding](#)
 Slideshow: [Key results of Conciliation Resources’ work in 2020](#)
 Slideshow: [Six practical lessons for engaging diverse youth in peacebuilding](#)
 Slideshow: [Why engaging people with disabilities is important for peacebuilding](#)
 Slideshow: [Why monitor ceasefires?](#)
 Slideshow: [Youth visions for peace in the Central African Republic](#)

Publications

[Accord Spotlight: Ceasefire monitoring: Developments and complexities](#)
[Annual Review 2020](#)
[Beyond the vertical: What enables women mediators to mediate](#)
[Climate Change and Conflict Risks in the Pacific](#)
[Experiences of young ex-combatants in the Central African Republic](#)
[Financing Peace: Enhancing adaptation, maximising impact](#)
[Integrating gender in the DNA of peacebuilding: Learning with peers](#)
[Integrating masculinities in peacebuilding: shifting harmful norms and transforming relationships](#)
[Interactive online platform: Smart Peace – Peacebuilding through learning](#)
[Lessons from an adaptive and collaborative peacebuilding consortium](#)
[Outcome harvesting for adaptive programming in the Smart Peace programme](#)
[Peer review for adaptive strategy and quality assurance in the Smart Peace consortium](#)
[Reconciliation in focus: Approaching reconciliation in peacebuilding practice](#)
[Strategy testing: Connecting learning to action in the Smart Peace consortium](#)
[Supporting diverse youth engagement in peacebuilding](#)
[Untapped peacebuilders: Including persons with disabilities in building peace](#)
[Using a narrative inquiry approach to guide project interventions: Sensemaker in practice](#)
[Youth visions for peace in the Central African Republic](#)

Financial Review

During 2021, Conciliation Resources consolidated a departmental restructure undertaken in 2020 and funded through a planned reduction in reserves, bringing the programmes teams into three Programme Departments and re-aligning the makeup and orientation of the renamed Research, Policy and Advisory Department. On the back of this departmental restructure, in 2021 we successfully implemented a revised Financial Model, passing more flexible funding and more decision making to our peacebuilding departments. We have also cautiously expanded or shifted small amounts of programmes and support work to our global offices, a process that we anticipate will continue gradually in the coming years as we continue to develop our strategies related to decolonisation and localisation.

These changes came about after significant planning and consultation in 2018-2020 and will continue to require significant investment through the Operational Plan 2020-2025. The Statement of Financial Activities shows net income of £54,197 (2020 - £6,703) for the year and total funds available stand at £1,836,763 (2020 - £1,992,946). We will undertake a 'spending down' of reserves in 2022 to reach our reserves ceiling, fund the continued embedding of this new structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

With this planned investment and necessary reserves reduction in 2022, we believe the organisation is in a reasonable position to pursue sustainable finances and a return to a small surplus in 2023.

Despite the pandemic, income recognised in 2021 rose to £10,786,525 (2020 - £9,336,001) mainly as a result of the increased spend against our deferred income balances; the deferred income balances represent funds carried forward from a prior period against which programme expenditure can be charged or recognised. Consequently, the level of deferred income balances as at the end of 2021 reduced to £2,896,650. (2020 - £3,848,330); see note 16. A contract by contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The evolving and welcome focus on safeguarding, keeping staff and people we interact with safe, alongside evolving regulatory requirements such as the development of the UK's sanctions regime and Ukraine related sanctions and funding re-alignment, will all require continued attention and increased financial resources in the years ahead due to the nature and location of our work.

Increasingly, donor funds are allocated to short term projects or large consortia, rather than to individual organisations over a longer term, which would provide us with strategic flexibility over a longer period. Conciliation Resources continues to plan, adapt and adjust to these changing and emerging trends through our Fundraising Strategy which now incorporates an increased focus on diversification and new income streams as well as on an inevitable increased attention to commercial contracting and attention to cost recovery. The challenge of recovering organisational support costs at an appropriate level has recently been amplified by reductions in overall UK aid and significant difficulties and uncertainty in accessing funding and partnership from the European Union. This is occurring at a time when external requirements are becoming increasingly complex, costly and time consuming to manage.

We are fortunate to have the support of the Swedish International Development Cooperation Agency (Sida) for the period 2020 - 2023. This continues the longstanding and much valued relationship between our two organisations.

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions. In 2021, the finance team, under the direction of the Finance Director, successfully shifted to a new financial accounting system and overhauled the entire cross-organisational financial accounting and management system and processes as part of this shift.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every quarter, as part of the budget reforecasting process, the Finance Team meets with all teams to discuss the respective changes in planned activities that may impact the annual finances or cashflow. In 2021, these meetings included cautious estimates regarding the impact of the pandemic on our own as well as partner's operations and the impact this would have on recoverable funding. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources holds accounts in six main currencies; Australian dollar, Euro, US dollar, Ethiopian Birr, Central African Francs and Pound Sterling. In 2021, we also held accounts in Swedish Krona and Norwegian Krone.

Exchange rate risk is considered at a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Finance Director, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD and Australian Dollars.

Principal Funding Sources

The principal funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

Investment Powers and Policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to use all anticipated income. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount was set at £756,000 in 2021 in accordance with the Reserves Policy.

In addition to the reserves, to ensure cashflow and the ability to pre-fund work that is funded in arrears, or to respond to emergency situations, the organisation also retains an operational contingency fund that is built around a full month of programmatic activity costs. This amount was set at £356,000 in 2021.

The unrestricted funds balance at the end of the year under review was £1,836,763. Of the total reserves held at the end of the year, £259,179 was in fixed assets. Consequently, the charity had free reserves of £1,577,584 at the year end. We will undertake a 'spending down' of reserves in 2022 to reach our reserves ceiling, fund the continued embedding of this new structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide the further office locations with increased direct financial management responsibility.

Plans for the Future

In early 2022, the peacebuilding sector is needed more than ever yet faces significant challenges. Despite the challenges of the pandemic, a changing UK Aid funding environment and the ongoing consequences of the UK's departure from the European Union, the Trustees are pleased with the second year of the 2020-2025 Strategic Plan and the 2020-2025 Operational Plan. We are having a positive impact and we see a continued need for our work and for our peacebuilding approach. We believe that our message is continuing to gain traction.

Most recently, an impact evaluation of 2010-2020 commissioned by the Swiss Federal Department of Foreign Affairs (FDFA) confirmed our *"high quality input to peacebuilding processes resulting in identifiable positive changes in specific conflict and policy contexts"* and also commended our significant structural, system and process adaptations in recent years.

Now that the organisation has been restructured, over the next 2 years we will not be seeking significant growth of the overall operational budget or staff body. Instead we will be seeking to improve our systems and processes and to develop our internal workflows, financial model, international governance approach and international office structure in particular. A recently completed 'Africa Needs Assessment' concluded that we will open a branch office (regional hub) in Nairobi to help represent, coordinate and support our work.

In 2021, we implemented our revised Financial Model that outlines an approach to allocating funds across our areas of work that acknowledges that continuity and long term partnership are necessary elements of good peacebuilding and seeks to ensure a level of flexibility to enable this. We built internal understanding of this model and put in place the team management to work towards full alignment with the model. We are aware that a reduction in direct unrestricted funding alongside continued donor hesitancy to cover support costs would challenge the premises of our financial model and we will continue to make the case for long term support as we seek to avoid further projectisation of long term peacebuilding.

In many contexts where we work, the impact of the pandemic has been significantly less severe than in the UK where most of our staff are based. Despite the restriction on travel, particularly in and out of the UK, peacebuilding programmes led or run by our partner organisations have cautiously continued, or a change has been made to online workshops and dialogues. In some areas this will continue throughout 2022.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities' SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditor

In accordance with company law, the Company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board.

The trustees have agreed to re-appoint the auditors to undertake the 2022 Year End audit and Haysmacintyre LLP has indicated its willingness to continue in office.

Approval

This report was approved by the Board of Directors and Trustees on 26 May 2022 and signed on its behalf.

Diana Good

Diana Good
Director and Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO T/HE MEMBERS OF CONCILIATION RESOURCES

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

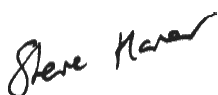
Auditor's responsibilities for the audit of the financial statements (continued)

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, in particular journal entries posted with significant values or with descriptions containing certain key words; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the year end.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

30
..... May 2022

CONCILIATION RESOURCES

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	1,792,043	-	1,792,043	856,452
Charitable activities	3	21,599	8,972,618	8,994,217	8,477,375
Investments	4	265	-	265	2,174
Total income		<u>1,813,907</u>	<u>8,972,618</u>	<u>10,786,525</u>	<u>9,336,001</u>
Expenditure on:					
Raising funds	5	214,928	-	214,928	152,935
Charitable activities	6	2,227,563	8,289,837	10,517,400	9,176,363
Total expenditure		<u>2,442,491</u>	<u>8,289,837</u>	<u>10,732,328</u>	<u>9,329,298</u>
Net (expenditure)/income		<u>(628,584)</u>	<u>682,781</u>	<u>54,197</u>	<u>6,703</u>
Transfers between funds	19	682,781	(682,781)	-	-
Foreign exchange (losses)/gains		(210,380)	-	(210,380)	137,801
Net movement in funds		<u>(156,183)</u>	<u>-</u>	<u>(156,183)</u>	<u>144,504</u>
Reconciliation of funds:					
Total funds brought forward		1,992,946	-	1,992,946	1,848,442
Total funds carried forward	19	<u>1,836,763</u>	<u>-</u>	<u>1,836,763</u>	<u>1,992,946</u>

The Statement of Financial Activities also complies with the requirement for an Income & Expenditure Account under the Companies Act 2006.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Full comparative figures for the year ended 31 December 2020 are shown in note 26.

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES

BALANCE SHEET AT 31 DECEMBER 2021

Company Registration No. 03196482

	Notes	£	2021	£	£	2020	£
Fixed assets							
Intangible fixed assets	12			191,425			3,418
Tangible fixed assets	13			67,754			81,061
				<u>259,179</u>			<u>84,479</u>
Current assets							
Debtors	14	1,540,936			1,170,692		
Cash at bank and in hand		3,585,985			5,706,012		
		<u>5,126,921</u>			<u>6,876,704</u>		
Creditors: amounts falling due within one year	15	(3,453,423)			(4,873,647)		
Net current assets				1,673,498			2,003,057
Provisions	18			(95,914)			(94,590)
Total Net assets				<u>1,836,763</u>			<u>1,992,946</u>
Charity Funds							
Unrestricted funds							
- General funds	19			1,836,763			1,939,578
- Designated funds	19			-			53,368
Restricted funds	19			-			-
TOTAL FUNDS				<u>1,836,763</u>			<u>1,992,946</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 26 May 2022 and were signed on its behalf by:

Diana Good

..... D Good (Director and Chair of Trustees)

.....  T Hansen (Company Secretary)

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES**STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flow from operating activities	22	(1,659,712)	1,541,368
Net cash flow provided by operating activities		<u>(1,659,712)</u>	<u>1,541,368</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,237)	(48,199)
Additions to intangible fixed assets		(219,963)	(3,729)
Dividend and interest receivable		265	2,174
Net cash (used in)/ provided by investing activities		<u>(249,935)</u>	<u>(49,754)</u>
(Decrease)/increase in cash and cash equivalents in the year		(1,909,647)	1,491,614
Cash and cash equivalents at the beginning of the year		5,706,012	4,076,597
Change in cash and cash equivalents due to exchange rate movements		(210,380)	137,801
Total cash and cash equivalents at year end		<u>3,585,985</u>	<u>5,706,012</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,585,985	5,706,012
Cash and cash equivalents at 31 December		<u>3,585,985</u>	<u>5,706,012</u>

The accompanying notes form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company Registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2021, Conciliation Resources has grown and managed to widen its institutional funding streams, providing a more diverse funding base coming into 2021, however, there have been reductions in funding and other challenges, particularly the operational challenges, both in the UK and overseas, arising from the impact of the pandemic. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2021, as well as the satisfactory levels of cash and reserves which it holds. Hence, the directors have not identified any material uncertainty in the charity's ability to continue as a going concern. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income Recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

1. Accounting Policies (continued)

Volunteers and Donated Services and Facilities

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

During 2021, the charity had no volunteers.

Expenditure Recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software	7 years
-------------------	---------

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

1. Accounting Policies (continued)**Debtors**

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 the settlement value.

Funds

Unrestricted general funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

1. Accounting Policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

2. Income from donations and grants

	Total 2021 £	Total 2020 £
Donations	15,315	25,091
Grants	1,776,728	831,361
	<u>1,792,043</u>	<u>856,452</u>

100% (2020: 100%) of unrestricted grants is attributable to geographical areas outside the United Kingdom.

Income from donations and legacies was £1,792,043 (2020 - £856,452) all of which was attributable to unrestricted funds (2020 - all).

Grant income includes £1,768,578 (2020 - £826,361) of government grants receivable in the year. These grants were awarded as follows:

	Total 2021 £	Total 2020 £
Federal Department of Foreign Affairs, Switzerland	166,900	167,400
Swedish International Development Co-operation Agency (SIDA)	1,501,745	613,932
Irish Aid	99,933	45,029
	<u>1,768,578</u>	<u>826,361</u>

3. Income from charitable activities

	Total 2021 £	Total 2020 £
Grants	8,988,028	8,475,979
Other charitable income	6,189	1,396
	<u>8,994,217</u>	<u>8,477,375</u>

Income from charitable activities was £8,994,217 (2020 - £8,477,375) of which £8,972,618 (2020 - £8,394,419) was attributable to restricted funds and £21,599 (2020 - £82,956) was attributable to unrestricted funds.

3. Income from charitable activities (continued)

Grant income includes £8,090,099 (2020 - £7,658,089) of government grants receivable in the year. The government grants received are identified by a * below:

	Total 2021 £	Total 2020 £
Accord, Policy, Practice		
Joseph Rowntree Charitable Trust, UK	64,435	35,609
* European Union	-	4,977
* Federal Department of Foreign Affairs, Switzerland	-	70,261
Sasakawa Foundation	55,597	64,008
* Department for International Development, UK	74,889	3,822,963
Chemonics	70,977	18,460
Saferworld	150,115	-
	416,013	4,016,278
Caucasus		
* European Union	955,263	(29,886)
* Federal Department of Foreign Affairs, Switzerland	74,611	158,545
* UK's Conflict, Stability and Security Fund	338,271	114,385
COBERM	97,696	12,827
SwissPeace	42,509	42,386
Sigrid Rausing Trust	45,971	53,508
	1,554,321	351,765
West Africa		
National Endowment for Democracy, USA	13,969	47,654
* UK's Conflict, Stability and Security Fund	123,227	-
* Federal Minister for Foreign Affairs, Germany	-	42,879
* Minister for Foreign Trade and Development, Netherlands	13,152	73,043
	150,348	163,576
East and Central Africa		
Zivik	24,511	-
* UK Foreign and Commonwealth Office	-	10,358
* European Union	-	(25,110)
Folke Bernadotte Akademin	-	(49)
War Child UK	-	187,928
	24,511	173,127

3. Income from charitable activities (continued)

	Total 2021 £	Total 2020 £
Horn of Africa		
* Federal Minister for Foreign Affairs, Germany	398,169	302,080
* UK Conflict Stability and Security Fund	499,330	301,301
* Irish Department for Foreign Affairs and Trade	496,276	221,015
	<u>1,393,775</u>	<u>824,396</u>
South Asia		
Ploughshares Fund	13,466	(14,132)
Allen & Nesta Ferguson	20,088	-
UNDP	30,797	-
* Commonwealth Fellowship	-	343,600
Misereor	12,586	187,866
* European Union	199,947	578,443
* Swedish International Development Agency (SIDA)	367,628	32,346
	<u>644,512</u>	<u>1,128,123</u>
Pacific		
* Department of Foreign Affairs and Trade, Australia	374,260	438,604
* Ministry of Foreign Affairs	285,280	-
Misereor	142,858	70,334
* UK Foreign and Commonwealth Office	-	38,375
* European Union	487,642	395,242
* United Nations Development Program (UNDP)	55,680	8,338
* German Foreign Office	168,480	67,144
	<u>1,514,200</u>	<u>1,018,037</u>
Philippines and Colombia		
* Department of Foreign Affairs, Canada	-	(12,699)
* European Union	33,581	175,387
Conflict, Stability and Security Fund	96,944	29,931
	<u>130,525</u>	<u>192,619</u>
Cross Regional Project		
* UK Foreign and Commonwealth Office	3,016,314	526,498
* UN Women	128,099	-
	<u>3,144,413</u>	<u>526,498</u>
Total grants	<u>8,972,618</u>	<u>8,394,419</u>

52% (2020 - 66%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

4. Income from investments

	Total 2021 £	Total 2020 £
Bank interest	265	2,174
	<u>265</u>	<u>2,174</u>

Income from investments was £265 (2020 - £2,174) of which all (2020 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	Total 2021 £	Total 2020 £
Salaries and staff costs	160,006	114,508
Direct costs	14,140	7,344
Support costs	40,782	31,083
	<u>214,928</u>	<u>152,935</u>

All £214,928 (2020 - £152,935) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

6. Analysis of expenditure on charitable activities

	Salaries and Staff costs £	Direct costs £	Support costs £	2021 £
Accord, Policy, Practice	511,994	181,621	162,434	856,049
Caucasus	255,476	1,080,457	312,854	1,648,787
West Africa	124,159	215,545	79,554	419,258
East and Central Africa	186,994	207,664	92,423	487,081
Horn of Africa	191,838	787,915	229,443	1,209,196
South Asia	195,649	455,265	152,434	803,348
Pacific	687,050	499,471	277,864	1,464,385
Philippines and Columbia	41,570	276,518	74,491	392,579
Cross Regional Project	106,803	2,200,955	540,441	2,848,199
Africa Department	126,292	13,009	32,622	171,923
Europe Asia Department	173,257	2,240	41,098	216,595
Total	2,601,082	5,920,660	1,995,658	10,517,400

£8,289,837 (2020 - £8,429,025) of the above costs were attributable to restricted funds and £2,227,563 (2020 - £747,338) of the above costs were attributable to unrestricted funds.

<i>2020 Comparative Information</i>	Salaries and Staff costs £	Direct costs £	Support costs £	2020 £
Accord, Policy, Practice	288,330	189,037	121,772	599,139
Caucasus	260,470	181,034	112,623	554,127
West Africa	178,744	101,183	71,407	351,334
East and Central Africa	200,466	125,588	83,173	409,227
Horn of Africa	181,609	710,867	227,663	1,120,139
South Asia	217,901	488,536	180,205	886,642
Pacific	469,278	251,215	183,791	904,284
Philippines and Columbia	38,469	201,843	61,302	301,614
Cross Regional Project	221,728	3,005,017	823,112	4,049,857
Total	2,056,995	5,254,320	1,865,048	9,176,363

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

7. Allocation of support costs

	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2021
	£	£	£	£	£	£	£
Costs of raising funds	24,363	7,024	1,281	4,681	636	2,797	40,782
Accord, Policy, Practice	97,037	27,978	5,102	18,643	2,533	11,141	162,434
Caucasus	186,897	53,887	9,826	35,907	4,878	21,459	312,854
West Africa	47,525	13,703	2,499	9,130	1,240	5,457	79,554
East and Central Africa	55,213	15,919	2,902	10,608	1,441	6,340	92,423
Horn of Africa	137,068	39,520	7,206	26,334	3,578	15,737	229,443
South Asia	91,063	26,256	4,788	17,495	2,377	10,455	152,434
Pacific	165,994	47,861	8,727	31,891	4,333	19,058	277,864
Philippines and Columbia	44,501	12,830	2,340	8,549	1,162	5,109	74,491
Cross Regional Project	322,856	93,087	16,974	62,027	8,427	37,070	540,441
Africa Department	19,488	5,619	1,024	3,744	509	2,238	32,622
Europe Asia Department	24,552	7,079	1,291	4,717	641	2,818	41,098
Total	1,216,557	350,763	63,960	233,726	31,755	139,679	2,036,440

Support costs are allocated in accordance with the accounting policy on page 23.

<i>2020 Comparative Information</i>	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2020
	£	£	£	£	£	£	£
Costs of raising funds	20,958	4,081	1,164	2,925	435	1,520	31,083
Accord, Policy, Practice	82,102	15,989	4,560	11,461	1,706	5,954	121,772
Caucasus	75,934	14,788	4,218	10,600	1,578	5,506	112,624
West Africa	48,145	9,376	2,674	6,721	1,000	3,491	71,407
East and Central Africa	56,078	10,921	3,115	7,828	1,165	4,066	83,173
Horn of Africa	153,497	29,892	8,526	21,427	3,189	11,131	227,662
South Asia	121,501	23,661	6,749	16,960	2,524	8,810	180,205
Pacific	123,918	24,132	6,883	17,298	2,574	8,986	183,791
Philippines and Columbia	41,331	8,049	2,296	5,770	859	2,997	61,302
Cross Regional Project	554,969	108,076	30,826	77,469	11,529	40,243	823,112
Total	1,278,433	248,965	71,011	178,459	26,559	92,704	1,896,131

8. Governance costs

	2021 £	2020 £
Board costs	847	1,910
Governance training	-	50
Auditors' remuneration (UK)	12,500	12,000
Auditors' remuneration (Ethiopia)	5,000	-
Legal, professional fees and other support costs	13,408	12,599
	<u>31,755</u>	<u>26,559</u>

9. Net income for the year

The net income is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	43,544	33,067
Amortisation of intangible fixed assets	31,956	311
Operating lease rentals	155,000	134,759
Audit's remuneration – Statutory audit (current auditor)	12,500	12,000
Statutory audit (Ethiopia)	5,000	-
Under/(over) accrual of prior year audit fee	-	4,700
Grant audits (previous auditor)	54,600	52,800
Foreign Exchange Translation Gains/(Losses)	<u>(210,380)</u>	<u>137,801</u>

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £847 (2020 - £1,690) were paid on behalf of three (2020 – three) trustees.

The number of key management personnel in the year was seven (2020 – four). The rise in numbers was as a result of an organisational restructure effective from 1 March 2021. The total amount of employee benefits received by key management personnel during the year was £600,668 (2020 – £350,082). The Charity considers its key management personnel to be the Executive Management Team.

11. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	2021 £	2020 £
Employee salaries	2,620,644	2,373,950
Social security	281,538	249,909
Defined contribution pension costs	235,013	212,393
	<u>3,137,195</u>	<u>2,836,252</u>
Termination payment	17,496	-
	<u>3,154,691</u>	<u>2,836,252</u>

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	2021	2020
£80,001 to £90,000	1	1
£70,001 to £80,000	3	1
£60,000 to £70,000	4	3

During the year the charity paid £51,469 (2020 - £27,817) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2021 Number	2021 FTE	2020 Number	2020 FTE
Executive Management Team	8.9	8.9	4.0	4.0
Accord, Policy, Practice	8.6	8.1	6.2	5.7
Africa Department	2.0	2.0	-	-
Caucasus	4.5	4.5	5.0	4.6
West Africa	2.0	2.0	2.0	2.0
East and Central Africa	4.0	4.0	5.0	5.0
Europe Asia Department	2.8	2.6	-	-
Horn of Africa	4.4	4.4	5.0	5.0
South Asia	3.4	3.4	4.1	4.1
Pacific	4.7	4.3	7.2	7.2
Philippines and Columbia	2.0	2.0	1.8	1.8
South East Asia Department	6.8	6.8	-	-
Cross Regional Project	1.6	1.6	5.2	5.2
Administrative, financial management and fundraising support	20.2	18.9	22.6	21.2
Total	<u>75.9</u>	<u>73.5</u>	<u>68.1</u>	<u>65.8</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

12. Intangible fixed assets

	Computer Software £
Cost	
Balance as at 1 January 2021	77,233
Additions in the year	219,963
At 31 December 2021	<u>297,196</u>
Amortisation	
Balance as at 1 January 2021	73,815
Charge for the year	31,956
At 31 December 2021	<u>105,771</u>
Net book value	
As at 31 December 2021	<u>191,425</u>
As at 31 December 2020	<u>3,418</u>

13. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
Balance as at 1 January 2021	316,564	168,106	54,287	538,957
Additions	-	30,237	-	30,237
Disposals	-	(12,080)	-	(12,080)
At 31 December 2021	<u>316,564</u>	<u>186,263</u>	<u>54,287</u>	<u>557,114</u>
Depreciation				
Balance as at 1 January 2021	288,776	120,115	49,005	457,896
Charge for the year	8,702	32,213	2,629	43,544
Depreciations on Disposals	-	(12,080)	-	(12,080)
At 31 December 2021	<u>297,478</u>	<u>140,248</u>	<u>51,634</u>	<u>489,360</u>
Net book value				
As at 31 December 2021	<u>19,086</u>	<u>46,015</u>	<u>2,653</u>	<u>67,754</u>
As at 31 December 2020	<u>27,788</u>	<u>47,991</u>	<u>5,282</u>	<u>81,061</u>

14. Debtors

	2021 £	2020 £
Grants receivable	546,434	66,944
Other debtors	241,532	137,181
Prepayments and accrued income	223,013	398,674
Grants accrued	529,957	567,893
	<u>1,540,936</u>	<u>1,170,692</u>

Other debtors includes a rent deposit of £32,500 (2020 - £32,500) which is receivable in more than one year.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

15. Creditors: Amounts Falling Due Within One Year

	2021 £	2020 £
Trade creditors	99,121	-
Social security and other taxes	141,050	87,537
Other creditors	196,982	154,944
Accruals	119,620	782,836
Deferred income (Note 16)	2,896,650	3,848,330
	<u>3,453,423</u>	<u>4,873,647</u>

16. Deferred income

	2021 £	2020 £
Balance as at 1 January	3,848,330	2,280,080
Amount released to income in the year	(3,848,330)	(2,280,080)
Amount deferred in the year	2,896,650	3,848,330
	<u>2,896,650</u>	<u>3,848,330</u>

	2021 £	2020 £
UK Foreign & Commonwealth Office	27,825	-
Commonwealth Fellowship	-	20,270
Swedish International Development Co-operation Agency (SIDA)	112,208	715,107
Irish Aid	772,643	534,024
Conflict, Stability and Security Fund	51,943	20,210
European Union	684,783	1,469,591
Department of Foreign Affairs & Trade (Australia)	143,635	606,125
Misereor	7,127	42,908
National Endowment for Democracy, USA	18,809	-
Federal Department of Foreign Affairs, Switzerland	83,111	40,256
War Child	-	-
DFID	-	171,137
Joseph Rowntree Charitable Trust	29,806	30,423
Ploughshares	40,386	28,670
Minister for Foreign Trade and Development, Netherlands	531,644	-
Sasakawa Foundation	5,055	38,431
COBERM	-	10,762
Federal Minister for Foreign Affairs Germany	44,466	43,923
SwissPeace	-	46,493
Alan & Nesta Ferguson Charitable Trust	9,913	30,000
UN Women	168,537	-
Sigrid Rausing	150,522	-
Zivik	1,387	-
Saferworld	1,469	-
Chemonics	9,234	-
International Idea	2,147	-
	<u>2,896,650</u>	<u>3,848,330</u>

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	165,543	146,168
Later than one and not later than five years	193,750	348,750
	<u>359,293</u>	<u>494,918</u>

18. Provisions for liabilities

	2021 £	2020 £
Balance as at 1 January	94,590	93,284
Additions during the year	1,324	1,306
	<u>95,914</u>	<u>94,590</u>

The provision relates to the dilapidations expense expected for the London office lease.

Charges to the Statement of Financial Activities resulting from provisions during the year amount to £1,324 (2020 - £1,306) of which all (2020 - all) was attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

19. Fund reconciliation 2021

	Balance as at 01.01.21 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.21 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	416,013	(392,291)	(23,722)	-
Caucasus	-	1,554,322	(1,507,667)	(46,655)	-
West Africa	-	150,348	(122,678)	(27,670)	-
East and Central Africa	-	24,511	(22,224)	(2,287)	-
Horn of Africa	-	1,393,774	(1,238,955)	(154,819)	-
South Asia	-	644,512	(609,192)	(35,320)	-
Pacific	-	1,644,725	(1,492,038)	(152,687)	-
Philippines and Columbia	-	-	-	-	-
Cross Regional Project	-	3,144,413	(2,904,792)	(239,621)	-
Total Restricted Funds	-	8,972,618	(8,289,837)	(682,781)	-
Designated Funds:					
Staff contingency fund	53,368	-	-	(53,368)	-
General Funds	1,939,578	1,813,907	(2,442,491)	525,769	1,836,763
Total Unrestricted Funds	1,992,946	1,813,907	(2,442,491)	472,401	1,836,763
Total Funds	1,992,946	10,786,525	(10,732,328)	(210,380)	1,836,763

Fund reconciliation 2020

	Balance as at 01.01.20 £	Income £	Expenditure £	Transfers £	Balance as at 31.12.20 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	594,882	(554,553)	(40,329)	-
Caucasus	-	351,765	(393,664)	41,899	-
West Africa	-	163,576	(175,482)	11,906	-
East and Central Africa	-	173,127	(199,169)	26,042	-
Horn of Africa	-	1,169,024	(1,156,360)	(12,664)	-
South Asia	-	813,536	(813,536)	-	-
Pacific	-	979,663	(995,212)	15,549	-
Philippines and Columbia	-	192,619	(205,318)	12,699	-
Cross Regional Project	-	3,956,227	(3,935,731)	(20,496)	-
Total Restricted Funds	-	8,394,419	(8,429,025)	34,606	-
Designated Funds:					
Staff contingency fund	53,368	-	-	-	53,368
General Funds	1,795,074	941,582	(900,273)	103,195	1,939,578
Total Unrestricted Funds	1,848,442	941,582	(900,273)	103,195	1,992,946
Total Funds	1,848,442	9,336,001	(9,329,298)	137,801	1,992,946

19. Fund reconciliation 2021 (continued)**Purposes of Restricted Funds:**

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by the charity are used to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Accord, Policy and Practice team to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Purposes of Designated Funds - Staff Contingency Fund:

The designated funds brought forward of £53,368 represent a contingency set aside by the trustees towards unforeseen staffing costs including maternity, paternity and redundancy costs. The trustees agreed to close the fund in the year and the balance moved back to general funds.

Transfers between funds:

In 2021, a transfer was made from restricted to unrestricted funds in respect of Indirect Cost Recovery (ICR) for funded projects during the financial year.

20. Analysis of net assets between funds

	General Funds	Designated Funds	Restricted Funds	Total 2021
	£	£	£	£
Fixed assets	259,179	-	-	259,179
Cash	3,585,985	-	-	3,585,985
Other current assets/liabilities	(1,912,487)	-	-	(1,912,487)
Provisions	(95,914)	-	-	(95,914)
	<u>1,836,763</u>	<u>-</u>	<u>-</u>	<u>1,836,763</u>

Analysis of net assets between funds – 2020 comparative

	General Funds	Designated Funds	Restricted Funds	Total 2020
	£	£	£	£
Fixed assets	84,479	-	-	84,479
Cash	5,652,644	53,368	-	5,706,012
Other current assets/liabilities	(3,702,955)	-	-	(3,702,955)
Provisions	(94,590)	-	-	(94,590)
	<u>1,939,578</u>	<u>53,368</u>	<u>-</u>	<u>1,992,946</u>

21. Analysis of changes in net funds

	At start of year	Cash- Flows	Foreign exchange movements	Other non- cash changes	At end of year
	£	£	£	£	£
Cash	<u>5,706,012</u>	<u>(1,909,647)</u>	<u>(210,380)</u>	<u>-</u>	<u>3,585,985</u>

As at 31 December 2021, Conciliation Resources had no net debt.

22. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year	(156,183)	144,504
Interest receivable	(265)	(2,174)
Depreciation of tangible fixed assets	43,544	33,067
Amortisation of intangible fixed assets	31,956	311
(Increase)/decrease in debtors	(370,244)	(83,752)
Increase/(decrease) in creditors and provisions	(1,418,900)	1,587,213
Unrealised exchange rate gains/(loss) on cash and cash equivalents	210,380	(137,801)
Net cash flow from operating activities	<u>(1,659,712)</u>	<u>1,541,368</u>

23. Pensions and other post-retirement benefits

Defined contribution pension plans

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £235,013 (2020 - £212,393).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

There were no related party transactions during 2021 (2020: None).

25. Financial instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Comparative Statement of Financial Activities (2020)

	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:			
Donations and legacies	856,452	-	856,452
Charitable activities	82,956	8,394,419	8,477,375
Investments	2,174	-	2,174
Total income	<u>941,582</u>	<u>8,394,419</u>	<u>9,336,001</u>
Expenditure on:			
Raising funds	152,935	-	152,935
Charitable activities	747,338	8,429,025	9,176,363
Total expenditure	<u>900,273</u>	<u>8,429,025</u>	<u>9,329,298</u>
Net income/(expenditure)	41,309	(34,606)	6,703
Transfers between funds	(34,606)	34,606	-
Foreign exchange gains/(losses)	137,801	-	137,801
Net movement in funds	<u>144,504</u>	<u>-</u>	<u>144,504</u>
Reconciliation of funds:			
Total funds brought forward	<u>1,848,442</u>	<u>-</u>	<u>1,848,442</u>
Total funds carried forward	<u><u>1,992,946</u></u>	<u><u>-</u></u>	<u><u>1,992,946</u></u>

CONCILIATION RESOURCES

England & Wales - Charity number 1055436

Accounts

CONCILIATION RESOURCES

**DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2020**



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CONCILIATION RESOURCES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2020

Directors and Trustees

Ms D Good (Chair – from 23 February 2021)
Mr A Peck (Treasurer)
Ms T Bajwa
Ms C Cheng (appointed 19 April 2021)
Mr D Donoghue (Chair - resigned 23 February 2021)
Mr G Graham
Ms N Hatendi (appointed 19 April 2021)
Ms D Hutter (appointed 19 April 2021)
Mr J Jinnah (appointed 19 April 2021)
Ms J Kemp
Ms R Marsden
Ms L Muir (appointed 19 April 2021)
Ms M Parlevliet - resigned 23 February 2021
Ms D Pillai - resigned 17 November 2020
Ms L Salek (appointed 19 April 2021)
Mr M van Bellinghen - resigned 23 February 2021

Company Secretary

Mr T Hansen

Executive Management Team

Mr J Cohen - Executive Director
Mr T Hansen - Chief Operating Officer
Dr T Dumasy - Research, Advisory and Policy Department Director
Ms L Aumeer - Europe-Asia Department Director (Member of EMT from 1 March 2021)
Mr C O'Toole - South East Asia and Pacific Programme Director (Member of EMT from 1 March 2021)
Mr A Abdi - Africa Department Director (Member of EMT from 1 March 2021)
Mr M Baah - Finance Director (Member of EMT from 1 March 2021)
Dr K Tomlinson – Director of Programmes (resigned 29 January 2021)

UK Company Number	03196482
UK Charity Number	1055436
UK VAT Number	249002623
Registered Office	Burghley Yard 106 Burghley Road London NW5 1AL
Auditor	Haysmacintyre LLP 10 Queen Street Place, London EC4R 1AG
Bankers	Royal Bank of Scotland 40 Islington High Street London N1 8XJ COIF Charity Deposit Funds 80 Cheapside London EC2V 6DZ

The Directors and Trustees present their report and audited accounts of the charity for the year ended 31 December 2020. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9 May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Conciliation Resources is governed by a Board of Trustees, which meets four to six times a year. During 2020, all meetings were held online. The reduction in staff and Board interaction was partially compensated for with 'breakout' rooms online for trustees to speak to staff. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. The coronavirus pandemic, risk management and safeguarding were central topics during all meetings in 2020. Alongside 'day to day' governance, during the year the Board reviewed, edited and approved the following policies:

- Ethical Investment Policy
- Safeguarding Policy
- CR Financial Model
- Allocation of Strategic Funds Policy
- Risk Appetite Statement / Risk Management Policy
- Community Union Recognition Agreement

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific) and the Finance Director.

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their JDs or on an ad hoc basis. Further details of EMT workings are defined in EMT ToRs.

In 2020, the EMT undertook a series of externally guided strategy sessions and team building exercises that contributed to change management processes and ultimately to clarity around how organisational management decisions are made and communicated within CR. Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in our external work and in how we operate internally, with an awareness that all decisions must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

The EMT is supported by a Senior Leadership Team (SLT) made up of senior staff from across Conciliation Resources. This group meets every two months and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two way function as SLT members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of SLT workings are defined in SLT ToRs.

The restructure into three Programme Departments was initiated in 2020 and finalised in early 2021 after considerable internal and external consultation beginning in 2018. The changes required to move to this setup involved almost 30 internal recruitments and several additional posts.

Organisation (continued)

With around 85 staff globally, a 20% increase from 2019, we are primarily based in London, with staff also in Australia, Central African Republic, the Philippines and Ethiopia. We also have a close connection with MediatEUR, an organisation with staff in Belgium. These offices are setup in order to ensure awareness of, and compliance with, local laws and regulations as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, with reference to the grading and salary structure applied to all Conciliation Resources staff. Any pay increase for key management personnel, as with all staff, consists of two elements, a cost of living adjustment and a spine point adjustment.

Recruitment and Appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. A vice-chair is also informally appointed. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

After a skills audit and following the departure of several long serving trustees, six Trustees, Mr J Jinnah, Ms L Muir, Ms D Hutter, Ms L Salek, Ms C Cheng and Ms N Hatendi were appointed in 2021. The Trustees in office and up to the date of this report are set out on page 2. In 2020, we increased the remit and meeting frequency of the Risk and Audit Committee, which consists of four Trustees and the Chief Operating Officer / Company Secretary, and which provides an initial review of the annual statutory audit and supports the monitoring and updating of the organisational Risk Register. Two trustees acted as designated Safeguarding Trustees in 2020, meeting with the Chief Operating Officer / Company Secretary and International Safety and Compliance Manager at least once a month. This practice continues, in addition to safeguarding being a standing item at all Board meetings.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared. In early 2020, this was supplemented by an organisational retreat where staff and Trustees contributed to strategic planning.

Related Parties and Collaborations

In 2020 trustee payments for the reimbursement of expenses totalled £1,690 (2019 - £5,466).

Conciliation Resources has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. 2020 saw the continuation of two large consortium projects, both of which will end in 2021:

- The DFID funded 'Smart Peace' consortium is led by Conciliation Resources, working with The Asia Foundation, International Crisis Group, Centre for Humanitarian Dialogue, Behavioural Insights Team, Chatham House and ETH Zurich. The programme applies a new integrated process of strategic analysis, design, evaluation and adaptation in order to identify and unblock sticking points preventing peaceful change.
- The DFID funded Peace Research Partnership, formerly called the Global Security Rapid Assessment (GSRA), consortium includes ourselves, International Alert and Saferworld. This is a practice-research consortium looking at how to support peaceful, inclusive change.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the Trustees, are compiled in a 'Risk Register' and reviewed at least bi-annually or more frequently as needed. The initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. During 2020, the Board and EMT conducted several sessions to establish a 'Risk Appetite Statement' as part of the development of a Risk Management Policy.

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence, complimented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines and hostile environment awareness training (HEAT). In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

To mitigate financial risk and insecurity, as well as dependency on any single donor, we aim to have a broad donor base, both for the organisation as a whole and for each programme. We continue to seek long-term funding both institutionally and for individual programmes due to the criticality of continuous rather than ad-hoc support to peace processes.

Safeguarding risks continue to be higher than normal due to Covid-19, as a result of the pandemic making vulnerable individuals more so and organisations' resources being too stretched to abide by their normal safeguarding practices. The concerns raised at CR remain low in Q4 of 2020 and Q1 of 2021 compared to what they were in 2019. This is partially because staff cannot raise concerns in person and also because they are not travelling and so are less likely to observe indicators of safeguarding harm.

Given the decreased presence of staff in context, a key focus for 2021 is training partners remotely wherever possible to do so. The CEO is also leading a Trust and Wellbeing Improvement Plan, in the hope that this improves the safeguarding culture and gives staff more confidence in the mechanisms for raising concerns.

The risk that insufficient funds will be generated has been classified as high risk. The general trend in recent years has been that, as the organisation grows, each programme requires a small amount of unrestricted funds and the organisational support required increases. The number of staff will reach 90 staff soon and this puts strain on our unrestricted income which has not grown in proportion to the programmes teams.

The Executive Management Team has undertaken some financial contingency planning. Under the new structure, Department Directors will be responsible for sufficient fundraising in line with the Financial Model and will be supported to pursue their fundraising plans by the rest of the organisation. The budget for 2020 contained over £1,700,000 of unsecured income (much of which was restricted and was classed as additional 'optional' spending) of which a high proportion was secured. We are planning to agree and implement even more sustainable budgets in future years.

Management of risks (continued)

The external funding environment is hostile, resulting in CR's work not receiving all the institutional support that it has had previously. This reality is increasingly challenging for CR – for example, it has been impacted by the general reduction in available peacebuilding funding, short termism of funding, commercialisation of grant making, increasing regulatory and compliance requirements, a push for localisation and increasing 'value for money' competition from humanitarian organisations and for-profit organisations.

We have had two significant cuts to funding this year, by the Conflict, Stability and Security Fund (CSSF) and the Foreign, Commonwealth and Development Office (FCDO), both notified in April. These cuts fit into a broader developing reality of cuts across UK funding for all NGOs as a result of the reduction from 0.7% to 0.5% and broader dynamics within the CSSF and Department for International Development (DFID, now part of FCDO) funding streams. These two donors represent critical supporting funds for CR as an organisation and therefore these cuts will need active responses of cost reviews and strategic adjustments on our side. In total, UK funding makes up nearly 50% of our funding in 2021 (noting that a large amount of this is Smart Peace).

We plan to manage the impact of unsuccessful bids, contract delivery challenges and cuts as described above through the quarterly re-forecast process.

Fundraising Activities

Conciliation Resources' approach to fundraising continues to evolve whilst remaining centred on institutional government funding. The 2019 merger of the Fundraising and Communications teams has helped amplify our messages and the combined team continues to maximise and diversify our income. In 2020 we set targets for a small increase across a range of new income streams, ensuring that expectations are modest in line with the minimal investment and the challenging and competitive external environment. In 2020, we increased our reach and engagement across social media platforms, building on our bolder messaging and visual identity. Largely due to pandemic restrictions, we did not hold any fundraising events.

80-85% of our income is project based. With the newly implemented Programme Department structure we intend to build on these established project donor relationships as well as undertake more proactive fundraising in donor capital cities and directly in the contexts where we work.

In 2020, our income was mainly derived from institutional donors, with small additional amounts from trusts and foundations and individuals. We did not work with professional fundraisers and donations from members of the public totalled less than 1% of income in 2020. Management and the fundraising team stay abreast of recognised public fundraising standards and we are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. No complaints have been received in relation to our fundraising activities.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Public Benefit Statement

The Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

Objectives and activities

Conciliation Resources is an independent international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we take what we learn to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

Our vision is a world where people work together to resolve conflicts and promote peaceful and inclusive societies.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

Objectives and activities (continued)

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of: "the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2025 Strategic Plan, we have developed and costed a five-year Operational Plan under the following headings, with goal leads allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2020

In 2020, we focused on improving how peace is built. Working towards our new Strategic Goals, we sought to bring about change in four important areas.

Objectives and activities (continued)

**GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE
PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES**

Throughout 2020, while the global pandemic spread, we continued to support multiple peace processes, adapting our work to respond to the changing contexts and conflict dynamics. We particularly sought to engage with those whose attitudes, perceptions and policies are resistant to peaceful change.

Using dialogue and mediation, we enabled people in conflict to reach mutually acceptable compromise. In Nigeria for example, we worked closely with communities impacted by conflict between farmers and herders, organising dialogue sessions which resulted in the signing of a number of peace agreements between the two groups. At the same time, we provided remote facilitation support to enable the Autonomous Bougainville Government and Government of Papua New Guinea to move forwards with their inter-governmental post-referendum dialogue process. We also continued high-level dialogue processes in South Asia, successfully bringing these online.

In both policy and public spheres, we aimed to shift discourse away from divisive language towards a more constructive approach, which retains differing perspectives. Through film, TV and media, we sparked discussion and challenged people in countries affected by conflict to see alternative viewpoints in relation to conflict issues. In the South Caucasus, the public release of a film looking at the history of the Karabakh conflict stimulated considerable online debate. During and after renewed war between Armenia and Azerbaijan, we also provided analysis of the political context for the fighting and highlighted humanitarian needs. In Ethiopia, we produced and shared televised discussions, to enable those working within the community to speak up on political issues.

In several locations, we raised awareness, helped dispel myths and inform people about the coronavirus pandemic. This included in northeast Nigeria, where young people shared key messages – both around the virus, but also about emerging conflict dynamics – to improve public responses. In Abkhazia in the South Caucasus, our partners reached the most vulnerable with supplies and provided accurate public information through the reach of civil society networks.

We continued to work to tackle legacies of past violence, particularly in relation to the Georgian-Abkhaz conflict in the South Caucasus through our 'Memory Project'. Focusing on flexibility and adaptation through our lead of the Smart Peace consortium, we learnt important lessons this year in overcoming obstacles which block peace – changing our approaches and refining our conflict analysis in response to COVID-19.

**GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS
MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT**

Despite the challenges posed by COVID-19 across the world and in the contexts in which we work, we continued to strengthen the various networks and peace initiatives we support. With a focus on collaboration, and linking different efforts and approaches to building peace, we looked to improve relationships and learning between people working for peace. With partners, we adapted our peacebuilding work, finding new and creative ways of bringing people together and making use of virtual spaces.

In the Pacific, we raised awareness of the challenges of climate change within affected Fijian communities through a hybrid in-person and on-line event. And in Bougainville, Papua New Guinea, we brought community leaders together to analyse conflict issues and identify responses needed, including to mitigate risks of escalating violence due to COVID-19.

Building peacebuilding capabilities and skills at a community level and then connecting these with official structures, national and international processes, is a key aspect of what we do. In 2020, our work within communities in Bossangoa in the Central African Republic, was recognised as having had a positive impact by the authorities, and connecting youth with decision-makers, resulted in local mayors actively approaching young people for conflict analysis and advice. Our continued support of Community Security Working Groups in Mindanao, the Philippines, contributed to a greater understanding and cooperative working relationship between communities and the authorities. While in the Somali Regional State of Ethiopia, helping establish a victims and survivors network meant that people who have been impacted by the violence were able to connect with political groups and understand how to advocate for their rights.

As part of our support to Women Mediators across the Commonwealth, we organised online events throughout the year and provided an important platform for women from diverse contexts to stay connected, and together adapt to new conflict dynamics caused by the pandemic. We also worked collaboratively to create online tools, for example in South Asia, the development of an online platform linked people on either side of the Line of Control in Kashmir to share information about the pandemic and improve responses. In addition, through our connection to mediatEUr, we contributed to a publicly available digital tracking tool to examine the consequences of the pandemic on peace processes and armed conflict across the world.

GOAL 3. INCLUSION, GENDER AND INFLUENCE EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE

During 2020, we increased our work to encourage broader and more diverse participation in peace processes, taking an intersectional approach to challenge power and privilege. In particular, we worked with women and young people in all the contexts in which we operate. Despite challenges posed by the pandemic, we continued to create spaces where women's voices could be heard, and supported women peacebuilding leaders in places such as Bougainville, Papua New Guinea and Jammu and Kashmir.

In Kenya, we sustained our support to women peacebuilders through the establishment of a peer-to-peer learning and mentoring scheme, with members of Women Mediators across the Commonwealth. We also established the Strategic Mediation Fund, a small grants initiative, supporting members of the Women Mediators across the Commonwealth network to engage in a variety of different mediation processes in their contexts.

Our sustained work with young people encouraged them to be leaders for peace. We further developed our Youth Peace Platforms in northeast Nigeria, with the young people playing an important role in responses to both conflict and the pandemic. Likewise, in the Central African Republic, young people we work with actively resolved conflicts and positively influenced relationships between different groups. They also used their skills to analyse the potential for conflict – mapping likely COVID-19 hotspot areas and assessing how the pandemic could interact with existing causes of conflict. In South Asia, we increased the participation of young people in peacebuilding initiatives on either side of the Line of Control in Kashmir. In addition, we facilitated youth groups in different parts of Pakistan-administered Kashmir to create joint strategies to increase information sharing, and respond to the COVID-19 crisis and its impacts.

Through various initiatives, together with our partners we worked with diverse communities to ensure they had the opportunities to air their views and participate in the peace processes that impact them. In Mindanao, the Philippines, this included making people aware of the ongoing implementation of the peace agreement and how it affects them, particularly bringing into the conversations women, youth and indigenous people. In Fiji, the public broadcast of thirteen TV episodes relating to significant conflict issues, meant people were aware of and could then comment on these topics, including those relating to the impacts of climate change and COVID-19.

GOAL 4. PEOPLE CENTRED POLICY INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST

This year, our work to make the case for a people-centred approach to conflict prevention and peacebuilding progressed steadily. We enhanced understanding of how to promote meaningful participation, diversity and justice in practical ways through both the production of publications and resources, and contact with policy- and decision-makers.

Through MediatEUr, we helped support and strengthen mediation practice within the EU, including through the provision of coaching for high-level officials. In the UK, together with a core group of NGOs we produced joint briefing notes to inform policy thinking on the response to the pandemic, covering both its impact on conflict and opportunities for better peace support. We helped sustain the work of the UK Tri-Sector Working Group, comprising NGOs, banks and the UK Government, to reduce the negative impact of counter-terrorism laws and sanctions on humanitarian and peacebuilding work. Alongside this, we shared information and lessons in international fora dedicated to this issue.

Collaborating with others as part of the Peace Research Partnership and Political Settlements Research Programme, we published a number of expert reports. These provided practical knowledge and learning from peace processes around the world, and had a strong focus on how to ensure greater inclusion. We more widely disseminated our Gender-Sensitive Conflict Analysis Facilitation Guide, and promoted its integration into donor governments' and peacebuilding partners' internal conflict analysis guidance. Our latest Accord publication, which explored how to initiate and kick-start peace processes, was presented to diverse audiences around the world via online discussions.

CONCILIATION RESOURCES

REPORT OF THE DIRECTORS AND TRUSTEES YEAR ENDED 31 DECEMBER 2020

Our work in several contexts provided community peacebuilders, including youth representatives, access to officials to help them shape the policies and approaches of the authorities in response to both conflict and the COVID-19 pandemic. This included young people in the Central African Republic, as well as parts of Jammu and Kashmir. In continuation of our advocacy around the need for women's recognition and inclusion in peace processes, we supported the Women Mediators across the Commonwealth network to share the importance of their work with the UK government and Commonwealth member state representatives. And we facilitated two working groups as part of the annual meeting of the Global Alliance of Regional Women Mediator Networks.

2020 in Numbers

In 2020 we -

Worked with **70** partners

- Supported **140** different local peace structures
- Focused on **19** conflict contexts
- Engaged with **54** armed groups
- Reached **14,382** young people
- Shared vital information on COVID-19 shared with **266,000** people
- Hosted **232** online workshops and events.
- Worked with **96** women's groups
- Held **371** community dialogue events in Nigeria with **11,225** participants.
- Produced **43** publications and films which were downloaded or watched **33,574** times.
- Listened to the views of **101** young former armed group members in the Central African Republic
- Supported a network of **49** women mediators across **22** Commonwealth countries

Publications and Other Resources Produced in 2020

Multimedia

Film: [Accord 29 - Building political will for dialogue: pathways to peace talks in Colombia](#)

Film: [Accord 29 - From ceasefire to disarmament without states: lessons from the Basque Country](#)

Film: [Accord 29 - Unsticking stalled peace processes: insider mediator perspectives from Myanmar](#)

Film: [Accord 29 - Walking for peace: Camel Caravan in northern Kenya](#)

Film: [An exhibition - Corridors of Conflict: Abkhazia 1989-1995](#)

Film: [Climate Change, Relocation and Peacebuilding in Fiji - Anna Anisi](#)

Film: [Climate Change, Relocation and Peacebuilding in Fiji - Jon Barnett](#)

Film: [Climate Change, Relocation and Peacebuilding in Fiji - Jonathan Cohen](#)

Film: [Conciliation Resources: 25 years of peacebuilding](#)

Film: [Gender-sensitive conflict analysis: Lessons from Yemen and Nigeria](#)

Film: [Jonathan Cohen introduces Reimagining Victory](#)

Film: [Parts of a Circle: History of the Karabakh Conflict](#)

Film: [Public attitudes in Japan towards peacebuilding and dialogue with armed groups](#)

Film: [Smart Peace: collaborating for adaptive peacebuilding](#)

Film: [Why connecting women mediators works](#)

Video: [Bridging the gap - Elizabeth Solomon](#)

Video: [Bridging the gap - Mable Chawinga](#)

Video: [Bridging the gap - Emma Leslie](#)

Video: [Bridging the gap - Salma Yusuf](#)

Video: [Bridging the gap - Lantana Bako Abdullahi](#)

Video: [#PeaceMoments: Avaz Hasanov](#)

Video: [#PeaceMoments: Bebhinn Mckinley](#)

Video: [#PeaceMoments: Caesar Poblicks](#)

Video: [#PeaceMoments: Elena Kuvichko](#)

Video: [#PeaceMoments: Emily Deeming](#)

Video: [#PeaceMoments: Hudo Ahmed](#)

Video: [#PeaceMoments: Jonathan Cohen](#)

Video: [#PeaceMoments: Kathryn Tomlinson](#)

Video: [#PeaceMoments: Ruska Epadze](#)

Video: [#PeaceMoments: Laurence Broers](#)

Video: [#PeaceMoments: Tatiana Vivienne](#)

Video: [#PeaceMoments: Victoria Capatici](#)

Video: [#PeaceMoments: Waleed Khan](#)

Publications

Accord (Issue 29) - Pioneering peace pathways
Annual Review 2019 - 25 years of building peace
Gender-sensitive conflict analysis facilitators guide
Listening to young people associated with armed groups in northwestern Central African Republic
Peace and security in the Central African Republic
Promoting inclusion through local peace structures
Public attitudes in Japan towards peacebuilding and dialogue with armed groups
Strategic Plan 2020-2025: Building Better Peace
Women mediators: bridging the peace gap
Young people and armed groups in the Central African Republic: voices from Bossangoa

Financial Review

During 2020, Conciliation Resources undertook a restructure funded through a planned reduction in reserves, bringing the programmes teams into three Programme Departments and re-aligning the makeup and orientation of the renamed Research, Policy and Advisory Department. We also cautiously expanded or shifted small amounts of programmes and support work to our offices outside the UK, a process that we anticipate will continue gradually in the coming years.

These changes came about after significant planning and consultation in 2018 and 2019 and required significant investment through the Operational Plan 2020-2025. The Statement of Financial Activities shows net income of £6,703 (2019 - £10,703) for the year and total funds available stand at £1,992,946 (2019 - £1,848,442). We will undertake a 'spending down' of reserves in 2021 to reach our reserves ceiling, fund the continued embedding of this new structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

This progress in 2020 built on the work in 2019 consolidating internal structures and processes, particularly those related to safety and compliance, human resources, financial management, communications and fundraising. With further planned investment and necessary reserves reduction in 2021, we believe the organisation is in a reasonable position to pursue sustainable finances and a return to a small surplus in 2022.

Conciliation Resources income has increased to £9,336,001 (2019 - £8,840,684) reflecting a small increase in the size of several programmes despite the pandemic. The level of deferred income, funds received from donors although not yet recognised as income against which programme expenditure can be matched increased to £3,848,330 (2019 - £2,280,080); see note 16. A contract by contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The evolving and welcome focus on safeguarding, keeping staff and people we interact with safe, alongside evolving regulatory requirements such as the development of the UK's sanctions regime, will all require continued attention and increased financial resources in the years ahead due to the nature and location of our work.

Increasingly, donor funds are allocated to short term projects or large consortiums instead of providing strategic flexibility over a longer period. Conciliation Resources continues to plan, adapt and adjust to these changing and emerging trends through our Fundraising Strategy which now incorporates a slight shift to diversification and new income streams. The challenge of recovering organisational support costs at an appropriate level has recently been amplified by reductions in overall UK Aid and significant difficulties and uncertainty in accessing funding and partnership from the European Union. This is occurring at a time when external requirements are becoming increasingly complex, costly and time consuming to manage.

Conciliation Resources is fortunate to have the support of the Swedish International Development Cooperation Agency (Sida) for the period 2020 - 2023. This continues the longstanding and much valued relationship between our two organisations.

CONCILIATION RESOURCES

REPORT OF THE DIRECTORS AND TRUSTEES YEAR ENDED 31 DECEMBER 2020

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions. In 2020, the finance team, under the direction of the Finance Director, successfully overhauled the entire cross-organisational financial accounting and management system and processes as part of a shift of accounting software.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every two months, the Finance Team meets with budget-holders to discuss the respective management accounts and changes in planned activities that may impact the annual finances or cashflow. In 2020, these meetings included cautious estimates regarding the impact of the pandemic on our own as well as partner's operations and the impact this would have on recoverable funding. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources operates in four main currencies, Australian dollar, Euro, US dollar and Pound Sterling. In 2020, we also held accounts in Swedish Krona and Norwegian Krone. An account is held in each currency and no significant amounts are held outside of the UK. We anticipate that this will change in 2021 as support structures outside the UK mature to include sufficient and efficient financial controls and administrative capacity.

Exchange rate risk is considered on a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Finance Director, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD.

Principal Funding Sources

The principal funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

Investment Powers and Policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to use all anticipated income. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount is set at £756,000 in 2021 following a calculation contained in the Reserves Policy.

In addition to the reserves, to ensure cashflow and the ability to pre-fund work that is funded in arrears, or to respond to emergency situations, the organisation also retains an operational contingency fund that is built around a full month of programmatic activity costs. This amount is set at £356,000 in 2021.

The unrestricted funds balance at the end of the year under review was £1,992,946. This balance includes a contingency of £53,368 designated by the trustees towards unforeseen staff costs. The level of designated funds will be reviewed in 2021. Of the total reserves held at the end of the year, £84,479 was in fixed assets. Consequently, the charity has free reserves of £1,855,099.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide the non-London office staff with increased direct financial management responsibility.

Plans for the Future

Despite the challenges of the pandemic, a changing UK Aid funding environment and the ongoing consequences of the UK's departure from the European Union, the Trustees are pleased with the first year of the 2020-2025 Strategic Plan and the 2020-2025 Operational Plan. We are having a positive impact and we see a continued need for our work and for our peacebuilding approach. We believe that our message is continuing to gain traction.

Most recently, an impact evaluation of 2010-2020 commissioned by the Swiss Federal Department of Foreign Affairs (FDFA) confirmed our *"high quality input to peacebuilding processes resulting in identifiable positive changes in specific conflict and policy contexts"* and also commended our significant structural, system and process adaptations in recent years.

Now that the organisation has been restructured, over the next 2 years we will not be seeking significant growth of the overall budget or staff body. Instead we will be seeking to improve our systems and processes and to develop our internal workflows, financial model, international governance approach and international office structure in particular. An ongoing 'Africa Needs Assessment' may lead to significant changes for our work and organisational setup in that area.

The Board and EMT agreed in 2019 that the Operational Plan should be funded in 2020 and 2021 through the necessary reduction of financial reserves in line with the Reserves Policy. The purpose of the investment process is to fund the Operational Plan to help us better deliver our Strategic Plan, and to emerge in 2022 with a sustainable organisation and a more sustainable financial model to face the evolving external environment. The funds available from reserves will not cover the entire Operational Plan and additional funds will be sought from donors and partners. The amount available has been further reduced by the impact of the pandemic and caution around pending and evolving cuts to UK Aid requiring the redirection of some reserves spending. Whilst we are content that we have sufficient funds and contingency plans to respond to the current funding restrictions, we are aware that the situation may become even more constrained in the near future and we continue to plan for a range of severe scenarios.

In November 2019, the Board approved a revised Financial Model that outlines an approach to allocating funds across our areas of work that acknowledges that continuity and long term partnership are necessary elements of good peacebuilding and seeks to ensure a level of flexibility to enable this. During 2020, we built internal understanding of this model and put in place the team management to work towards full alignment with the model from 2022 as planned. We are aware that a reduction in direct unrestricted funding alongside continued donor hesitancy to cover support costs would challenge the premises of our financial model and we will continue to make the case for long term support as we seek to avoid further projectisation of long term peacebuilding.

Conciliation Resources, our partners and the communities we work with continue to be affected by the coronavirus pandemic. From February 2020, we focussed on safety before pivoting to short and long term adaptation and contingency planning. Most of our staff have worked from home for most of the year.

Plans for the Future (continued)

In many contexts where we work, the impact has been significantly less severe than in the UK where most of our staff are based. Despite the restriction on travel, particularly in and out of the UK, peacebuilding programmes led or run by our partner organisations have cautiously continued, or a change has been made to online workshops and dialogues.

We continued to reforecast and adapt during the year through the evolving situation, and whilst there is still a lot of uncertainty, we are confident that the organisation is well placed to continue functioning throughout 2021, with some changes. This cautiously positive outlook is largely because many of our donors are willing to support adapted activities and continued partner work locally where possible, to ensure continuity and continued support to ongoing peace processes. In many cases we have been able to sufficiently adapt to a much lower level of travel. Nevertheless, the organisation has suffered reduced income in some areas and we anticipate a constricted income environment over the next few years due to the reduction in travel possibilities and the changing focus of many donors and we will need to adapt. Untangling the 'cost' of the pandemic from other impacts during the year is not straightforward across all income lines.

As well as redirecting a small amount of reserves previously intended for investment in the Operational Plan, we have identified cost reductions and have identified options to reduce the resulting burden on our unrestricted funds. We are reviewing the viability of our investment plans and ensuring contingency planning against a spectrum of scenarios.

In numerical terms, the reductions in UK Aid and the increasing uncertainty of accessing funding from the European Union will likely have a larger impact on our operations than the pandemic itself. We have developed contingency plans for all UK Aid and EU funded programmes. Further reductions throughout 2021 could have severe impact on peacebuilding outcomes and on the organisation, however, our income diversification offsets this somewhat. As access pathways to European Union funding become clearer, we will adapt our strategy and connections to Brussels. We look forward to continuing *Building Better Peace*.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities' SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditor

In accordance with company law, the Company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board. This appointment followed a closed tender procurement process involving eight accounting firms.

Haysmacintyre LLP has indicated its willingness to continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approval

This report was approved by the Board of Directors and Trustees on 27 May 2021 and signed on its behalf.



**Diana Good
Director and Chair of Trustees**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 14 and 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

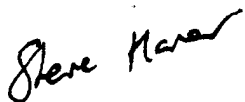
Auditor's responsibilities for the audit of the financial statements (continued)

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the year end.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

27 May 2021

CONCILIATION RESOURCES

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	2	856,452	-	856,452	2,013,516
Charitable activities	3	82,956	8,394,419	8,477,375	6,822,556
Investments	4	2,174	-	2,174	4,612
Total income		<u>941,582</u>	<u>8,394,419</u>	<u>9,336,001</u>	<u>8,840,684</u>
Expenditure on:					
Raising funds	5	152,935	-	152,935	150,321
Charitable activities	6	747,338	8,429,025	9,176,363	8,679,660
Total expenditure		<u>900,273</u>	<u>8,429,025</u>	<u>9,329,298</u>	<u>8,829,981</u>
Net income/(expenditure)		<u>41,309</u>	<u>(34,606)</u>	<u>6,703</u>	<u>10,703</u>
Transfers between funds	19	(34,606)	34,606	-	-
Foreign exchange gains/(losses)		137,801	-	137,801	-
Net movement in funds		<u>144,504</u>	<u>-</u>	<u>144,504</u>	<u>10,703</u>
Reconciliation of funds:					
Total funds brought forward		<u>1,848,442</u>	<u>-</u>	<u>1,848,442</u>	<u>1,837,739</u>
Total funds carried forward	19	<u><u>1,992,946</u></u>	<u><u>-</u></u>	<u><u>1,992,946</u></u>	<u><u>1,848,442</u></u>

The Statement of Financial Activities also complies with the requirement for an Income & Expenditure Account under the Companies Act 2006.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Full comparative figures for the year ended 31 December 2019 are shown in note 26.

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES

BALANCE SHEET AT 31 DECEMBER 2020

Company Registration No. 03196482

	Notes	£	2020	£	£	2019	£
Fixed assets							
Intangible fixed assets	12			3,418			-
Tangible fixed assets	13			81,061			65,929
				<u>84,479</u>			<u>65,929</u>
Current assets							
Debtors	14	1,170,692			1,086,940		
Cash at bank and in hand		5,706,012			4,076,597		
				<u>6,876,704</u>		<u>5,163,537</u>	
Creditors: amounts falling due within one year	15	(4,873,647)			(3,287,740)		
Net current assets				2,003,057			1,875,797
Provisions	18			(94,590)			(93,284)
Total Net assets				<u>1,992,946</u>			<u>1,848,442</u>
Charity Funds							
Unrestricted funds							
- General funds	19			1,939,578			1,795,074
- Designated funds	19			53,368			53,368
Restricted funds	19			-			-
TOTAL FUNDS				<u>1,992,946</u>			<u>1,848,442</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 27 May 2021 and were signed on its behalf by:

Diana Good

..... D Good (Director and Chair of Trustees)

Tim Hansen

..... T Hansen (Company Secretary)

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES**STATEMENT OF CASH FLOWS
AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flow from operating activities	22	1,541,368	1,289,023
Net cash flow provided by operating activities		<u>1,541,368</u>	<u>1,289,023</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(48,199)	(22,205)
Additions to intangible fixed assets		(3,729)	-
Dividend and interest receivable		2,174	4,612
Net cash (used in)/ provided by investing activities		<u>(49,754)</u>	<u>(17,593)</u>
Increase/(decrease) in cash and cash equivalents in the year		1,491,614	1,271,430
Cash and cash equivalents at the beginning of the year		4,076,597	2,742,503
Change in cash and cash equivalents due to exchange rate movements		137,801	62,664
Total cash and cash equivalents at year end		<u>5,706,012</u>	<u>4,076,597</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,706,012	4,076,597
Cash and cash equivalents at 31 December		<u>5,706,012</u>	<u>4,076,597</u>

The accompanying notes form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2020, Conciliation Resources has grown and managed to widen its institutional funding streams, providing a more diverse funding base coming into 2021, however, there have been reductions in funding and other challenges, particularly the operational challenges, both in the UK and overseas, arising from the impact of the pandemic. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2021, as well as the satisfactory levels of cash and reserves which it holds. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income Recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

1. Accounting Policies (continued)

Volunteers and Donated Services and Facilities

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

During 2020, the charity had 2 volunteers who provided 75 days of unpaid support working on various events and administrative tasks. It is not possible to measure with any reasonable accuracy, the monetary value of the contribution of these volunteers and therefore, no value has been included in the Statement of Financial Activities.

Expenditure Recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software	5 years
-------------------	---------

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

1. Accounting Policies (continued)**Debtors**

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 the settlement value.

Funds

Unrestricted general funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

1. Accounting Policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

2. Income from donations and grants

	Total 2020 £	Total 2019 £
Donations	25,091	20,773
Grants	831,361	1,992,743
	<u>856,452</u>	<u>2,013,516</u>

100% (2019: 100%) of unrestricted grants is attributable to geographical areas outside the United Kingdom.

Income from donations and legacies was £856,452 (2019 - £2,013,516) all of which was attributable to unrestricted funds (2019 - all).

Grant income includes £826,361 (2019 - £1,992,743) of government grants receivable in the year. These grants were awarded as follows:

	Total 2020 £	Total 2019 £
Federal Department of Foreign Affairs, Switzerland	167,400	145,197
Swedish International Development Co-operation Agency (SIDA)	613,932	1,697,815
Irish Aid	45,029	149,731
	<u>826,361</u>	<u>1,992,743</u>

3. Income from charitable activities

	Total 2020 £	Total 2019 £
Grants	8,475,979	6,797,733
Other charitable income	1,396	24,823
	<u>8,477,375</u>	<u>6,822,556</u>

Income from charitable activities was £8,477,375 (2019 - £6,822,556) of which £8,394,419 (2019 - £6,797,733) was attributable to restricted funds and £82,956 (2019 - £24,823) was attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

3. Income from charitable activities (continued)

Grant income includes £7,658,089 (2019 - £6,231,270) of government grants receivable in the year. The government grants received are identified by a * below:

	Total 2020 £	Total 2019 £
Accord, Policy, Practice		
Joseph Rowntree Charitable Trust, UK	35,609	33,499
* European Union	4,977	4,994
* Federal Department of Foreign Affairs, Switzerland	70,261	15
Sasakawa Foundation	64,008	130,418
* Department for International Development, UK	3,822,963	471,350
Chemonics	18,460	-
	<u>4,016,278</u>	<u>640,276</u>
Caucasus		
* European Union	(29,886)	256,978
* Federal Department of Foreign Affairs, Switzerland	158,545	105,815
* UK's Conflict, Stability and Security Fund	114,385	415,874
COBERM	12,827	-
SwissPeace	42,386	-
Sigrid Rausing Trust	53,508	-
	<u>351,765</u>	<u>778,667</u>
West Africa		
National Endowment for Democracy, USA	47,654	26,261
* Federal Minister for Foreign Affairs, Germany	42,879	496,692
* Minister for Foreign Trade and Development, Netherlands	73,043	181,342
	<u>163,576</u>	<u>704,295</u>
East and Central Africa		
* UK Foreign and Commonwealth Office	10,358	63,384
* European Union	(25,110)	26,936
Folke Bernadotte Akademin	(49)	47,433
War Child UK	187,928	205,553
	<u>173,127</u>	<u>343,306</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

3. Income from charitable activities (continued)

	Total 2020 £	Total 2019 £
Horn of Africa		
* Federal Minister for Foreign Affairs, Germany	302,080	367,944
* UK Conflict Stability and Security Fund	301,301	145,873
* Irish Department for Foreign Affairs and Trade	221,015	49,932
	<u>824,396</u>	<u>563,749</u>
South Asia		
Ploughshares Fund	(14,132)	-
* Commonwealth Fellowship	343,600	1,250
Misereor	187,866	2,627
* European Union	578,443	670,336
* Swedish International Development Agency (SIDA)	32,346	-
	<u>1,128,123</u>	<u>674,213</u>
Pacific		
* Department of Foreign Affairs and Trade, Australia	438,604	396,386
Misereor	70,334	117,094
* UK Foreign and Commonwealth Office	38,375	12,654
* European Union	395,242	72,354
MediatEur	-	3,578
* United Nations Development Program (UNDP)	8,338	-
* German Foreign Office	67,144	-
	<u>1,018,037</u>	<u>602,066</u>
Philippines and Colombia		
* Department of Foreign Affairs, Canada	(12,699)	81,306
* European Union	175,387	185,196
Conflict, Stability and Security Fund	29,931	-
	<u>192,619</u>	<u>266,502</u>
Cross Regional Project		
* UK Foreign and Commonwealth Office	526,498	792,899
* UK Aid	-	1,431,760
	<u>526,498</u>	<u>2,224,659</u>
Total grants	<u>8,394,419</u>	<u>6,797,733</u>

66% (2019 - 46%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

CONCILIATION RESOURCES**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020****4. Income from investments**

	Total 2020 £	Total 2019 £
Bank interest	<u>2,174</u>	<u>4,612</u>

Income from investments was £2,174 (2019 - £4,612) of which all (2019 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	Total 2020 £	Total 2019 £
Salaries and staff costs	114,508	99,399
Direct costs	7,344	14,013
Support costs	<u>31,083</u>	<u>36,909</u>
	<u>152,935</u>	<u>150,321</u>

All £152,935 (2019 - £150,321) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

6. Analysis of expenditure on charitable activities

	Salaries and Staff costs £	Direct costs £	Support costs £	2020 £	2019 £
Accord, Policy, Practice	288,330	189,037	121,772	599,139	897,988
Caucasus	260,470	181,034	112,623	554,127	986,867
West Africa	178,744	101,183	71,407	351,334	969,422
East and Central Africa	200,466	125,588	83,173	409,227	673,404
Horn of Africa	181,609	710,867	227,663	1,120,139	722,467
South Asia	217,901	488,536	180,205	886,642	913,000
Pacific	469,278	251,215	183,791	904,284	716,741
Philippines and Columbia	38,469	201,843	61,302	301,614	479,068
Cross Regional Project	221,728	3,005,017	823,112	4,049,857	2,320,703
Total	2,056,995	5,254,320	1,865,048	9,176,363	8,679,660

£8,429,025 (2019 - £6,871,878) of the above costs were attributable to restricted funds and £747,338 (2019 - £1,807,782) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

7. Allocation of support costs

	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2020	2019
	£	£			£	£	£	£
Costs of raising funds	20,958	4,081	1,164	2,925	435	1,520	31,083	36,909
Accord, Policy, Practice	82,102	15,989	4,560	11,461	1,706	5,954	121,772	220,485
Caucasus	75,934	14,788	4,218	10,600	1,578	5,506	112,624	242,308
West Africa	48,145	9,376	2,674	6,721	1,000	3,491	71,407	238,025
East and Central Africa	56,078	10,921	3,115	7,828	1,165	4,066	83,173	165,343
Horn of Africa	153,497	29,892	8,526	21,427	3,189	11,131	227,662	177,389
South Asia	121,501	23,661	6,749	16,960	2,524	8,810	180,205	224,171
Pacific	123,918	24,132	6,883	17,298	2,574	8,986	183,791	173,184
Philippines and Columbia	41,331	8,049	2,296	5,770	859	2,997	61,302	117,627
Cross Regional Project	554,969	108,076	30,826	77,469	11,529	40,243	823,112	569,808
Total	1,278,433	248,965	71,011	178,459	26,559	92,704	1,896,131	2,165,249

Support costs are allocated in accordance with the accounting policy on page 23.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

8. Governance costs

	2020 £	2019 £
Board costs	1,910	6,948
Governance training	50	305
Auditors' remuneration	12,000	12,000
Legal, professional fees and other support costs	12,599	23,434
	<u>26,559</u>	<u>42,687</u>

9. Net income for the year

The net income is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	33,067	29,989
Amortisation of intangible fixed assets	311	18,376
Operating lease rentals	134,759	139,059
Audit's remuneration – Statutory audit (current auditor)	12,000	-
Statutory audit (prior year - previous auditor)	-	10,000
Under/(over) accrual of prior year audit fee	4,700	-
Grant audits (previous auditor)	52,800	36,460
Foreign Exchange Translation Gains/(Losses)	<u>137,801</u>	<u>(246,796)</u>

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £1,690 (2019 - £5,466) were paid on behalf of three (2019 – five) trustees.

The total amount of employee benefits received by key management personnel during the year was £350,082 (2019 – £345,496). The Charity considers its key management personnel to be the Executive Management Team.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

11. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	2020 £	2019 £
UK employee salaries	2,373,950	2,298,637
Social security	249,909	243,446
Defined contribution pension costs	212,393	210,669
	<u>2,836,252</u>	<u>2,752,752</u>
Termination payment	-	19,474
	<u>2,836,252</u>	<u>2,772,226</u>

No termination payments were made in the year (2019: £19,474 was made to one employee in accordance with the terms of a settlement agreement). The charity has no further liabilities in connection with this agreement.

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	2020	2019
£80,001 to £90,000	1	-
£70,001 to £80,000	1	1
£60,000 to £70,000	3	3

During the year the charity paid £27,817 (2019 - £28,928) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2020 Number	2020 FTE	2019 Number	2019 FTE
Executive Management Team	4.0	4.0	4.0	4.0
Accord, Policy, Practice	6.2	5.7	8.3	7.6
Caucasus	5.0	4.6	4.2	3.7
West Africa	2.0	2.0	4.8	4.8
East and Central Africa	5.0	5.0	3.0	3.0
Horn of Africa	5.0	5.0	3.0	3.0
South Asia	4.1	4.1	4.8	4.4
Pacific	7.2	7.2	5.4	5.4
Philippines and Columbia	1.8	1.8	2.5	2.2
Cross Regional Project	5.2	5.2	4.0	3.5
Administrative, financial management and fundraising support	22.6	21.2	21.4	18.3
Total	<u>68.1</u>	<u>65.8</u>	<u>65.4</u>	<u>59.9</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

12. Intangible fixed assets

	Computer Software £
Cost	
Balance as at 1 January 2020	73,504
Additions in the year	3,729
At 31 December 2020	77,233
Amortisation	
Balance as at 1 January 2020	73,504
Charge for the year	311
At 31 December 2020	73,815
Net book value	
As at 31 December 2020	3,418
As at 31 December 2019	-

13. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
Balance as at 1 January 2020	316,564	139,626	47,396	503,586
Additions	-	41,308	6,891	48,199
Disposals	-	(12,828)	-	(12,828)
At 31 December 2020	316,564	168,106	54,287	538,957
Depreciation				
Balance as at 1 January 2020	280,074	111,599	45,984	437,657
Charge for the year	8,702	21,344	3,021	33,067
Depreciations on Disposals	-	(12,828)	-	(12,828)
At 31 December 2020	288,776	120,115	49,005	457,896
Net book value				
As at 31 December 2020	27,788	47,991	5,282	81,061
As at 31 December 2019	36,490	28,027	1,412	65,929

14. Debtors

	2020 £	2019 £
Grants receivable	66,944	173,669
Other debtors	137,181	47,493
Prepayments and accrued income	398,674	260,037
Grants accrued	567,893	605,741
	1,170,692	1,086,940

Other debtors includes a rent deposit of £32,500 (2019 - £32,500) which is receivable in more than one year.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

15. Creditors: Amounts Falling Due Within One Year

	2020 £	2019 £
Trade creditors	-	168,665
Social security and other taxes	87,537	68,128
Other creditors	154,944	135,808
Accruals	782,836	635,059
Deferred income (Note 16)	3,848,330	2,280,080
	<u>4,873,647</u>	<u>3,287,740</u>

16. Deferred income

	2020 £	2019 £
Balance as at 1 January	2,280,080	1,403,488
Amount released to income in the year	(2,280,080)	(1,403,488)
Amount deferred in the year	3,848,330	2,280,080
	<u>3,848,330</u>	<u>2,280,080</u>

	2020 £	2019 £
UK Foreign & Commonwealth Office	-	18,692
Commonwealth Fellowship	20,270	11,350
Swedish International Development Co-operation Agency (SIDA)	715,107	242,061
Irish Aid	45,000	360,414
Conflict, Stability and Security Fund	20,210	238,461
European Union	1,469,591	513,457
Department of Foreign Affairs & Trade (Australia)	606,125	193,306
Misereor	42,908	17,533
National Endowment for Democracy, USA	-	17,647
Federal Department of Foreign Affairs, Switzerland	40,256	56,147
War Child	-	69,292
DFID	171,137	397,160
Joseph Rowntree Charitable Trust	30,423	21,032
Ploughshares	28,670	38,375
Minister for Foreign Trade and Development, Netherlands	-	73,043
Sasakawa Foundation	38,431	12,110
COBERM	10,762	-
Federal Minister for Foreign Affairs Germany	43,923	-
SwissPeace	46,493	-
Irish Department for Foreign Affairs and Trade	489,024	-
Alan & Nesta Ferguson Charitable Trust	30,000	-
	<u>3,848,330</u>	<u>2,280,080</u>

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	146,168	162,880
Later than one and not later than five years	348,750	503,750
	<u>494,918</u>	<u>666,630</u>

18. Provisions for liabilities

	2020 £	2019 £
Balance as at 1 January	93,284	91,996
Additions during the year	1,306	1,288
Balance as at 31 December	<u>94,590</u>	<u>93,284</u>

The provision relates to the dilapidations expense expected for the London office lease.

Charges to the Statement of Financial Activities resulting from provisions during the year amount to £1,306 (2019 - £1,288) of which all (2019 - all) was attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

19. Fund reconciliation 2020

	Balance as at 01.01.20 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.20 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	594,882	(554,553)	(40,329)	-
Caucasus	-	351,765	(393,664)	41,899	-
West Africa	-	163,576	(175,482)	11,906	-
East and Central Africa	-	173,127	(199,169)	26,042	-
Horn of Africa	-	1,169,024	(1,156,360)	(12,664)	-
South Asia	-	813,536	(813,536)	-	-
Pacific	-	979,663	(995,212)	15,549	-
Philippines and Columbia	-	192,619	(205,318)	12,699	-
Cross Regional Project	-	3,956,227	(3,935,731)	(20,496)	-
Total Restricted Funds	-	8,394,419	(8,429,025)	34,606	-
Designated Funds:					
Staff contingency fund	53,368	-	-	-	53,368
General Funds	1,795,074	941,582	(900,273)	103,195	1,939,578
Total Unrestricted Funds	1,848,442	941,582	(900,273)	103,195	1,992,946
Total Funds	1,848,442	9,336,001	(9,329,298)	137,801	1,992,946

Fund reconciliation 2019

	Balance as at 01.01.19 £	Income £	Expenditure £	Transfers £	Balance as at 31.12.19 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	640,276	(622,376)	(17,900)	-
Caucasus	-	778,667	(784,945)	6,278	-
West Africa	-	704,295	(724,557)	20,262	-
East and Central Africa	-	343,306	(349,107)	5,801	-
Horn of Africa	-	563,749	(597,459)	33,710	-
South Asia	-	674,213	(689,718)	15,505	-
Pacific	-	602,066	(612,401)	10,335	-
Philippines and Columbia	-	266,502	(266,656)	154	-
Cross Regional Project	-	2,224,659	(2,224,659)	-	-
Total Restricted Funds	-	6,797,733	(6,871,878)	74,145	-
Designated Funds:					
Staff contingency fund	53,368	-	-	-	53,368
General Funds	1,784,371	2,042,951	(1,958,103)	(74,145)	1,795,074
Total Unrestricted Funds	1,837,739	2,042,951	(1,958,103)	(74,145)	1,848,442
Total Funds	1,837,739	8,840,684	(8,829,981)	-	1,848,442

19. Fund reconciliation 2020 (continued)

Purposes of Restricted Funds:

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by Conciliation Resources are used by Conciliation Resources to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Accord, Policy and Practice team to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Purposes of Designated Funds - Staff Contingency Fund:

The designated reserves of £53,368 represent a contingency set aside by the trustees towards unforeseen staffing costs including maternity, paternity and redundancy costs. The level of designated costs will be reviewed in 2021.

Transfers between funds:

In 2020 a number of projects were concluded. Some of these required match funding from unrestricted reserves. As a result, a transfer was made from unrestricted to restricted reserves.

20. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Fixed assets	84,479	-	-	84,479
Cash	5,652,644	53,368	-	5,706,012
Other current assets/liabilities	(3,702,955)	-	-	(3,702,955)
Provisions	(94,590)	-	-	(94,590)
	<u>1,939,578</u>	<u>53,368</u>	<u>-</u>	<u>1,992,946</u>

Analysis of net assets between funds – 2019 comparative

	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Fixed assets	65,929	-	-	65,929
Cash	4,023,229	53,368	-	4,076,597
Other current assets/liabilities	(2,200,800)	-	-	(2,200,800)
Provisions	(93,284)	-	-	(93,284)
	<u>1,795,074</u>	<u>53,368</u>	<u>-</u>	<u>1,848,442</u>

CONCILIATION RESOURCES**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020****21. Analysis of changes in net funds**

	At start of year	Cash- Flows	Foreign exchange movements	Other non- cash changes	At end of year
	£	£	£	£	£
Cash	<u>4,076,597</u>	<u>1,491,614</u>	<u>137,801</u>	<u>-</u>	<u>5,706,012</u>

As at 31 December 2020, Conciliation Resources had no net debt.

22. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the year	144,504	10,703
Interest receivable	(2,174)	(4,612)
Depreciation of tangible fixed assets	33,067	29,989
Amortisation of intangible fixed assets	311	18,376
(Increase)/decrease in debtors	(83,752)	(54,398)
Increase/(decrease) in creditors and provisions	1,587,213	1,351,629
Unrealised exchange rate gains/(loss) on cash and cash equivalents	<u>(137,801)</u>	<u>(62,664)</u>
Net cash flow from operating activities	<u>1,541,368</u>	<u>1,289,023</u>

23. Pensions and other post-retirement benefits**Defined contribution pension plans**

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £212,393 (2019 - £210,669).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

There were no related party transactions during 2020 (2019: None).

25. Financial instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Comparative Statement of Financial Activities (2019)

	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from:			
Donations and legacies	2,013,516	-	2,013,516
Charitable activities	24,823	6,797,733	6,822,556
Investments	4,612	-	4,612
Total income	<u>2,042,951</u>	<u>6,797,733</u>	<u>8,840,684</u>
Expenditure on:			
Raising funds	150,321	-	150,321
Charitable activities	1,807,782	6,871,878	8,679,660
Total expenditure	<u>1,958,103</u>	<u>6,871,878</u>	<u>8,829,981</u>
Net income/(expenditure)	84,848	(74,145)	10,703
Transfers between funds	(74,145)	74,145	-
Net movement in funds	<u>10,703</u>	<u>-</u>	<u>10,703</u>
Reconciliation of funds:			
Total funds brought forward	1,837,739	-	1,837,739
Total funds carried forward	<u><u>1,848,442</u></u>	<u><u>-</u></u>	<u><u>1,848,442</u></u>