

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.

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

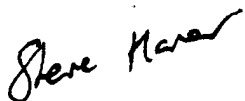
Auditor's responsibilities for the audit of the financial statements (continued)

- 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
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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 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	31,083	36,909
	<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	(137,801)	(62,664)
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>