

# ANNUAL REPORT 2022



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# TRUSTEES' REPORT FOR 1 JANUARY- 31 DECEMBER 2022

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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).

# Officers and financial advisers

## Trustees

**Anthony Smith** (*Chair*)  
**Nicholas Whitaker** (*Treasurer*)  
**Belinda Bell** (*resigned 23/02/2023*)  
**David Cutler**  
**David Loyn**  
**Niamh Neville**  
**Stacey Haefele**  
**Jennifer Larbie**  
**Martine Kessy Ekomo Soignet**  
**Peace Ashenafi** from February 2023  
*(appointed 23/02/2023)*  
**Maryam Mohsin** from February 2023  
*(appointed 23/02/2023)*

## Patrons

**Dame Emma Kirkby**  
**Sir Mark Rylance**  
**Scilla Elworthy**

## Senior Leadership Team

**Dylan Mathews** (*Chief Executive*)  
**Harriet Knox Brown** (*Head of Programmes and Research / Deputy CEO*)  
**Gemma Britton** (*Joint Head of Fundraising and Communications*)  
**Ryan Boyce** (*Joint Head of Fundraising and Communications*) to April 2023  
**Grace Rowley** (*Joint Head of Fundraising and Communications*) from April 2023  
**Katarzyna Khider** (*Head of Finance and Operations*) to February 2022  
**Valerie Bloomfield** (*Head of Finance and Operations*) from February 2022

## Company Secretary

**Katarzyna Khider** to February 2022  
**Valerie Bloomfield** from February 2022

## Charity Number

1123241

## Company Number

06458464

## Registered Office

**Peace Direct**  
 1st Floor, Dynamis House,  
 Sycamore St, Barbican,  
 London EC1Y 0SW, United Kingdom

## Bankers

**Co-operative Bank**  
 PO Box 101,  
 1 Balloon St,  
 Manchester M60 4EP.

**Ebury Bank**  
 42-44 Grosvenor Gardens,  
 London SW1W 0EB

**CCLA Charity Deposit fund**  
 1 Angel Lane,  
 London EC4R 3AB

## Statutory auditors

**Moore Kingston Smith LLP**  
 9 Appold Street  
 London EC2A 2AP

## Solicitor

**BDB Pitmans LLP**  
 1 Bartholomew Close,  
 London EC1A 7BL

# EXECUTIVE SUMMARY

While 2022 saw the threat of the Covid-19 pandemic recede for much of the world, new unprecedented crises erupted in its place. The Russian invasion of Ukraine on 24 February 2022 – the largest armed conflict in Europe since the last world war – has ushered in a year of devastation, destruction and displacement for Ukrainians.

The horrors of this war have dominated Western headlines, but violent conflict also devastated lives elsewhere – including in Myanmar, where the military regime continued to attack civilians across the country, and in the Democratic Republic of the Congo, where the resurgence of rebel group M23 in North Kivu saw civilians killed and displaced. Meanwhile, the Taliban increasingly restricted the lives of women and activities of civil society in Afghanistan.

Fatal weather events and natural disasters also devastated many countries – particularly in Pakistan, where historic floods swept away the lives of over 1,000 people.

Our peacebuilding partners around the world have been directly affected by many of these crises, in addition to the challenges they already faced. We continue to be inspired and motivated by their bravery and resilience as they persist towards sustainable peace. In 2022, several partners had to pivot in their activities, putting plans aside to address the urgent humanitarian needs of their communities during the Pakistan floods and other disasters.

To best support our partners, Peace Direct explored new and innovative ways to provide flexible funding to hard-to-reach partners – including women-led groups in Afghanistan. Across our work in 2022, Peace Direct championed local leadership, furthered our own and the sector's understanding of equitable partnerships, and continued to fight for systems change. The generous support of the public has been vital to providing the flexible support our partners needed in 2022, and we have been encouraged by the generosity of our donors, many of whom have shown a willingness to shift practices and power to improve the sector.

## Highlights of 2022 included:

- Directly supporting over 23 peacebuilding organisations in 12 countries – supporting locally-led initiatives that had at least 85,000 participants.
- Providing urgently needed support to 25 civil society and women's organisations in Afghanistan, with our partner, EPD, disbursing 25 sub-grants in 2022, despite extreme challenges resulting from edicts by the Taliban.
- Publishing our second landmark report on decolonising the sector: 'Race, Power and Peacebuilding' which explored the extent of structural racism in the peacebuilding sector, summarising a global consultation with 160 people from 70 countries.
- Launching a new project led by 10 local peacebuilders from around the world to design, own and launch a global campaign to amplify local solutions for peace.
- Developing a decolonised, locally-led approach to Monitoring, Evaluation and Learning practices to shift power in the global peacebuilding sector.

# Peace Direct's Vision and Mission

## OUR VISION

A just world, free  
from violent conflict

## OUR MISSION

To work with local people to stop violent  
conflict and build sustainable peace

## OUR VALUES

*We believe in:*

Non-violence | Dignity and respect  
Inclusion | Trust | Courage

## WE ARE

Non-partisan |  
Entrepreneurial

# OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT: PROGRESS AGAINST OUR STRATEGIC PLAN

We made some encouraging progress towards our goals, despite difficulties in the global context, the funding environment, and recruitment delays. Our activities, performance and achievements are reported on below under our strategic objectives. The trustees confirm that they have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims, objectives, and future plans.



# Strategic Goal 1:

People in fragile and conflict-affected countries across Africa, Asia, Europe, the Americas and the Middle East will be better able to prevent and respond to violence and lead efforts to build sustainable peace.

Highlights of our work include:

- **Directly supporting over 23 peacebuilding organisations in 12 countries.**
- **Expanding our Local Action Fund (LAF) model to new countries, including further locations across Afghanistan:** despite extreme challenges resulting from Taliban edicts, we delivered 25 grants to support civil society and women's organisations in Afghanistan, with our partner, EPD, disbursing \$50,000 USD in sub-grants in 2022. We also secured a new grant for our work with local partners in Myanmar to support civil society resilience in an increasingly restrictive environment. In Nigeria, we expanded the scope of our planned work with local partners to respond to increased tensions and prevent violence ahead of the March 2023 election. We also identified and had discussions with two potential partner organisations in Colombia to scope the parameters of potential LAF partnerships there.
- **Evaluating our flexible funding model:** We evaluated the Youth Action for Peace Programme (YAPP), which centred around a flexible funding model, supporting innovative projects designed and led by young people active in peacebuilding. The programme was co-created between Peace Direct and five local youth organisations across four conflict-affected countries. Over three years, local partner organisations distributed small, flexible grants totalling \$1 million USD. These grants supported 218 youth peacebuilding projects, reaching over 300,000 people directly and an estimated 950,000 indirectly in the Central African Republic, the Democratic Republic of Congo, Mali and Pakistan.

- **Reinitiating international travel to and by local partners:** Peace Direct staff travelled to Nigeria, Mali, Zimbabwe, Turkey, Uganda, Thailand and Colombia to meet with numerous existing and potential partners. We also supported partners in visiting Global North countries to participate in advocacy efforts, including: our local advisor in Myanmar came to Brussels; one of our partners in the Democratic Republic of Congo came to the United Kingdom, while another went to Brussels; our partner from Sudan went to the United States; our local peacebuilding expert from India came to the United Kingdom and the United States; among others. Barriers to accessing visas in a timely manner prevented some partners from having the opportunity to travel at all.
- **Peace Gold:** In Eastern DRC, we continued working with Centre Résolution Conflits (CRC) on their 'Peace Gold' initiative to produce ethical and environmentally friendly gold as a pathway to peace. In 2022, CRC continued working with two mining cooperatives to strengthen their governance and due diligence. Their team provided a series of workshops relating to first aid on mine sites, human rights, and the CRAFT Code and broader traceability of minerals. The social fund also began operating, with community and cooperative members working together to identify priorities for improvement that will begin in 2023.
- **Responding to emergencies and security threats:** We delivered almost 70 flexible crisis grants, totalling over \$225,000 USD, to local partners in need of support in response to emergent conflicts, climate disasters and other threats to the sustainability of their work – for example, this included support to partners in eastern Democratic Republic of Congo in light of the resurgence of rebel group M23, as well as emergency relief to partners affected by the flood in Pakistan.

### Plans for 2023:

- Draw on lessons and good practices identified by our YAPP and LAF partners to adapt and improve ongoing flexible funding programmes for local peacebuilding groups
- Secure new and follow-on funding for the LAF model to expand work in Afghanistan, Pakistan, Nigeria, Mali and Sudan, and to launch a pilot LAF in Colombia

- Organise and host learning and exchange workshops with partners and other organisations engaged in supporting innovative, flexible ways of resourcing local peacebuilding efforts
- Accompany local partners in 14 countries to access resources to contribute to their peacebuilding efforts, organisational development priorities, safety, security and psycho-social support needs
- Define and publish Peace Direct's approach to partnerships

## Strategic Goal 2:

**Key public and private institutions and decision makers in the UK, US, EU, in the UN system, and in selected conflict affected countries will recognise and support locally led peacebuilding as an effective and essential approach to building sustainable peace**

### **Highlights of our work include:**

- **Publishing our second landmark report on decolonisation:** We launched the *Race, Power and Peacebuilding Report*, summarising a global consultation which included over 160 people from 70 countries. By analysing current peacebuilding approaches through a 'decolonising' lens, the report's goal is to encourage the peacebuilding sector to embrace the decolonising agenda and address unequal global-local power dynamics. The report has been widely read and referenced in-depth by peers, policymakers and international institutions – including staff of the United Nations, governmental officials, and NGOs.
- Our peers independently drew on our published insights for their own outputs – for example, an October 2022 guidance document by the UK INGO network Bond to support INGOs in 'becoming locally led as an anti-racist practice' drew explicitly on insights from Peace Direct's reports.

- In light of the findings of our two decolonisation reports, our CEO and other staff were invited to speak to policymakers and peers about decolonisation across the aid, peacebuilding and development sectors. For example, the EU Observer podcast, the EU Scream, interviewed our CEO about how to decolonise EU foreign aid.
- **Deepening our advocacy globally:** Through numerous events and activities targeting policy and decision-makers, funders and other international actors, we emphasised the necessity of shifting power and resources within the peacebuilding and international development system. We extended our political outreach and wider networks in the UK and EU, including directly influencing British parliamentary inquiries on atrocity prevention, Afghanistan and racism in the aid sector. Overall, our advocacy this year has contributed to elevating voices usually excluded at the international policymaking level, including supporting our Afghanistan partners to participate in a UK parliamentary event on the situation of women and girls in Afghanistan.
- At a high-level side event to the UN General Assembly, we hosted a discussion on “Doing Aid Better: Actions to Support Local Leadership in Policy, Funding, and Practice”. We brought together speakers across the sector, including USAID Administrator Samantha Power, enabling local actors to speak directly to funders about locally-led inclusive development.
- In recognition of the experience and insights of Peace Direct and our partners, policymakers in the UN, UK, US, and EU invited us to give feedback on policy. We contributed to the language of donor principles led by USAID and Norway, and gave input on sector efforts to influence the UK’s 2022 International Development Strategy.
- 9 partners visited the UK, EU, UN and US to meet with policymakers and INGO practitioners, in addition to at least 5 virtual engagements. This includes one of our partners, Nynar Arop from the organisation Adeela in Sudan, being invited to speak before the UN Security Council.

- **Producing further summary reports based on our learnings:**  
We developed a report for the SAS+ consortium on responsible partnership transitions, and published *Migration & Peacebuilding* to highlight how peacebuilding and migration should be intrinsically linked in global development and peace processes. We also produced a paper addressing the conflation of localisation and decolonisation, highlighting issues with some so-called 'localisation' efforts.

**Plans for 2023:**

- Operationalising the decolonising agenda by producing reports on transforming international partnerships and philanthropy
- Rebalancing the conversation on decolonisation so Global South actors can claim space and use their voices
- Advancing locally-led development and peacebuilding via advocacy on our Local Action Fund model, gender, Youth Peace & Security, and atrocity prevention
- Lead accompaniment process with two organisations in transition through SAS+
- Accompany partners in multiple countries on research projects, including strengthening conflict prevention networks in Beni

## Strategic Goal 3:

**More people in the UK, US and EU are aware of, engaged with and supportive of locally-led peacebuilding, contributing to a growing and active global peace movement**

### **Highlights of our work include:**

- **Increasing our engagement with supporters:** We continued developing our digital engagement programme to help share stories of local people building peace more widely through our digital ecosystem, grow our supporter base, and strengthen relationships. We drew over 160,000 new visitors to the site, and alongside the careful application of our Google Grant and some paid advertising, this helped us to raise more than £40,000 online in 2022. In addition, we continued growing our email audience apace, attracting more than 6,000 new, highly engaged subscribers. Through thoughtful targeting and audience management, we now enjoy healthy open and engagement rates which are more than double our sector benchmark(s). We have also continued to refine our approach to storytelling and lead generation on Facebook, and as a result: 1/5 people who saw our stories last year interacted with them – up from 1/10 in 2021.
- **Diversifying our public income sources:** We raised funds from the public from an increasing number of sources. In addition to our digital fundraising efforts, we launched five targeted appeals during the year, a partnership with the UK festival Shambala and participated in the matched giving campaign the Big Give Christmas Challenge.
- **Creating a new platform for local peacebuilder voices:** We publicly launched a new initiative – the Global Campaign – that will enable a global team of 10 local peacebuilders to develop and lead a campaign that amplifies local solutions for peace, raises awareness of the effectiveness of local peacebuilding efforts and garners international support. After finalising the terms of the opportunity in Q4, we opened the opportunity up for applications in December 2022. In total, we received 708 applications for the 10 openings, far exceeding our own expectations.

- **Enabling partner-led content development:** Throughout 2022, we worked with two of our partners to develop content to raise public awareness of local peacebuilding efforts through authentic, partner-owned storytelling and to generate engagement and donations. Through this effort: participants in our partner's projects were able to tell their stories in their own words; we successfully collected video, photo and written content from communities our partners worked with; we developed an improved ethical content collection and consent processes with input from our partners, who were able to safely adapt the processes to their contexts; and partners were able to take the lead on the content development process.
- **Raising awareness of broader local peacebuilding efforts:** We continued to share the latest news and analysis on local peacebuilding on our Peace Insight platform. Despite a suspension of activities during a staffing shortage, we shared around 20 articles and resources. We also worked with a videographer and our Local Peacebuilding Expert in Ukraine to put together a 7-part series called 'Portraits from the War in Ukraine', to share the stories of humanitarians and refugees. The Portraits were conceptualised, filmed and edited throughout 2022 for launch on the war's one-year anniversary in February 2023.

### **Plans for 2023:**

- Continue redevelopment of and launch Peace Direct's brand and website
- Work more closely with partners to create co-owned content, strategies and appeals
- Increase and improve engagement with sector audiences
- Increase investment and attention on fundraising from individuals
- Support the launch of the Global Campaign

## Strategic Goal 4:

Peace Direct will have skilled and motivated staff, board members and volunteers and will invest in its systems, processes, and work culture to enable it to deliver high quality work and support to local peacebuilders around the world.

### Highlights of our work include:

- **Rolling out protected learning and development time:** In 2022, Peace Direct adjusted working patterns to create dedicated learning and development time for all staff. After six months, 66% of staff reported using this time regularly after 6 months to develop their professional skills. We hope to increase this to over 90% in 2023.
- **Making our approach to staff wellbeing permanent:** Having previously trialled protected wellbeing time for all staff, we permanently adopted this approach in 2022, and 100% of staff reported using this time consistently for self-governed free time to protect their mental and physical wellbeing. In addition to this being well received by staff, it has also been acknowledged positively within the sector and we hope it encourages further sector adoption.
- **Reviewing our governance structure so that it supports greater innovation across the two Peace Direct entities:** In 2022, we instituted a practice of concurrent Board meetings with our US affiliate, which involves board members acting as observers to each entity's board meetings twice a year in order to learn from each other. We also continued to engage with the global advisory council (GS) who act as our intellectual leads in thinking about local leadership and how to champion that.
- **Scoping and selecting new finance software** to improve our financial management capabilities and analysis and help us become more efficient. Our agreement with our new software provider was signed before end of 2022 and we look forward to effective migration in 2023.



- **Reviewing and renewing our policies:** In 2022 we updated 17 policies and sensitised staff to the new policies, ensuring understanding of both responsibility and benefits.
- **The Diversity, Equity and Inclusion Working Group's continuing efforts:** The Working Group met regularly throughout the year, delivering a staff group learning session on the interconnections and distinctions between DEI and decolonising, as well as facilitating all-staff training on inter-cultural dialogue and using I-CD inventory to help support belonging. We also continued to do important work exploring how to integrate belonging and cross-cultural engagement/inclusion within the organisation.
- **Improving data and information security:** We have continued to improve our storage systems to better protect the privacy of staff, partners and public supporters, including using SharePoint much more securely to store sensitive projects and information.

### Plans for 2023

- Finalising our Diversity, Equity and Inclusion action plan
- Effective migration onto our new finance software
- Embedding a learning and knowledge sharing culture in our work and broader practices
- Further develop internal systems to improve information and project management

# RECOGNITION AND THANKS

As always, we owe a debt of gratitude first to our partners, who are working on the frontlines of conflict, at great personal risk, to stop violence and build peace. We continue to be inspired by their bravery and are honoured to be working with them. As in previous years, we could not have achieved our goals without the support of a range of donors and supporters.

We are grateful for the financial support from a number of governmental institutions, including the UK Foreign, Commonwealth and Development Office, the Swedish International Development Agency, Global Affairs Canada, the European Partnership for Responsible Minerals and the Guernsey Overseas Aid and Development Commission

We are very grateful to Trusts and Foundations that provided flexible and generous multi-year funding for our work, including Humanity United, Robert Bosch Stiftung, Open Society Foundation and the People's Postcode Lottery. These funders in particular demonstrated the type of support and flexibility that we hope will become commonplace across the philanthropic sector.

We are also grateful to the Trusts, Foundations and other bodies that provided project funding of more than £10,000 per year, including the Alan & Babette Sainsbury Trust, The Jusaca Trust, Network for Social Change, the Sir James Reckitt Charitable Trust, and the Sulney Fields Trust. Many other trusts and foundations provided us with grants of up to £10,000 and we are grateful for their support.

We are also very thankful to the hundreds of people who continue to support Peace Direct with gifts of all sizes. We are very grateful for their belief in what we do. Their generosity is so important to us in order to help us respond quickly and flexibly to the needs of our local partners, and to keep Peace Direct running in an efficient and sustainable way.

As in previous years, we would like to thank Google for providing us with free advertising, which helps drive traffic to our website. We also received pro bono support from Pracedo, a Salesforce consulting firm.

Last but not least, we would like to thank the staff and Board of Peace Direct, who have dedicated significant time and effort to making sure that the organisation has long-lasting and positive impact for those living in war zones.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity started as a Trust in 2004. Today its operations are governed by its Memorandum and Articles of Association dated 20 December 2007 (as amended December 2008). Peace Direct is registered under the Companies Act 2006 as a company limited by guarantee and not having share capital. The company was registered as a charity on 18 March 2009 under registration number 1123241. The charity complies fully with both the letter and spirit of the Data Protection Act 1998 and the General Data Protection Regulation 2018, which was effective from 25 May 2018.

## Recruitment and appointment of Trustees

The Trustees in office in 2022 are set out on page 1. We actively seek out Trustees with specific skill sets through advertising, recommendations and other sources. New Trustees are approved by the whole Board. Trustees must be at least 18 years of age. The Trustees may from time to time appoint a person to fill a vacancy or act as an additional Trustee. This appointment is subject to approval of the Trustees at the next quorate Trustee meeting.

## Organisation

The Board meets quarterly. Its role is one of governance and strategic oversight. It approves the budget, operational and strategic plans, and appoints the Chair and Chief Executive. The Board contributes in many ways to particular aspects of Peace Direct's work, for example through sub-committees, approving strategy, approving new policies and advising on fundraising. The Board also advises on major issues that affect Peace Direct's public image, including any issues with significant legal implications. All other decisions are delegated to the Chief Executive, who consults the Board collectively, or individually where they have expertise to contribute or where they are thought likely to have strong views on a particular issue.

## Trustee induction and training

Induction is tailored to the individual requirements of Trustees, but in all cases involves a review of the annual and strategic plan, and review of the minutes of previous Board meetings.

## Related parties

Peace Direct has no formal links with other organisations, other than our affiliate in the United States, but works closely with many in the fields of peacebuilding, human rights and accountability, both in the UK and overseas.

Our affiliate in the United States, Peace Direct Inc, is an independent non-profit organisation that operates under licence from Peace Direct. There is close collaboration between the two organisations to further Peace Direct's charitable objects, including fundraising for programmes, advocacy to the US government and to the UN, research and public education.

No Trustee received any remuneration from the Charity (2021 – £nil) and none of the Trustees were reimbursed expenses incurred in the performance of their duties.

## Risk management

The Trustees confirm that they are satisfied that adequate control actions and monitoring processes are in place to mitigate the charity's exposure to major risks. These major risks which the Charity faces have been identified as:

- Operational – overseas and in UK
- Reputational
- Financial
- Human Resources
- Governance

Appropriate actions to mitigate against the potential impact of each of these risk categories are considered on an on-going basis as part of the Risk Management process.

They are summarised as follows:

**Operational:** The risk of injury or death to employees and consultants whilst overseas is minimised through the completion of a risk assessment for each trip, monitoring travel advice from FCDO and by seeking information from other agencies. The failure to exercise due care and diligence with respect to the Charity's IT systems, and the consequential loss and compromise of data, is countered through ownership of the IT system, staff training and the regular review of data security.

**Reputational:** The Board of Trustees determines the major issues that affect the Charity's public image – for example whether to endorse campaigns promoted by other organisations, whether to engage in forms of fundraising that might be deemed sensitive, and any issues with significant legal implications. The potential risk from partners misreporting on projects is addressed by undertaking a comprehensive assessment of potential partners followed by regular monitoring.

**Financial:** A possible fall in unrestricted reserves resulting from shortfalls in income, failure to secure co-financing or unanticipated expenditure would be foreseen through the receipt of regular financial reports and accurate and prompt re-forecasting allowing for timely reductions in the budget, additional fundraising and the encouragement of earlier receipt of pledges from major donors. Foreign exchange losses are monitored and may be minimised through offset against foreign exchange gains, forward purchasing, capping of costs in sterling as well as modifications to project budgets if agreed by the donor. Alternative funders may also be approached to make up for any budget shortfall caused by exchange rate losses.

Cash flow issues will be identified in advance by producing regular cash flow projections.

Funding is diversified as much as possible so as to minimise the effect of specific funding applications being unsuccessful. Brexit related risks are also being mitigated by exploring ways to broaden the charity's funding base as well as looking at establishing an EU presence. In addition, there is continuing investment in potential new fundraising streams and products. If speculative income fails to materialise, this is offset by cancelling corresponding expenditure. Should donors change their modus operandi to funding partners directly, then the Charity would seek contributions for value added services provided directly to the partner. Peace Direct is also considering a consultancy model to generate income from commercial contracts and has recently launched an online discussion platform which is being marketed on a commercial basis to NGOs wishing to hold large virtual consultations.

**Human Resources:** The disruption to the Charity's work, risk to programme implementation and to key external relationships due to the unavailability of key staff member(s) owing to illness, resignation, etc, is addressed through the sharing of knowledge amongst the Senior Management Team and the comprehensive documentation of information and systems. Field visits also contribute to key partnership relations.

**Governance:** The Board of Trustees is responsible for the Governance of the Charity. It meets quarterly and approves the budget, operational and strategic plans, appoints the Chair and Chief Executive, and approves overall policy in relation to staff employment. It also ensures good governance through the operation of sub-committees. The charity has clear policies on conflicts of interest, and in addition all Trustees sign a code of conduct. All policies have recently been subjected to extensive review and updating. The recruitment, appointment, induction and training of Trustees is detailed under the Structure, Governance and Management section of this report. In addition, procedures are in place to ensure compliance with the Health and Safety of staff, volunteers, partners and third parties working on the charity's programmes. Internal control risks are minimised by the implementation of financial and other procedures. The charity adheres to the highest ethical levels in its fundraising policies and activities and complies with best practice and generally accepted standards.

## Internal controls

The Trustees confirm that internal control procedures are in place in order to provide reasonable assurance against material misstatement or loss. They include:

- Comprehensive financial policies and procedures.
- Internal audit of cash handling and other financial procedures.
- Comprehensive system of annual budgets, approved by the Trustees, and financial reporting of actuals against budget.
- Regular forecasting of predicted income and cashflow.
- Regular monitoring of reserves policy.
- Annual review of the charity's risk register.

# FINANCIAL REVIEW

Peace Direct's income in 2022 was £4,308,725, which represents a 9.7% increase compared to 2021 (£3,927,942). This is mostly due to £104,362 in legacy income (2021: £33,782) and a \$500,000 grant (which translated to £446,017) from the Open Society Foundation.

Institutional income received was £837,954 compared to £1,323,395 the previous year, a drop of 36.7%. This is largely due to several institutionally-funded projects closing down in 2022, namely with the Swedish International Development Agency (SIDA) and the UK Foreign, Commonwealth and Development Office (FCDO). Income from Trusts and Foundations, in contrast, saw an increase of almost 38% to £3,132,426 compared to £2,274,849 in 2021. This is due to Peace Direct securing additional funding from the People's Postcode Lottery, Open Society Foundation and other funders. Donations from individuals stood at £320,337, up from £214,964 in 2021, an increase of 49%. This included £104,362 of legacy income (2021: £33,782). We also received corporate donations totalling £6,667, against £4,200 in 2021, an increase of 58.7% due to receiving an in-kind contribution from our landlord, our annual rental rate being below the fair market-rate rent for space.

Expenditure on fundraising activities (including communications) fell by 26.7% in 2022 from £224,840 to £164,787. This is due to website costs being paid in 2021, and a reduction in consultancy fees as we brought skills in-house, particularly for communication.

Expenditure on charitable activities increased by 18% from £3,154,556 to £3,827,756. This was due to various delays in project activities in 2021 caused in large part by Covid restrictions, which were then resolved in 2022.

Unrestricted funds showed a surplus after transfers of £134,776 compared to a surplus of £183,108 in 2021. The amount of £134,776 remains after a transfer of £34,145 to a designated 'Partner Core Support Fund', to share a portion of the overheads from restricted grants with partners. The total of this fund, accumulated since 2021, has amounted to £51,000 and has been used to benefit 21 partners. This leaves the organisation with unrestricted reserves of £742,708 at the year end, compared to £607,931 at the end of 2021.

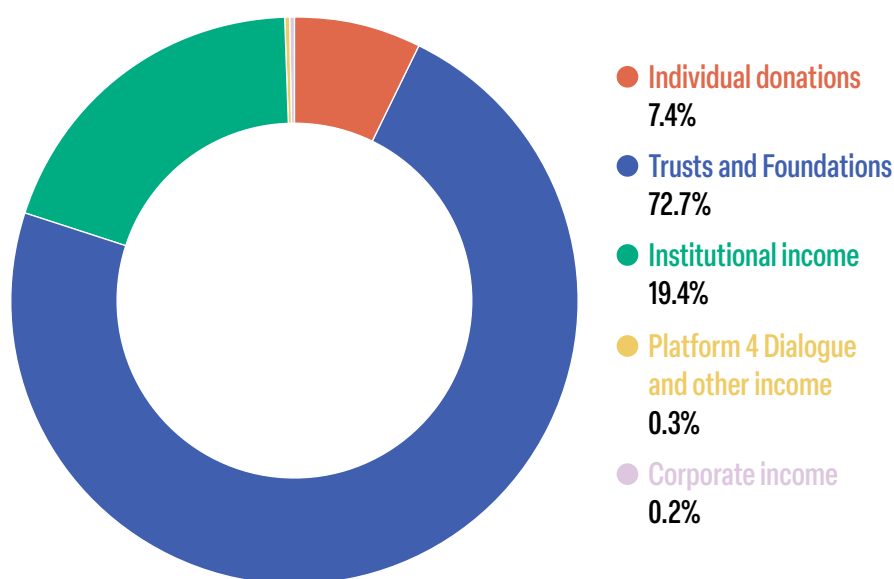
Peace Direct has set aside designated reserves, designated specifically for programmatic purposes, future commitments, general operating costs and partners core support. Designated reserves increased from £341,624 to £797,553, mostly due to a £446,017 (\$500,000) general operating support grant from the Open Society Foundation.

Restricted reserves decreased to £1,004,476 compared to £1,234,548 in the previous year. This was largely a result of implementing some activities in 2022, that were delayed in 2021 as a result of Covid-19.

Staffing costs increased during the year, from £862,473 in 2021 to £1,057,894. This was largely a result of all staff being on Furlough for 20% of their time for several months in 2021, back to full time in 2022, and also of a one-off cost of living payment to all staff at the end of 2022.

Average actual staff numbers increased from 21 to 22.

### Principal funding sources



Our income was split between individual donations (£320,337 = 7.4%), trust and foundation grants (£3,132,436 = 72.7%), institutional income (£837,953, 19.4%), Platform 4 Dialogue and other income (£11,342 = 0.3%), and corporate income (£6667 = 0.2%).

As part of our risk management strategy, Peace Direct strives to have a balance of funding sources and not become overly reliant on one funder or on funding linked to one specific partner.



## Investment powers and policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the charity. Due to fluctuating cash flow demands and substantial movements in exchange rates during the year, only a minimal balance was maintained in a low interest earning investment account so as to assist in cash flow management and to minimise the impact of exchange rate losses.

## Reserves policy

The Charity requires free reserves in order to:

- cover gaps between incurring expenditure and receiving the corresponding grants for certain projects.
- maintain services until new income streams can be found if funding is withdrawn or if other income targets are not reached.
- pay for unforeseen expenditure.
- innovate and seed fund new projects and undertake research.

The Trustees consider three month's unrestricted reserves as the minimum level that should be maintained. However in the medium to long term it is desirable to achieve a level of unrestricted reserves equivalent to six months' core expenditure, particularly in light of the volatility that is likely in the coming years as a result of Brexit, the war in Ukraine and the cost of living crisis in 2022 as a result of high inflation in the UK. At 31 December 2022 this was calculated to be £750,000.

During the year ended 31 December 2022 free reserves stood at £742,708, which represents 5.9 months' core expenditure.

The effective management of reserves will be achieved, inter alia, by efficient financial and operational management, effective cost control, the pursuit of additional and diverse sources of funding and the insistence on the financial viability of all activities undertaken by the Charity.

## Policy on grant making

Peace Direct seeks to identify local organisations that are committed to stopping violence and building sustainable peace in their communities. In most cases, Peace Direct seeks out groups to support through long term partnerships and therefore does not respond to unsolicited requests for funding. Grants made overseas are monitored to ensure that funds are spent on charitable purposes and that strict principles of governance are met.

## Fundraising policy

Our fundraising activities focus on raising money to support the work of our peacebuilding partners around the world, and related projects, as well as to ensure the sustainable running of the organisation.

We raise funds from trusts, foundations and other donor institutions, individual supporters, community fundraising, events and companies. We have also been grateful to receive the support of those who have remembered Peace Direct with gifts in their wills.

We adhere to the guidance as provided by the Institute of Fundraising, and we are paid members of the Fundraising Regulator. In 2022 we received no complaints about our fundraising activity, either directly or via a third party, nor any reports on the Fundraising Preference Service.

Peace Direct has taken an “opt-in only” approach to its direct fundraising communication with supporters, so only those who have explicitly stated they wish to hear from us about ways to support us including fundraising will do so. We also provide clear and simple ways for supporters to opt-out of our fundraising communications at any time. Donor numbers are growing but remain small enough for us to be able to easily track and identify any unusual behaviour, so we can act appropriately if we have reason to believe a vulnerable person is donating to us. Should anyone under 18 wish to donate to or fundraise for Peace Direct, we will always seek consent from a parent or legal guardian.

# STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Peace Direct for the purposes of Company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors 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 Directors 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 Directors 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 auditors

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

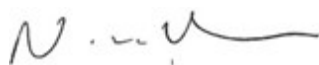
*For and on behalf of the Trustees*



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**Anthony Smith**

Chair of Trustees



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**Nick Whitaker**

Treasurer

27/07/2023

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PEACE DIRECT

## Opinion

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

In our opinion the financial statements:

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

## **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 financial statements section of our report. We are independent of the Corporation 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 27 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### 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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

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### Neil Finlayson

Senior Statutory Auditor

*for and on behalf of Moore Kingston Smith LLP, Statutory Auditor  
9 Appold Street, London, EC2A 2AP*

*Date: 29 September 2023*

# **FINANCIAL STATEMENTS FOR 12 MONTHS ENDED 31 DECEMBER 2022**

## Statement of financial activities for year ended 31 December 2022

|  | NOTES | UNRESTRICTED<br>FUNDS<br>£ | RESTRICTED<br>FUNDS<br>£ | DESIGNATED<br>FUNDS<br>£ | TOTAL<br>2022<br>£ | UNRESTRICTED<br>FUNDS<br>£ | RESTRICTED<br>FUNDS<br>£ | DESIGNATED<br>FUNDS<br>£ | TOTAL<br>2021<br>£ |
|--|-------|----------------------------|--------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------------|--------------------|
| INCOME FROM                                |       |                            |                          |                          |                    |                            |                          |                          |                    |
|  | 2     | 392,247                    | 38,707                   | 72,063                   | 503,017            | 300,936                    | 7,078                    | 108,452                  | 416,466            |
|  | 3     |                            |                          |                          |                    |                            |                          |                          |                    |
|  |       | 10,000                     | 2,495,758                | 426,040                  | 2,931,798          | –                          | 2,482,777                | 123,623                  | 2,606,400          |
|  |       | 10,126                     | 439,621                  | 422,949                  | 872,695            | 17,150                     | 522,530                  | 272,047                  | 811,727            |
|  |       | 1,215                      | –                        | –                        | 1,215              | –                          | 93,349                   | –                        | 93,349             |
| TOTAL INCOME                               |       | 413,588                    | 2,974,086                | 921,052                  | 4,308,725          | 318,086                    | 3,105,734                | 504,122                  | 3,927,942          |
| EXPENDITURE ON                             |       |                            |                          |                          |                    |                            |                          |                          |                    |
|  | 4     | 48,436                     | 36,101                   | 80,250                   | 164,787            | 86,735                     | 37,340                   | 100,766                  | 224,841            |
|  | 4     |                            |                          |                          |                    |                            |                          |                          |                    |
|  |       | 185,751                    | 2,793,727                | 308,776                  | 3,288,254          | 34,123                     | 2,467,840                | 106,516                  | 2,608,478          |
|  |       | 12,783                     | 253,555                  | 273,163                  | 539,501            | 9,337                      | 281,983                  | 254,757                  | 546,077            |
| TOTAL EXPENDITURE                          |       | 246,970                    | 3,083,383                | 662,189                  | 3,992,542          | 130,195                    | 2,787,163                | 462,038                  | 3,379,396          |
| Net Surplus/(Deficit)<br>From Operations   |       | 166,618                    | (109,297)                | 258,863                  | 316,183            | 187,892                    | 318,570                  | 42,084                   | 548,546            |
| Net Unrealised Exchange<br>gains/ (losses) |       | 44,450                     | –                        | –                        | 44,450             | (9,148)                    | –                        | –                        | (9,148)            |
| Net Surplus/(Deficit)<br>Before Transfers  |       | 211,068                    | (109,297)                | 258,863                  | 360,633            | 178,744                    | 318,570                  | 42,084                   | 539,399            |
| Transfers Between Funds                    | 12    | (76,292)                   | (120,774)                | 197,066                  | –                  | 4,364                      | (20,663)                 | 16,299                   | –                  |
| Net Surplus/(Deficit)                      |       | 134,776                    | (230,071)                | 455,929                  | 360,634            | 183,109                    | 297,908                  | 58,383                   | 539,399            |
| Funds Brought Forward                      |       | 607,931                    | 1,234,548                | 341,624                  | 2,184,103          | 424,822                    | 936,640                  | 283,242                  | 1,644,704          |
| FUNDS CARRIED<br>FORWARD                   | 12    | 742,707                    | 1,004,477                | 797,552                  | 2,544,737          | 607,931                    | 1,234,548                | 341,624                  | 2,184,103          |

There were no recognised gains or losses for the above two financial periods other than those included in the Statement of Financial Activities.

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing activities

The notes on pages 40 to 52 form part of these accounts.

## Balance sheet as at 31 December 2022

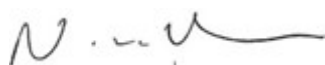
|                                       |       | 2022             |                  | 2021             |                  |
|---------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                       | NOTES | £                | £                | £                | £                |
| FIXED ASSETS                          | 8     |                  | 9,863            |                  | 2,003            |
| CURRENT ASSETS                        |       |                  |                  |                  |                  |
| Debtors                               | 9     | 102,844          |                  | 640,522          |                  |
| Cash at Bank & in Hand                |       | 3,642,165        |                  | 1,884,050        |                  |
|                                       |       | <u>3,745,009</u> |                  | <u>2,524,572</u> |                  |
| CREDITORS                             |       |                  |                  |                  |                  |
| Amounts falling due within one year   | 10    | 1,210,135        |                  | 342,472          |                  |
|                                       |       | <u>1,210,135</u> |                  | <u>342,472</u>   |                  |
| NET CURRENT ASSETS                    |       |                  | 2,534,874        |                  | 2,182,100        |
| Total Assets Less Current Liabilities |       |                  | 2,544,737        |                  | 2,184,102        |
| NET ASSETS                            |       |                  | <u>2,544,737</u> |                  | <u>2,184,102</u> |
| THE FUNDS OF THE CHARITY              |       |                  |                  |                  |                  |
| Unrestricted Income Funds             | 12    |                  | 742,708          |                  | 607,931          |
| Designated Income Funds               | 12    |                  | 797,552          |                  | 341,624          |
| Restricted Income Funds               | 12    |                  | 1,004,477        |                  | 1,234,548        |
|                                       |       |                  | <u>2,544,737</u> |                  | <u>2,184,103</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Trustees and authorises for issue on 27/07/2023 and were signed on its behalf by:



**Anthony Smith**  
Chair of Trustees



**Nick Whitaker**  
Treasurer

Company Number 06458464

## Statement of cash flows as at 31 December 2022

|  | NOTES | 2022<br>£        | 2021<br>£        |
|--|-------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |       |                  |                  |
| Net cash (used in)/ provided by operating activities               |       | 1,728,218        | (343,924)        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |       |                  |                  |
| Purchase of fixed assets   |       | (14,553)         | -                |
| Net cash provided by investing activities                          |       | (14,553)         | -                |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>             |       | <b>1,713,665</b> | <b>(343,924)</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>      |       |                  |                  |
| Change in cash and cash equivalents due to exchange rate movements |       | 44,450           | (9,148)          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>            |       | <b>3,642,165</b> | <b>1,884,050</b> |

## Reconciliation of net income / (expenditure) to net cash flow from operating activities

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Net cash (used in)/ provided by operating activities               | 316,183          | 548,547          |
| Purchase of fixed assets   | 6,694            | 3,165            |
| Net cash provided by investing activities                          | 537,678          | (425,991)        |
| Change in cash and cash equivalents due to exchange rate movements | 867,663          | (469,645)        |
|  | <u>1,728,218</u> | <u>(343,924)</u> |

## Analysis of cash and cash equivalents and net debt

|                          | BALANCE<br>01/01/2022<br>£ | CASH FLOWS<br>£ | FOREIGN EXCHANGE<br>MOVEMENTS<br>£ | BALANCE<br>31/12/2022<br>£ |
|--------------------------|----------------------------|-----------------|------------------------------------|----------------------------|
| Cash at bank and in hand | 1,884,050                  | 1,713,665       | 44,450                             | 3,642,165                  |

|                          | BALANCE<br>01/01/2021<br>£ | CASH FLOWS<br>£ | FOREIGN EXCHANGE<br>MOVEMENTS<br>£ | BALANCE<br>31/12/2021<br>£ |
|--------------------------|----------------------------|-----------------|------------------------------------|----------------------------|
| Cash at bank and in hand | 2,237,122                  | (343,924)       | (9,148)                            | 1,893,198                  |

## Notes to the financial statements

Peace Direct is a public benefit entity, a charity registered in England and Wales (registered charity number 1123241) and a company limited by guarantee (company number 06458464), registered in England. The registered office and its principal place of business is 72-74 Mare Street, London, E84RT.

### 1. Accounting policies

#### 1.1 Basis of preparation of accounts

These 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 (FRS102) (issued in October 2019 and effective 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Peace Direct meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policies.

The trustees consider there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider there are any sources of estimation uncertainty at the year end that have a significant risk of causing a material adjustment to the carrying value of either assets or liabilities within the next accounting period.

#### 1.2 Income recognition

Voluntary income including donations, legacies and grants that provide unrestricted funding are recognised when entitlement and the amount can be measured with reasonable accuracy. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement to it.

Income from charitable activities includes income received where the funds must be applied for specific purposes stipulated by the donor. Grant income included in this category provides funding to support performance activities and is recognised when entitlement and the amount can be measured with reasonable reliability. Income is deferred when performance-related grants are received in advance of the performance or event to which they relate.

Bank interest and investment income are included on a receipts basis.

Income Tax recoverable (Gift Aid) on donations received is included on an accruals basis.

#### 1.3 Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report. Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimated sum based on the value of the contribution to the charity. The income equivalent is recognised within incoming resources as a donation, and equivalent costs included within resources expended under the relevant cost categories.



#### **1.4 Resources expended**

Expenditure is recognised when a liability is incurred.

#### **1.5 Cost of Generating Funds**

Costs of generating funds are those costs incurred in raising income for the charity.

#### **1.6 Charitable activities**

Charitable activities include expenditure associated with achieving the objectives of the charity and include both the direct costs and support costs relating to these activities.

#### **1.7 Governance costs**

Governance costs include costs associated with meeting regulatory and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Under the new Charity SORP they are included in Charitable Activities on the face of the Statement of Financial Activities.

#### **1.8 Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by number of staff, and staff costs by time spent in different areas of work by staff members.

#### **1.9 Pension costs**

The pension costs charged in the accounts represent the contributions payable by the charity during the period.

Pension costs represent contributions paid to a defined contribution scheme on behalf of the charity's employees. The assets of the scheme are held separately from those of the company in an independently administered scheme.

#### **1.10 Funds structure**

Unrestricted funds are available for use at the discretion of the Trustees and in furtherance of the general objectives of the charity.

Restricted funds are funds received where their use is subject to donor imposed conditions.

#### **1.11 Grants payable**

Grants are expensed in the period in which they are paid.

#### **1.12 Operating leases**

Rentals payable under operating leases are charged against income in a straight line basis over the lease term.

#### **1.13 Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to each activity. Irrecoverable VAT is charged to the category of resources expended to which the item it relates to has been charged.

#### **1.14 Taxation**

The charity is a registered charity and claims exemption from income tax and corporation tax on income and activities arising from its charitable activities.

**1.15 Foreign currency exchange gains and losses**

Monetary assets and liabilities in foreign currencies are translated in to sterling at the ruling rate of exchange at the year end.

Transactions in foreign exchange are translated into sterling using the middle rate on the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds for the year. Unrealised gains on conversion of monetary assets and liabilities denominated in foreign currencies at the year end are credited to a designated reserve to be utilised in offsetting any future foreign currency exchange losses.

**1.16 Tangible fixed assets for use by the charity and depreciation.**

Tangible fixed assets for use by the charity are stated at cost less depreciation. 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: computer equipment 3 years; fixtures and fittings 4 years. Equipment is capitalised where the purchase price exceeds £1000.

**1.17 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.

**1.18 Cash at bank and in hand**

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

**1.19 Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

Deferred income represents income that has timing restrictions placed upon the use of that income so that it is recognised in a future period.

## Notes to the accounts for year ended 31 December 2022

### 2 Income from donations

|  | 2022<br>UNRESTRICTED<br>£ | 2022<br>RESTRICTED<br>£ | 2022<br>DESIGNATED<br>£ | 2022<br>TOTAL<br>£ | 2021<br>UNRESTRICTED<br>£ | 2021<br>RESTRICTED<br>£ | 2021<br>DESIGNATED<br>£ | 2021<br>TOTAL<br>£ |
|--|---------------------------|-------------------------|-------------------------|--------------------|---------------------------|-------------------------|-------------------------|--------------------|
| Donations from Individuals                   | 177,268                   | 38,707                  | -                       | 215,975            | 174,104                   | 7,078                   | -                       | 181,182            |
| Legacies                                     | 104,362                   | -                       | -                       | 104,362            | 33,782                    | -                       | -                       | 33,782             |
| <b>Sub-total</b>                             | <b>281,630</b>            | <b>38,707</b>           | <b>-</b>                | <b>320,337</b>     | <b>207,886</b>            | <b>7,078</b>            | <b>-</b>                | <b>214,964</b>     |
| <b>Grants</b>                                |                           |                         |                         |                    |                           |                         |                         |                    |
| Small Grants                                 | 13,950                    | -                       | -                       | 13,950             | 13,850                    | -                       | -                       | 13,850             |
| Blanford Lake Trust                          | 10,000                    | -                       | -                       | 10,000             | 10,000                    | -                       | -                       | 10,000             |
| Jusaca Trust                                 | 20,000                    | -                       | -                       | 20,000             | 20,000                    | -                       | -                       | -                  |
| Sir James Reckitt Charitable Trust           | 30,000                    | -                       | -                       | 30,000             | 15,000                    | -                       | -                       | 15,000             |
| Sulney Fields Trust                          | 15,000                    | -                       | -                       | 15,000             | 15,000                    | -                       | -                       | 15,000             |
| The Alan & Babette Sainsbury Charitable Fund | 15,000                    | -                       | -                       | 15,000             | 15,000                    | -                       | -                       | 15,000             |
| Anonymous                                    | -                         | -                       | 72,063                  | 72,063             | -                         | -                       | 108,452                 | 108,452            |
| <b>Sub-total</b>                             | <b>103,950</b>            | <b>-</b>                | <b>72,063</b>           | <b>176,013</b>     | <b>88,850</b>             | <b>-</b>                | <b>108,452</b>          | <b>177,302</b>     |
| <b>Corporate</b>                             |                           |                         |                         |                    |                           |                         |                         |                    |
| Donated Services                             | 6,667                     | -                       | -                       | 6,667              | 4,200                     | -                       | -                       | 4,200              |
| Other  | -                         | -                       | -                       | -                  | -                         | -                       | -                       | -                  |
| <b>Sub-total</b>                             | <b>6,667</b>              | <b>-</b>                | <b>-</b>                | <b>6,667</b>       | <b>4,200</b>              | <b>-</b>                | <b>-</b>                | <b>4,200</b>       |
| <b>TOTAL INCOME FROM DONATIONS</b>           | <b>392,247</b>            | <b>38,707</b>           | <b>72,063</b>           | <b>503,017</b>     | <b>300,936</b>            | <b>7,078</b>            | <b>108,452</b>          | <b>396,466</b>     |

### 3 Income from charitable activities

|   | 2022<br>UNRESTRICTED<br>£ | 2022<br>RESTRICTED<br>£ | 2022<br>DESIGNATED<br>£ | 2022<br>TOTAL<br>£ | 2021<br>UNRESTRICTED<br>£ | 2021<br>RESTRICTED<br>£ | 2021<br>DESIGNATED<br>£ | 2021<br>TOTAL<br>£ |
|---|---------------------------|-------------------------|-------------------------|--------------------|---------------------------|-------------------------|-------------------------|--------------------|
| <b>INTERNATIONAL PROGRAMMES</b>                                   |                           |                         |                         |                    |                           |                         |                         |                    |
| <b>Grants Received</b>  |                           |                         |                         |                    |                           |                         |                         |                    |
| <b>Institutions</b>   |                           |                         |                         |                    |                           |                         |                         |                    |
| European Partnership for Responsible Minerals                     |                           | 113,873                 | 113,873                 | 113,873            |                           | 118,131                 |                         | 118,131            |
| European Union  |                           | -                       | -                       | -                  |                           | 33,356                  |                         | 33,356             |
| Guernsey Overseas Aid & Development Commission                    |                           | 16,742                  | 16,742                  | 16,742             |                           | -                       |                         | -                  |
| Swedish International Development Cooperation Agency              |                           | 119,538                 | 119,538                 | 119,538            |                           | 672,966                 |                         | 672,966            |
| UK Foreign, Commonwealth and Development Office                   |                           | 210,330                 | 210,330                 | 210,330            |                           | 349,276                 |                         | 349,276            |
| German Institut für Auslandsbeziehungen (Zivik Funding Programme) |                           | 80,347                  | 80,347                  | 80,347             |                           | -                       |                         | -                  |
| Global Affairs Canada   |                           | 213,842                 | 213,842                 | 213,842            |                           | -                       |                         | -                  |
|   |                           |                         |                         | -                  |                           |                         |                         | -                  |
| <b>Sub-total</b>  | -                         | 754,672                 | 754,672                 | 754,672            | -                         | 1,173,730               | -                       | 1,173,730          |
| <b>Trusts and Foundations</b>                                     |                           |                         |                         |                    |                           |                         |                         |                    |
| Arsenault Family Foundation                                       |                           | -                       | -                       | -                  |                           | 17,089                  | -                       | -                  |
| Blandford Lake Trust  | 10,000                    | -                       | -                       | 10,000             |                           | 10,000                  |                         | 10,000             |
| Commonwealth Foundation   |                           | -                       | -                       | -                  |                           | (3,760)                 |                         | (3,760)            |
| Humanity United   |                           | -                       | -                       | 109,104            |                           | -                       | 106,271                 | 106,271            |
| Network for Social Change   |                           | 16,600                  | 16,600                  | 16,600             |                           | 17,133                  |                         | 17,133             |
| Peace Nexus Foundation  |                           |                         |                         | -                  |                           | 15,599                  |                         | 15,599             |
| People's Postcode Lottery   |                           | 887,500                 | 887,500                 | 887,500            |                           | 637,500                 |                         | 637,500            |
| Ploughshares Fund   |                           |                         |                         | -                  |                           | 44,242                  | -                       | 44,242             |
| Anonymous   |                           | 127,979                 | 127,979                 | 127,979            |                           | -                       | -                       | -                  |
| Robert Bosch Foundation   |                           | 115,737                 | 115,737                 | 115,737            |                           | (139)                   |                         | (139)              |
| Anonymous   |                           | 252,292                 | 252,292                 | 279,317            |                           | 553,382                 | 17,352                  | 570,735            |
| Open Society Foundation   |                           | 340,978                 | 340,978                 | 630,889            |                           | -                       | -                       | -                  |
| Other small grants  |                           | -                       | -                       | -                  |                           | 18,000                  | -                       | 18,000             |
|   |                           |                         |                         | -                  |                           |                         |                         | -                  |
| <b>Sub-total</b>  | 10,000                    | 1,741,086               | 1,741,086               | 2,177,126          | -                         | 1,309,047               | 123,623                 | 1,415,581          |
| <b>Sub-total</b>  | 10,000                    | 2,495,758               | 2,495,758               | 2,931,798          | -                         | 2,482,777               | 123,623                 | 2,589,311          |
| <b>Policy &amp; Research</b>                                      |                           |                         |                         |                    |                           |                         |                         |                    |
| <b>Grants</b>   |                           |                         |                         |                    |                           |                         |                         |                    |
| Joseph Rowntree Charitable Trust                                  |                           | 50,828                  | 50,828                  | 50,828             |                           | 25,414                  |                         | 25,414             |
| Humanity United   |                           | -                       | -                       | 185,773            |                           | -                       | 180,947                 | 180,947            |
| Robert Bosch Stiftung   |                           | 173,551                 | 173,551                 | 173,551            |                           | 342,466                 |                         | 342,466            |
| Carnegie Corporation  |                           | 131,961                 | 131,961                 | 131,961            |                           | -                       |                         | -                  |
| United Nations Peacebuilding Fund                                 |                           | 83,281                  | 83,281                  | 83,281             |                           | 102,852                 |                         | 102,852            |
| USAID   | -                         |                         |                         | -                  | -                         | 46,814                  | -                       | 46,814             |
| Anonymous   |                           | -                       | -                       | 81,070             |                           | -                       | 91,100                  | 91,100             |
| Open Society Foundation   |                           |                         |                         | 156,106            | -                         | -                       | -                       | -                  |
| Other small grants  |                           | -                       | -                       | -                  |                           | 4,950                   |                         | 4,950              |
| Contracts   |                           |                         |                         | -                  |                           |                         |                         | -                  |
| Other small contracts   | 10,126                    | -                       | -                       | 10,126             | 17,150                    | 35                      |                         | 17,185             |
|   |                           |                         |                         | -                  |                           |                         |                         | -                  |
| <b>Sub-total</b>  | 10,126                    | 439,621                 | 439,621                 | 872,695            | 17,150                    | 522,530                 | 272,047                 | 811,728            |
| <b>TOTAL INCOME FROM CHARITABLE ACTIVITIES</b>                    | 20,126                    | 2,935,379               | 2,935,379               | 3,804,493          | 17,150                    | 3,005,307               | 395,670                 | 3,401,039          |

## 4a Analysis of expenditure

|                               | BASIS OF ALLOCATION  | COST OF RAISING FUNDS<br>£ | INTERNATIONAL PROGRAMMES<br>£ | POLICY & RESEARCH PROGRAMMES<br>£ | 2022 TOTAL<br>£ |
|-------------------------------|----------------------|----------------------------|-------------------------------|-----------------------------------|-----------------|
| Staff & Office Costs          | Direct Costs         | 80,250                     | 646,448                       | 194,592                           | 921,290         |
| Grants Payable (Note 5)       | Direct Costs         | –                          | 1,779,551                     | 2,641                             | 1,782,192       |
| Programme & Direct Costs      | Direct Costs         | 48,436                     | 572,492                       | 271,021                           | 891,949         |
| Support Costs                 | Staff & Office Costs | 36,101                     | 289,763                       | 71,247                            | 397,111         |
| <hr/>                         |                      |                            |                               |                                   |                 |
| <b>Total expenditure 2022</b> |                      | 164,787                    | 3,288,254                     | 539,501                           | 3,992,542       |
| <hr/>                         |                      |                            |                               |                                   |                 |
| Total expenditure 2021        |                      | 224,840                    | 2,608,478                     | 546,077                           | 3,379,396       |
| <hr/>                         |                      |                            |                               |                                   |                 |

## 4b Support and governance costs

| SUPPORT COSTS CONSIST OF | NOTE | 2022<br>£      | 2021<br>£      |
|--------------------------|------|----------------|----------------|
| Staff costs              |      | 204,381        | 156,799        |
| Office Costs             |      | 179,481        | 137,348        |
| Governance Costs         | 6    | 13,250         | 12,780         |
|                          |      | <b>397,112</b> | <b>306,927</b> |

|                               | BASIS OF ALLOCATION  | COST OF RAISING FUNDS<br>£ | INTERNATIONAL PROGRAMMES<br>£ | POLICY & RESEARCH PROGRAMMES<br>£ | 2022 TOTAL<br>£ |
|-------------------------------|----------------------|----------------------------|-------------------------------|-----------------------------------|-----------------|
| Staff & Office Costs          | Direct Costs         | 94,851                     | 451,266                       | 227,808                           | 773,923         |
| Grants Payable (Note 5)       | Direct Costs         | –                          | 1,774,679                     | –                                 | 1,774,678       |
| Programme & Direct Costs      | Direct Costs         | 97,545                     | 171,757                       | 254,562                           | 523,864         |
| Support Costs                 | Staff & Office Costs | 32,444                     | 210,777                       | 63,707                            | 306,927         |
| <hr/>                         |                      |                            |                               |                                   |                 |
| <b>Total expenditure 2021</b> |                      | 224,840                    | 2,608,478                     | 546,077                           | 3,379,396       |
| <hr/>                         |                      |                            |                               |                                   |                 |

## 5 Grants payable

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>RESTRICTED FUND GRANTS – INTERNATIONAL PROGRAMMES</b>                    |                  |                  |
| EPD, Afghanistan  | 493,596          | 11,063           |
| Centre Resolution Conflicts (CRC), DRC                                      | 158,088          | 99,263           |
| Fondation Chirezi (FOCHI), DRC  | 75,174           | 14,308           |
| Aware Girls, Pakistan   | –                | –                |
| HIVE, Pakistan  | 18,946           | 16,954           |
| CDA, Pakistan   | 11,462           | 36,340           |
| Social-Life & Agricultural Development Organisation (SADO), Somalia         | –                | –                |
| Hurras, Syria   | 52,501           | 7,215            |
| Envision Zimbabwe Women's Trust, Zimbabwe                                   | 9,439            | 4,536            |
| Other   |                  | (2,331)          |
| <i>Multi-partner International Programmes</i>                               |                  |                  |
| SIDA Youth Action for Peace in DRC, Mali and CAR, Pakistan                  | 62,147           | 773,499          |
| Local Action Fund – Myanmar, Nigeria and DRC                                | 400,341          | 131,981          |
| FCDO Jo Cox Fund – Supporting peacebuilding in Burundi and DRC              | 90,706           | 204,355          |
| People's Postcode Lottery – Supporting various local peacebuilding projects | 404,869          | 275,112          |
| Digital Inclusion Fund  | –                | 115,721          |
| <b>Sub-total</b>  | <b>1,777,269</b> | <b>1,688,016</b> |
| <b>Restricted Fund Grants – Policy &amp; Research</b>                       |                  |                  |
| Stopping as Success (SaS)   | –                | 116,866          |
| Facilitating Financial Sustainability (FFS) – ALG                           | –                | 8,191            |
| Business Plan for Peace   | –                | 49,000           |
| Strength From Adversity   | 2,641            | –                |
| <b>Sub-total</b>  | <b>2,641</b>     | <b>174,057</b>   |
| <b>Unrestricted Fund Grants – various</b>                                   | <b>2,282</b>     | <b>9,674</b>     |
| <b>TOTAL GRANTS PAYABLE</b>   | <b>1,782,192</b> | <b>1,871,746</b> |

## 6 Net income/(expenditure) for the year

This is stated after charging/(crediting):

|                                   | 2022<br>TOTAL<br>£ | 2021<br>TOTAL<br>£ |
|-----------------------------------|--------------------|--------------------|
| Operating lease rentals:          |                    |                    |
| Property                          | 74,604             | 77,250             |
| Depreciation                      | 6,693              | 3,165              |
| Auditor's remuneration:           |                    |                    |
| Audit fees                        | 13,250             | 13,680             |
| in respect of previous years      | -                  | (900)              |
| Foreign exchange (gains) / losses | (44,450)           | 9,148              |

## 7 Staff costs

|                          | 2022<br>TOTAL<br>£ | 2021<br>TOTAL<br>£ |
|--------------------------|--------------------|--------------------|
| Salary Costs             | 913,010            | 748,758            |
| National Insurance Costs | 96,540             | 71,698             |
| Employer Pension Costs   | 48,344             | 42,018             |
|                          | 1,057,894          | 862,473            |

The number of employees whose emoluments exceeded £60,000 were:

|                   | 2022<br>TOTAL | 2021<br>TOTAL |
|-------------------|---------------|---------------|
| £60,000 - £69,999 | 1             | 0             |
| £70,000 - £79,999 | 0             | 1             |
| £80,000 - £89,999 | 1             | 0             |

The charity's key management personnel are considered to be the senior leadership team (SLT) comprising at 31 December 2022 the CEO, and the Heads of International Programmes & Research / Deputy CEO, Finance & Operations and two Fundraising & Communications on a job share.

Their total remuneration including NI and pension contributions amounted to £324,726 (2021 £271,344).

The average monthly full time equivalent number of staff employed by the charity during the period was as follows:

|                       | 2022<br>TOTAL | 2021<br>TOTAL |
|-----------------------|---------------|---------------|
| Raising Funds         | 2             | 2             |
| Charitable Activities | 20            | 19            |
|                       | <hr/> 22      | <hr/> 21      |

None of the Trustees received any remuneration during the year (2021: none).

No Trustees claimed for any expenses during the year (2021: none).

## 8 Fixed assets

|                         | COMPUTER<br>EQUIPMENT<br>£ | FIXTURES<br>& FITTINGS<br>£ | TOTAL<br>£   |
|-------------------------|----------------------------|-----------------------------|--------------|
| <b>COST</b>             |                            |                             |              |
| As at 1st January 2022  | 25,499                     | 5,343                       | 30,842       |
| Additions during period | 14,553                     | –                           | 14,553       |
| Disposals during period | –                          |                             | –            |
| As at 31 December 2022  | <hr/> 40,052               | <hr/> 5,343                 | <hr/> 45,395 |
| <b>DEPRECIATION</b>     |                            |                             |              |
| As at 1st January 2022  | 24,074                     | 4,765                       | 28,839       |
| Charge for period       | 6,276                      | 417                         | 6,693        |
| Disposals during period |                            |                             | –            |
| As at 31 December 2022  | <hr/> 30,350               | <hr/> 5,182                 | <hr/> 35,532 |
| <b>NET BOOK VALUES</b>  |                            |                             |              |
| As at 31 December 2022  | <hr/> 9,702                | <hr/> 161                   | <hr/> 9,863  |
| As at 31 December 2021  | <hr/> 1,425                | <hr/> 578                   | <hr/> 2,003  |



## 9 Debtors

|                             | 2022<br>TOTAL<br>£ | 2021<br>TOTAL<br>£ |
|-----------------------------|--------------------|--------------------|
| Grant Receivable            | 37,357             | 382,274            |
| Prepayments & Other Debtors | 65,487             | 258,248            |
|                             | <u>102,844</u>     | <u>640,522</u>     |

## 10a Creditors: Amounts falling due within one year

|                            | 2022<br>TOTAL<br>£ | 2021<br>TOTAL<br>£ |
|----------------------------|--------------------|--------------------|
| Other Creditors            | 183,601            | 129,972            |
| Taxation & Social Security | –                  | –                  |
| Deferred Income (Note 10b) | 1,026,534          | 212,500            |
|                            | <u>1,210,135</u>   | <u>342,472</u>     |

Income is deferred when it is received during the period but relates, in whole or in part, to one or more subsequent periods when the matching expenditure will be incurred.

## 10b Deferred income

|  | 2022<br>TOTAL<br>£ | 2021<br>TOTAL<br>£ |
|--|--------------------|--------------------|
| Deferred income brought forward            | 212,500            | 759,470            |
| Released to income in year                 | (212,500)          | (759,470)          |
| Income deferred in year                    | 1,026,534          | 212,500            |
|  | <u>1,026,534</u>   | <u>212,500</u>     |
| Deferred income carried forward (Note 10a) |                    |                    |

## 12 Movement in funds

| PROJECT   | PURPOSE   | £<br>OPENING<br>BALANCE | £<br>INCOME | £<br>EXPENSES | £<br>TRANSFERS<br>BETWEEN FUNDS | £<br>BALANCE<br>31/12/2022 |
|---|---|-------------------------|-------------|---------------|---------------------------------|----------------------------|
| <b>RESTRICTED FUNDS</b>                                 |   |                         |             |               |                                 |                            |
| <b>SINGLE-COUNTRY PROGRAMMES</b>                        |   |                         |             |               |                                 |                            |
| Afghanistan EPD Local Action Fund                       | Local Action Fund civil society resilience  | –                       | 540,646     | (573,088)     | 152,089                         | 119,647                    |
| FOCHI Super courts                                      | Other locally-led peacebuilding action  | 58                      | –           | –             | (58)                            | –                          |
| EPRM Peace Gold   | Other locally-led peacebuilding action  | (10,847)                | 113,873     | (143,477)     | –                               | (40,451)                   |
| EWER Systems Ituri & North Kivu (Zivik)                 | Other locally-led peacebuilding action  | –                       | 80,347      | (80,257)      | –                               | 91                         |
| Radio Amani   | Peace education and awareness-raising   | –                       | 20,000      | (19,167)      | –                               | 833                        |
| Beni Action Research Carnegie 2022-24                   | Peacebuilding research  | –                       | 131,961     | (45,039)      | –                               | 86,922                     |
| GOAC FOCHI 2022-23                                      | Other locally-led peacebuilding action  | –                       | 16,742      | (15,560)      | –                               | 1,181                      |
| Myanmar Local Action Fund                               | Local Action Fund civil society resilience  | –                       | 213,842     | (55,247)      | –                               | 158,595                    |
| Aware Girls Commonwealth Foundation 2017-2020           | Other locally-led peacebuilding action  | 36,630                  | –           | (21,511)      | –                               | 15,119                     |
| Aware Girls Network for Social Change (& others)        | Other locally-led peacebuilding action  | 6,000                   | –           | (6,000)       | –                               | –                          |
| HIVE Ploughshares 2020/21                               | Other locally-led peacebuilding action  | 1,298                   | –           | –             | (1,298)                         | –                          |
| CDA Ploughshares 2021/22                                | Other locally-led peacebuilding action  | 85                      | –           | –             | (85)                            | –                          |
| Chino Cienega 2015-2019                                 | Other locally-led peacebuilding action  | 8,249                   | –           | (8,249)       | –                               | –                          |
| CFPS Belgian MFA 2017-2019                              | Other locally-led peacebuilding action  | 12,123                  | –           | (7,231)       | (4,892)                         | –                          |
| CFPS PPL Matchfunding Belgian MFA 2017/18/19 (PPL 2018) | Other locally-led peacebuilding action  | 19,664                  | –           | –             | (19,664)                        | –                          |
| CFPS FCO3 2016/17/18                                    | Other locally-led peacebuilding action  | (19,664)                | –           | –             | 19,664                          | –                          |
| Network for Social Change 2021/22                       | Other locally-led peacebuilding action  | 7,666                   | –           | (7,665)       | (1)                             | –                          |
| Hurras Peace Committees in N Syria                      | Peace education and awareness-raising   | –                       | 15,000      | (15,000)      | –                               | –                          |
| Simon Fisher MA Course                                  | Peace education and awareness-raising   | 5,000                   | –           | (5,000)       | –                               | –                          |
| <b>MULTI-COUNTRY PROGRAMMES</b>                         |   |                         |             |               |                                 |                            |
| FCDO Jo Cox 2019/20/21/22                               | Other locally-led peacebuilding action  | (46,746)                | 210,282     | (164,624)     | 983                             | (104)                      |
| YAPP SIDA 2019/20/21/22                                 | Local Action Fund youth peace and security  | 56,661                  | 119,538     | (163,194)     | (11,200)                        | 1,805                      |
| PPL 2021  | Organisational development Peace Direct and partners; other peacebuilding initiatives; peacebuilding research | –                       | –           | –             | –                               | –                          |
| PPL Extra 2021/22                                       | Organisational development Peace Direct and partners; other peacebuilding initiatives; peacebuilding research | 111,215                 | 212,500     | (209,843)     | (91,973)                        | 21,899                     |
| PPL 2022/23   | Organisational development Peace Direct and partners; other peacebuilding initiatives; peacebuilding research | –                       | 675,000     | (606,441)     | (55,000)                        | 13,559                     |
| LAF Robert Bosch 2020/21/22                             | Local Action Fund violence prevention and peacebuilding   | 107,440                 | –           | (61,752)      | –                               | 45,688                     |
| LAF Pax Sapiens 2020/21/22                              | Local Action Fund violence prevention and peacebuilding   | 4,213                   | –           | (4,617)       | 404                             | –                          |
| LAF Anonymous 2019/20/21/22                             | Local Action Fund violence prevention and peacebuilding   | 355,738                 | 252,292     | (548,613)     | –                               | 59,417                     |
| LAF Blandford Lake 2021/22                              | Local Action Fund violence prevention and peacebuilding   | 9,500                   | –           | (9,500)       | –                               | –                          |
| Peace Nexus MEL 2020/21/22                              | Peacebuilding research  | 17,180                  | –           | (12,483)      | –                               | 4,696                      |
| Global Campaign 2022/23                                 | Peace education and awareness-raising   | –                       | 173,551     | (24,010)      | 84,827                          | 234,368                    |
| <b>P&amp;R PROGRAMMES</b>                               |   |                         |             |               |                                 |                            |
| SAS2.0  | Peacebuilding research  | 36                      | 83,281      | (83,317)      | –                               | 1                          |
| JRCT UK Advocacy  | Support for Peace Direct's UK Advocacy Programme  | 8,609                   | 50,828      | (50,622)      | –                               | 8,815                      |
| Robert Bosch Advocacy 2021/22/23/24                     | Support for Peace Direct's EU Advocacy Programme  | 311,522                 | –           | (95,615)      | –                               | 215,907                    |
| Strength from Adversity                                 | Peace education and awareness-raising   | –                       | 17,800      | (10,043)      | –                               | 7,757                      |
| NSC – Decolonising Aid                                  | Peace education and awareness-raising   | –                       | 16,600      | (16,600)      | –                               | –                          |
| RTC Book and online course                              | Peace education and awareness-raising   | 187                     | –           | –             | 25                              | 212                        |
| Working with Conflict Online Course Polden-Puckham 2021 | Peace education and awareness-raising   | 25                      | –           | –             | (25)                            | –                          |
| UNPBN Mapping Local Peacebuilding Sahel 2020            | Peacebuilding research  | –                       | 48          | –             | (48)                            | –                          |
| FFS   | Peacebuilding research  | 57,559                  | –           | –             | (57,559)                        | –                          |
| FFS ALG   | Peacebuilding research  | 10,697                  | –           | –             | (10,697)                        | –                          |
| SAS   | Peacebuilding research  | 115,420                 | –           | –             | (115,420)                       | –                          |

| PROJECT                                   | PURPOSE  | £<br>OPENING<br>BALANCE | £<br>INCOME      | £<br>EXPENSES      | £<br>TRANSFERS<br>BETWEEN FUNDS | £<br>BALANCE<br>31/12/2022 |
|---|--|-------------------------|------------------|--------------------|---------------------------------|----------------------------|
| RESTRICTED INDIVIDUAL DONATIONS           |  |                         |                  | -                  |                                 |                            |
| DRC CRC Individual Donations              | Core support for local partners  | 1,202                   | 3,133            | (3,614)            | -                               | 721                        |
| Pakistan Aware Girls Individual Donations | Core support for local partners  | 2,180                   | 375              | (2,555)            | -                               | -                          |
| Sri Lanka CPBR Individual Donations       | Core support for local partners  | 8,121                   | 1,683            | (9,359)            | -                               | 445                        |
| DRC FOCHI Individual Donations            | Core support for local partners  | (254)                   | -                | -                  | 58                              | (196)                      |
| Afghanistan EPD Individual Donations      | Core support for local partners  | 803                     | 24,314           | -                  | (25,116)                        | -                          |
| Henri Bura Ladyi Fund                     | Core support for local partners  | 47                      | 400              | (468)              | 22                              | -                          |
| Pakistan CDA Individual Donations         | Core support for local partners  | -                       | 50               | (5)                | -                               | 45                         |
| OTHER                                     |  |                         |                  | -                  |                                 |                            |
| 5% Salary & Overhead Reserve              |  | 36,933                  | -                | (3,618)            | 14,190                          | 47,505                     |
| <b>TOTAL RESTRICTED FUNDS</b>             |  | <b>1,234,548</b>        | <b>2,974,086</b> | <b>(3,083,383)</b> | <b>(120,774)</b>                | <b>1,004,477</b>           |
| <b>DESIGNATED FUNDS</b>                   |  |                         |                  |                    |                                 |                            |
| Advocacy Designated                       | Supporting Advocacy Projects   | 23,198                  | -                | -                  | -                               | 23,198                     |
| Research Designated                       | Supporting Research Projects   | 21,278                  | -                | (14,825)           | 183,724                         | 190,177                    |
| Future Commitments Fund                   | Supporting Future or Emergency Projects  | 50,000                  | -                | -                  | -                               | 50,000                     |
| Partner Core Support Fund                 | Supporting Partners Core Activities  | 25,446                  | -                | -                  | 34,144                          | 59,591                     |
| Foreign Exchange Gain Reserve             | Arising from net unrealised exchange gains,<br>to be utilised in offsetting any future foreign<br>currency exchange losses | 44,938                  | -                | 4,500              | 44,024                          | 93,462                     |
| Wellspring Designated 2019/20/21/22       | Supporting General Organisation Support  | 40,668                  | 180,159          | (205,844)          | -                               | 14,983                     |
| Humanity United Designated 2019/20/21/22  | Supporting General Organisation Support  | 136,095                 | 294,876          | (301,256)          | (64,827)                        | 64,889                     |
| OSF Designated                            | Supporting General Support and LAF Colombia  | -                       | 446,017          | (144,765)          | -                               | 301,252                    |
| <b>TOTAL DESIGNATED FUNDS</b>             |  | <b>341,624</b>          | <b>921,052</b>   | <b>(662,189)</b>   | <b>197,066</b>                  | <b>797,552</b>             |
| <b>UNRESTRICTED FUNDS</b>                 |  | <b>607,932</b>          | <b>413,588</b>   | <b>(202,520)</b>   | <b>(76,292)</b>                 | <b>742,708</b>             |
| <b>ALL FUNDS</b>                          |  | <b>2,184,104</b>        | <b>4,308,725</b> | <b>(3,948,092)</b> | <b>-</b>                        | <b>2,544,737</b>           |

## Restricted funds

The purpose of each restricted fund is detailed in the note above.

## Funds in 2021

| PROJECT   | PURPOSE  | £<br>OPENING<br>BALANCE | £<br>INCOME | £<br>EXPENSES | £<br>TRANSFERS<br>BETWEEN FUNDS | £<br>BALANCE<br>31/12/2022 |
|---|--|-------------------------|-------------|---------------|---------------------------------|----------------------------|
| EPD, Afghanistan  | Urgent Support and Solidarity Programme  | –                       | 11,703      | (11,063)      | 163                             | 803                        |
| Centre Resolution Conflicts (CRC), DRC                                | Peace Gold Project   | –                       | 118,131     | (128,978)     | –                               | (10,847)                   |
| Centre Resolution Conflicts (CRC), DRC                                | Supporting conflict affected communities in North Kivu   | 3,337                   | 4,294       | (6,429)       | –                               | 1,202                      |
| Fondation Chirezi (FOCHI), DRC  | Supporting conflict affected communities in South Kivu   | 4,352                   | 18,000      | (21,135)      | (1,413)                         | (196)                      |
| Aware Girls, Pakistan   | Supporting women's empowerment and tackling the causes of violence and extremism in KPK                              | 48,086                  | (3,322)     | 46            | –                               | 44,810                     |
| HIVE, Pakistan  | Consultancy services on youth led programming  | 19,442                  | –           | (18,144)      | –                               | 1,298                      |
| Centre for Peacebuilding & Reconciliation (CPBR), Sri Lanka           | Supporting conflict affected young people in Sri Lanka   | 22,001                  | 3,061       | (306)         | (8,386)                         | 16,370                     |
| Social-Life & Agricultural Development Organisation (SADO), Somalia   | Supporting livelihoods for young people in Kismayo, Somalia  | (29,056)                | 33,356      | –             | (4,300)                         | –                          |
| Collaborative for Peace, Sudan  | Supporting local peace committees in South Kordofan  | 7,859                   | –           | 4,264         | –                               | 12,123                     |
| CDA, Sudan  |  | –                       | 44,242      | (44,157)      | –                               | 85                         |
| Hurras, Syria   | NfSC   | –                       | 17,133      | (9,467)       | –                               | 7,666                      |
| Other Single Partner Programmes                                       |  | 13,824                  | (139)       | (5,514)       | (8,172)                         | –                          |
| <b>Multi-partner Programmes</b>                                       |  | –                       | –           | –             | –                               | –                          |
| SIDA Youth Action for Peace programme                                 | Youth Action for Peace in DRC, Mali and CAR  | 192,088                 | 672,966     | (808,393)     | –                               | 56,660                     |
| Various Donors  | Local Action Fund – Myanmar, Nigeria and DRC   | 431,248                 | 576,838     | (531,194)     | –                               | 476,891                    |
| DfID Jo Cox Memorial Fund multi partner project                       | Peacebuilding in Burundi and DRC   | (70,164)                | 349,276     | (325,858)     | –                               | (46,745)                   |
| People's Postcode Lottery funded multi-partner programme              | Supporting various local peacebuilding projects  | 34,660                  | 630,233     | (553,515)     | (163)                           | 111,215                    |
| Digital Inclusion Fund  | Small Grants to provide access to internet during COVID-19 pandemic  | 3,883                   | –           | (3,126)       | (757)                           | –                          |
| Peace Nexus Foundation  | Strengthening Peace Direct's MEL capacity  | 6,686                   | 15,599      | (5,105)       | –                               | 17,179                     |
| Other Restricted Programmes   |  | 8,102                   | (1,518)     | (1,943)       | 404                             | 5,046                      |
| <b>Sub-total International Programmes Restricted Funds</b>            |  | 696,348                 | 2,489,854   | (2,470,019)   | (22,624)                        | 693,560                    |
| USAID funded Stopping as Success (SaS) programme                      | Researching successful INGO transitions  | 155,436                 | –           | (40,016)      | –                               | 115,420                    |
| USAID funded Stopping as Success (SaS) 2.0 Programme                  | Researching successful INGO transitions  | –                       | 46,814      | (46,778)      | –                               | 36                         |
| USAID funded Facilitating Financial Sustainability (FFS) programme    | Researching financial sustainability of local organisations  | 68,255                  | –           | –             | –                               | 68,255                     |
| UN Peacebuilding Fund   | Mapping of local peacebuilding capacity in the Sahel   | (9,893)                 | 102,852     | (94,920)      | 1,961                           | –                          |
| Responding to Conflict (RTC)  | Projects inherited from RTC – book and online course   | 26,493                  | 4,985       | (31,266)      | –                               | 212                        |
| Robert Bosh Advocacy Programme  |  | –                       | 342,466     | (30,943)      | –                               | 311,522                    |
| JRCT UK Advocacy Programme  |  | –                       | 25,414      | (16,805)      | –                               | 8,609                      |
| Various   | Supporting various local peacebuilding projects  | –                       | –           | –             | –                               | –                          |
| <b>Sub-total Policy &amp; Research Restricted Funds</b>               |  | 240,290                 | 522,530     | (260,728)     | 1,961                           | 504,054                    |
| <b>Other Restricted Funds</b>   |  | –                       | 28,005      | 8,928         | –                               | 36,933                     |
| <b>Sub-total Restricted Funds</b>                                     |  | 936,640                 | 3,040,389   | (2,721,819)   | (20,663)                        | 1,234,548                  |
| <b>Unrestricted Funds</b>   |  | 424,822                 | 318,087     | (139,342)     | 4,364                           | 607,932                    |
| Humanity United   |  | 93,184                  | 287,218     | (244,307)     | –                               | 136,095                    |
| Wellspring General Support Designated Funds – Future commitments fund |  | 25,295                  | 216,904     | (201,531)     | –                               | 40,668                     |
|   |  | 50,000                  | –           | –             | –                               | 50,000                     |
| Designated Funds – Forex Exchange Gain reserve                        | Arising from net unrealised exchange gains, to be utilised in offsetting any future foreign currency exchange losses | 54,086                  | –           | –             | (9,148)                         | 44,938                     |
| Advocacy Designated Fund  | Supporting Advocacy Projects   | 23,198                  | –           | –             | –                               | 23,198                     |
| Research Designated Fund  | Supporting Research Projects   | 37,479                  | –           | (16,201)      | –                               | 21,278                     |
| Partner Core Support Fund   | Supporting Partners Core Activities  | –                       | –           | –             | 25,446                          | 25,446                     |
| <b>Sub-total Designated Funds</b>                                     |  | 283,242                 | 504,122     | (462,038)     | 16,298                          | 341,624                    |
| <b>Total Funds</b>  |  | 1,644,704               | 3,862,599   | (3,323,199)   | –                               | 2,184,103                  |

## Restricted funds

The purpose of each restricted fund is detailed in the note above.

### 13 Analysis of fund balances between net assets

|                        | 2022<br>UNRESTRICTED<br>FUNDS<br>£ | 2022<br>RESTRICTED<br>FUNDS<br>£ | 2022<br>DESIGNATED<br>FUNDS<br>£ | 2022<br>TOTAL<br>FUNDS<br>£ |
|------------------------|------------------------------------|----------------------------------|----------------------------------|-----------------------------|
| As at 31 December 2021 | 607,931                            | 1,234,548                        | 341,624                          | 2,184,103                   |

### 14 Related party transactions

No trustees were re-imbursed for expenses during the period (2020 £nil) and no trustees received any remuneration from the charity (2021 £nil)

During the year, Peace Direct transferred £386,238 to our affiliate in the United States, Peace Direct Inc (2021 £229,342).

### 15 Financial commitments

At 31 December 2022, Peace Direct's future minimum lease payments under non-cancellable operating leases are as follows:

|                    | 2022<br>UNRESTRICTED<br>FUNDS<br>£ | 2022<br>RESTRICTED<br>FUNDS<br>£ |
|--------------------|------------------------------------|----------------------------------|
| LAND & BUILDINGS   |                                    |                                  |
| Less than one year | 30,000                             | 57,938                           |
| One to five years  | 50,000                             | 57,938                           |
| Total commitments  | 80,000                             | 115,876                          |

(The Charity was committed to rental until August 2025 at 31 December 2022)

### 16 Legal status of the charity

At 31 December 2022, Peace Direct's future minimum lease payments under non-cancellable operating leases are as follows:

(The Charity was committed to rental until August 2025 at 31 December 2022)

