

# PEACEFUL CHANGE INITIATIVE

England & Wales · Charity number 1162997

## Details

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**Other names** PCI

**Status** Registered

**Legal form** Charitable company

**Company number** [07931944](#)

**Registered** 2015-08-04

**Register** [View on the Charity Commission register](#)

## Contact

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## Activities

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**Objects:** FOR THE BENEFIT OF THE PUBLIC TO PROMOTE NATIONAL AND INTERNATIONAL CONFLICT RESOLUTION AND RECONCILIATION WITH A VIEW TO RELIEVING SUFFERING, POVERTY AND DISTRESS AND BUILDING AND MAINTAINING SOCIAL COHESION, RESILIENCE AND TRUST WITH AND BETWEEN COMMUNITIES BY:1. INVESTIGATING AND IDENTIFYING PROBABLE CAUSES OF THE CONFLICT2. EXAMINING PROBABLE SOLUTIONS TO THE CONFLICT OR APPROACHES TO CONSTRUCTIVELY ENGAGE WITH CAUSES OF CONFLICT THROUGH PARTICIPATORY RESEARCH/ANALYSIS INTO RELEVANT ECONOMIC AND SOCIALISSUES.3. PROMOTING CAPACITY BUILDING FOR COMMUNITIES AFFECTED BY CONFLICT, INCLUDING THOSE THAT ARE SOCIALLY AND ECONOMICALLY DISADVANTAGED, TO PLAY ACTIVE AND CONSTRUCTIVE ROLES IN CONFLICTRESOLUTION PROCESSES AND DECISION MAKING PROCESSES.4. MEDIATING WITH PARTIES TO THE CONFLICT AND AFFECTED COMMUNITIES TOGETHER TO DISCUSS SUCH RESEARCH AND POSSIBLE SOLUTIONS ENABLING THEM TO BUILD RELATIONSHIPS OF TRUST.5. RECOMMENDING TO THE INTERNATIONAL COMMUNITY AND THE PARTIES INVOLVED MEASURES WHICH, IN THE TRUSTEES' OPINION, ARE LIKELY TO RESULT IN THE RESOLUTION OR PREVENTION OF THE CONFLICT OR LESSEN THE RISK OF FUTURE CONFLICTS.6. PROMOTING HUMAN RIGHTS (AS SET OUT IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND SUBSEQUENT UNITED NATIONS CONVENTIONS AND DECLARATIONS) BY PROMOTING RESPECT FOR HUMAN RIGHTS AMONG INDIVIDUALS AND GROUPS AND RAISING AWARENESS OF HUMAN RIGHTS ISSUES.7. PUBLISHING REPORTS FOR THE PUBLIC BENEFIT ON THE CAUSES AND RECOMMENDED SOLUTIONS OF PARTICULAR CONFLICTS.PROVIDED THAT ALL ACTIVITIES SHALL BE BALANCED AND SHALL MAINTAIN OR ENHANCE THE CHARITY'S COMMITMENT TO REMAINING IMPARTIAL.

**Activities:** Our goal is to promote conflict resolution and reconciliation at the national and international levels.Our objectives are relieving suffering, poverty and distress, and building and maintaining social cohesion, resilience, and trust within and between communities.

## Classification

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- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** The General Public/mankind

## Geography

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- Kosovo
- Libya
- Mozambique
- Serbia
- Switzerland
- Tunisia
- Ukraine

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-03-30	£3,612,088	£3,834,909	£277,265	24
2023-03-30	£4,508,873	£4,746,899	£500,086	23
2022-03-30	£4,374,870	£4,404,111	£738,112	23
2021-03-30	£3,839,246	£3,612,568	£767,353	22
2020-03-30	£2,502,142	£2,707,072	£540,675	22

## Trustees

Name	Role	Appointed
<b>William Henry Peace</b>	Chair	2020-01-15
AN Shihoff		2015-05-29
James Freeman		2016-12-05
Russell Allan Brown		2024-06-03

**PEACEFUL CHANGE INITIATIVE**

England & Wales - Charity number 1162997

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# Accounts

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# Annual Report

31 March 2023 – 30 March 2024



Peaceful  
Change  
initiative



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# Annual report

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2023 to 30 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

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

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

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

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

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

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

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

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

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

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

William Peace  
Chair of Trustees

Fleur Just  
CEO

# Objectives and activities

## Charitable objectives

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

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

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

These objectives are achieved through the following activities:

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

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

## Our work

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

## How we make a difference

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

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

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

## Key events in the year

In the reporting period:

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

# Achievements and performance

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

## Libya

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

## Mozambique

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

## Serbia-Kosovo

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

## Swahili Coast

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

## Ukraine

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

## Technical support

Engagement with the UN-led peace negotiation processes in Switzerland concerning Syria by providing capacity building support to the political opposition delegation representation in Geneva. No activities took place inside Syria.



# Where we work



# Libya

## The context

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

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

## How we work in Libya

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

## Our actions and impact

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

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

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

### **United Nations Development Programme (UNDP):**

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

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

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

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

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

## Project partners

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

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

## Partner highlight

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

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

# Mozambique

## The context

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

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

## How we work in Mozambique

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

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

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

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

## Our actions and impact

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

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

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

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

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

## Our project partners

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

## Partner highlight

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

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



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

# Serbia-Kosovo

## The context

The legacies of the wars that accompanied and accelerated the breakup of Yugoslavia continue to perpetuate a post-conflict atmosphere in various parts of the region. Kosovo's declaration of independence from Serbia in February 2008, though recognised by almost half of all UN member states, continues to be rejected by Serbia.

Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue facilitated by the European Union. Though some tangible progress has been made, fundamental disagreements remain over the issue of Kosovo's status, and the actual process has effectively been stalled for over two years, with the two sides accusing one another of responsibility for the stalemate. Mounting tensions have resulted in localised violence in north Kosovo, most notably in Banjska in September 2023.

## How we work in Serbia-Kosovo

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

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

## Our actions and impact

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

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

*Researcher, University of Pristina*

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

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

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

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

*Youth activist leader, Vranje, Serbia*

## Our project partners

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

## Partner highlight

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



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

# Swahili Coast

## The context

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

## How we work in the Swahili Coast

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

## Our actions and impact

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

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

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

## Our project partners

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



Above: working with CSOs from Tanga and Mtwara

# Ukraine

## The context

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

## How we work in Ukraine

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

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

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

## Our actions and impact

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

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

## Partner highlight

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

## Project partner

[Institute for Peace and Common Ground](#)

# Provision of PCi technical support to peacebuilding and aid projects

## Switzerland: Provision of technical support to UN-led peace negotiation process for Syria

At the request of the EU and the German Ministry of Foreign Affairs, PCi is providing technical support to the Geneva-based UN-led peace process for Syria. In particular, PCi provides capacity building support to the Syrian Negotiation Committee's representative office in Geneva. This includes work on organisational processes and procedures as well as advisory support on peacebuilding strategies.

This work takes place exclusively in Switzerland.

## Provision of technical conflict sensitivity support to aid programmes

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

### Actions and impact:

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

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

## Communication on Engagement with the UN Global Compact

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

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

# Our project partners

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

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

## Financial review

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

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

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

In the reporting year we received funding from:

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

- Help – Hilfe zur Selbsthilfe e.V.

We also carried out consultancy work for organisations including:

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

### Fundraising

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

### Reserves policy

PCi's reserves policy sets out the principles for holding and spending reserves, the accounting policy to follow, and the governance process. The Board of Trustees sets a reserves target for a 24-month period, which is then reviewed annually. This will be based on an assessment of the following risk factors:

- Operational Contingency: covering unforeseen day-to-day operational costs, e.g., employing temporary staff to cover a long-term sick absence, legal costs, insurance excess, or crisis response;
- Reduced income: a source of income, e.g., a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations;
- Strategic Commitments: designations that cannot be met by future income alone, e.g., plans for a major asset purchase or significant project that requires the charity to provide 'matched funding';

- Cashflow: the need to fund short-term deficits in a cash budget, e.g., money may need to be spent before a funding grant is received, or to cover bad debts.

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

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

Having reviewed the future plans of the Charity, including an assessment of expected income for at least twelve months from the date of approval of these financial statements, the Trustees do not consider that there is a material uncertainty regarding the going-concern status of the Charity, and accordingly consider it appropriate that the financial statements are prepared on a going-concern basis.

## Risks and uncertainties

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- Physical security of staff and beneficiaries in the areas in which we operate;
- Solvency and cashflow;

- Misappropriation of funds or other benefits by proscribed groups within conflict zones;
- Reliance on a limited group of institutional funders;
- Psychological wellbeing of staff working overseas or in conflict zones;
- Safeguarding of beneficiaries;
- Handling of sensitive data and security of IT systems;
- Financial risks associated with UK's exit from the European Union.

# Plans for future periods

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

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

# Structure, governance, and management

Peaceful Change initiative (PCI) was registered as a Charitable Company on 7 July 2015 (number 1162997). It has been registered as a Company Limited by Guarantee (number 07931944) since 1 February 2012. PCI is governed by a Memorandum of Incorporation dating from 1 February 2012 and Articles of Association as amended by special resolution dated 11 February 2024.

## Subsidiary legal entities

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

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

## Board of Trustees

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

The Board currently consists of:

- James Freeman
- Michael Holland (resigned as a trustee and director on 2 November 2023)
- Anton Shihoff

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

## Identification and induction of new trustees

New trustees are identified by fellow trustees, together with the Chief Executive Officer, and invited to join the Board following a process of due diligence and substantial engagement to ensure that PCI's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCI senior management, includes familiarisation with:

The duties and responsibilities expected of trustees and as outlined in CC3.

- PCI's legal framework and governance.
- PCI's finances (including audit reports).
- The mission of PCI and the principles that underpin the delivery of that mission.
- The details of the current and future programmatic work of the organisation.

## Meetings, minutes and decision making

The Board of Trustees has met regularly during the reporting period, virtually and in person, with PCi's AGM held on 4 December 2023 as a hybrid event. PCi produced an annual budget in FY24, with Trustees reviewing forecasts and spending on a six-monthly basis. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCi's existing contracts and new-grants pipeline and to discuss programming in PCi's areas of operation.

## Risk Management Sub-Committee

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

## Financial controls

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

## Remuneration of key management personnel

Remuneration of key management personnel (Chief Executive Officer and other key senior positions) is set by the Board, with due attention to availability of

funds, responsibilities undertaken, market rates and the charity nature of the organisation.

## Management Team

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees. Abigail Orr continues in her role as Finance and Operations Manager. Rebecca Crozier continues in her role as Programme Development Director. Fleur Just, Abigail Orr and Rebecca Crozier develop and implement strategic plans and key policies together with an expanded management team of Senior Advisers.

# Reference and administrative details

## Registered office address

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

## Other financial services providers

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

## Company registered number

07931944

## Charity registered number

1162997

## Chief Executive Officer

Fleur Auzimour Just

## Independent auditors

Goodman Jones LLP

## Chartered Accountants

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

## Bankers

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

# Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

reasonable steps for the prevention and detection of fraud and other irregularities.

## Disclosure of information to auditors

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

so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and

that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## Auditors

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

This report was approved by the Trustees on Monday 2 December 2024 and signed on their behalf by:



William Peace

Chair of the Board of Trustees

# Independent auditors' report to the members of Peaceful Change initiative

## Opinion

We have audited the financial statements of Peaceful Change Initiative (the 'charitable company') for the year ended 30 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Charities Act 2011 and Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical

Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If

we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable

company or to cease operations, or have no realistic alternative but to do so.

## Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charity Commission and sector regulations, and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of

controls). Appropriate audit procedures in response to these risks were carried out.

These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees

those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

### **Goodman Jones LLP**

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

Date: 20-12-24

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

# Financial statements and notes

## Statement of Financial Activities incorporating Income and Expenditure Account

For the year ended 30 March 2024

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

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

## Balance sheet

as at 30 March 2024

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

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**William Peace**  
Chair

Date: 19-12-24

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

## Statement of Cash Flows

For the year ended 30 March 2024

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

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

## Notes to the Financial Statements

For the year ended 30 March 2024

### 1. General information

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

### 2. Accounting Policies

#### 2.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities

preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

## 2.2. Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

## 2.3. Going concern

The Charity receives the majority of its income in the form of grants for specific programme expenditure, and many of these grant agreements include an allowance for overheads. The majority of income is for multi-year projects, and so the Charity already has some contracted income for FY26. A number of further donors have indicated willingness to continue to fund the Charity, and the Charity continues efforts to further diversify its funding base.

After reviewing the level of recurring expenditure and expected income for FY26 and beyond, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, the Charity will continue efforts to increase unrestricted funding. The wider funding environment is uncertain at present, and the Charity acknowledges the risk that Government budgets will continue to tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity has sufficient reserves to be able to continue to operate with reduced funding if necessary, and is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## 2.4. Consolidation

The Charity operates internationally and has established legal entities in Libya (Peaceful Change initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative - a division of a foreign non-governmental organisation). These entities are to enable opera-

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

## 2.5. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2.6. Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

## 2.7. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

## 2.8. Expenditure

Expenditure is recognised, inclusive of irrecoverable VAT, once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

## 2.9. Government grants

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

## 2.10. Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

## 2.11. Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Fixtures and fittings - 33.33% straight line

## 2.12. Stocks

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

## 2.13. Debtors

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

## 2.14. Cash at Bank and in hand

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

### 2.15. Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

### 2.16. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.17. Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.18. Foreign currencies

Monetary assets and liabilities denominated in for-

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

### 2.19. Pensions

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

## 3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees have not identified any estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

#### 4. Income from donations and legacies

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

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

#### 5. Contingent assets

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

#### 6. Income from charitable activities

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

#### 7. Analysis of expenditure by activities

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

## 7. Analysis of expenditure by activities (continued)

### Support costs

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

## 8. Analysis of grants

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

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

## 9. Staff costs

Staff costs were as follows:

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

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

	2024	2023
	No.	No.
Administration and management	5	4
Projects	19	19
	24	23

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

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

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

## 10. Trustees' remuneration and expenses

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

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

## 11. Tangible fixed assets

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

## 12. Debtors

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

## 13. Creditors: Amounts falling due within one year

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

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

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

#### 14. Statement of funds

Statement of funds - current year:

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

#### 14. Statement of funds (continued)

Statement of funds - prior year:

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

Restricted funds comprise the following:

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

Syria - the work in Syria supports UN-led efforts to develop a political solution to the conflict, in line with UN Security Council Resolution 2254.

Black Sea - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries

UK - this programme focuses on engagement with the UK government (through the parliament and the civil service) to promote conflict sensitivity in the UK's foreign policy. The programme also supports UK institutions to promote social cohesion in the UK.

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

## 15. Analysis of net assets between funds

Analysis of net assets between funds - current year:

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

Analysis of net assets between funds - prior year:

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

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

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

## 17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	147,193	548,654
<b>Total and cash equivalents</b>	<b>147,193</b>	<b>548,654</b>

## 18. Analysis of changes in net debt

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

## 19. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £22,456 (2023 - £21,715) in the year. Contributions totalling £2,567 (2023: £2,645) were payable to the fund at the balance sheet date and are included in creditors.

## 20. Operating lease commitments

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

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

## 21. Related party transactions

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

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

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

## 22. Controlling party

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

**PEACEFUL CHANGE INITIATIVE**

England & Wales - Charity number 1162997

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# Accounts

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Peaceful  
Change  
initiative

# ANNUAL REPORT

31 MARCH 2022 – 30 MARCH 2023

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# ANNUAL REPORT

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2022 to 30 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

## CHAIR'S REPORT

My daughter asked me, “What is peacebuilding?” I said, “It is many things, including building and maintaining trust and dialogue within and between communities in conflict, fostering inclusive decision making and leadership and increasing the capacity of communities to resist violence. Peacebuilding helps create the conditions that make lasting peace possible.”

I said that the scope and complexity of peacebuilding are widely misunderstood; that there is an expectation that peacebuilding should take only a couple of years. But the core peacebuilding work – the difficult stuff – which Peaceful Change initiative (PCi) does is simply not amenable to quick fixes. Conflict is maintained by anger, lack of trust, unresolved histories, social norms, economies, and institutions that embed discrimination and exclusion, repression of rights, political systems that fail to meet the needs of large parts of the population. 50% of peace agreements fail within the five years, because the groundwork confronting and transforming conflict drivers requires years of focused work at all levels of society.

There is another misunderstanding: the costs vs benefits of peacebuilding. Some organisations say that peacebuilding can take years and cost millions of dollars. They're right. But violent conflict can go on for years and cost billions of dollars. “Yes,” they say, “but we don't pay for the war.” I am not so sure about that. Somebody has to pay for the thousands of refugees fleeing the war. Somebody has to pay for all the humanitarian aid. Somebody has to pay for reconstruction, and somebody loses out on trade and economic opportunities. The Institute for Economics and Peace found that one US dollar invested in peacebuilding saves sixteen US dollars in the cost of war.

As a result, one quarter of the world's population is affected by violent conflict. According to the United Nations (UN), last year, 84 million people were forcibly displaced because of conflict, violence, and human rights violations. There is an unprecedented need for peacebuilding, which in many cases must be in place before essential human services like food, medical care, education, employment, and religious services can be delivered.

We have worked in Libya for over ten years now, starting with a small engagement with about a dozen towns and villages; we are now the largest peacebuilder in Libya. For the last two years, according to the Global Peace Index, Libya is the world's most peace-improved country. The PCi Libya team knows that peacebuilding works; they have seen it and lived it first-hand. Much of the credit for this achievement belongs to the UK's Foreign, Common and Development Office (FCDO) which has funded our work in Libya consistently for ten years. That is vision. Thank you!

This year, we obtained three new contracts in Libya, including a three-year renewal of our work with the UK FCDO. This contract continues our deep work in supporting Social Peace and Local Development (SPLD) partnerships across Libya, developing regional hubs, and intensifying our peacebuilding efforts at the national level.

In Libya, we also diversified our donor base. The Dutch government awarded us a project aimed at expanding the civic space in Libya. A more open, safe, and diverse civic space is essential for democratic, gender-inclusive and peaceful political transition. The project will involve 18 civil society organisations across three regions of Libya, building their skills, capacity, and effectiveness in their work

with local government and society. The United Nations Development Program (UNDP) has asked us to complete a project aimed at developing the capacity of municipal government through the assessment of target municipalities, the development of an action plan, indicated training, follow-on assessment, and reporting.

In 2023, we also broadened our geographic reach with new projects in Mozambique, Kenya, and Tanzania. In Mozambique, we provided conflict sensitivity and peacebuilding input to a community cohesion project in the Cabo Delgado area. The project addressed land and conflict issues, and was run by WeWorld, an Italian NGO with the United Nations Office for Project Services (UNOPS) funding. Also with WeWorld, we developed an EU-funded project on peacebuilding in the Swahili Coast (Kenya, Tanzania, Mozambique). Our role is to provide conflict sensitivity support, conflict analysis, and development analysis for peacebuilding initiatives in target areas.

The UNDP asked us to provide conflict sensitivity support to a team which analysed the impact of food insecurity (owing to the war in Ukraine) in Arab states on social cohesion and political stability.

It is important to note that PCi could not achieve an impact on sustainable peace except by working in partnership with peacebuilders within the context that we work in. Our work is intended to support their efforts to bring peace to their own societies. The knowledge and expertise of our programme partners, alongside their resilience, empathy and creativeness are critical in making peacebuilding work. It is PCi's privilege to collaborate with our partners towards a common vision of a world free from violent conflict.

Similarly, none of our work would be possible without the support of our government donors: the United Kingdom, European Union, United Nations, Germany, Switzerland, Sweden, and the Netherlands. Thank you!

In a one-day workshop with a peacebuilding fundraising consultant, we developed a fundraising strategy for PCi. We have identified a list of private donor prospects, and an action plan for each of them which we review fortnightly. We are now in a relationship-building position with several donors.

During the year, the board reviewed the key elements of PCi's strategy (one element of which is fundraising). We noted progress against all seven objectives. In particular, our conflict sensitivity practice is (as reported above) already functioning as a centre of excellence and we are growing our geographic reach. I am particularly pleased with the progress we are making in our internal and external communications. The organisation has a growing ethos of confidence and professionalism.

### **William Peace**

Chair of the Board of Trustees

# OBJECTIVES AND ACTIVITIES

## CHARITABLE OBJECTIVES

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

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

These objectives are achieved through the following activities:

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

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

## OUR WORK

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

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

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

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

## HOW WE MAKE A DIFFERENCE

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

## KEY EVENTS IN THE YEAR

In the reporting period:

In April 2022:

- PCi Board of Trustees took the decision to deploy organisational reserves to pay the salaries of PCi Libya programme staff following a delay in funding for programme activities and operations. Funding came on-line again in July, but could not be backdated by the donor.
- PCi became a member of EPLO (European Peacebuilding Liaison Office) in line with a strategic decision to increase engagement with EU institutions and diversify donors.
- The Board Risk Management sub-committee met to consider, amongst other things, PCi’s response to Russia’s invasion of Ukraine and review PCi’s safeguarding report response guidelines.

In June 2022:

- PCi Trustees met for a Board Meeting during which updated financial forecasts were considered and the proposed annual budget was reviewed and approved. In addition, two new trustees, Ms Wonu Owoade and Mr Peter Millett were appointed to the Board.

In September 2022:

- PCi Trustees met for a Board Meeting to review investment spending against the annual budget and consider proposals for PCi to have a patron.

In October 2022:

- PCi employed a Communications Manager in its London office, following a decision to raise the organisation’s public profile and the public profile of peacebuilding work.
- PCi staff and trustees participated in an internal workshop on fundraising from Trusts and Foundations.
- PCi staff undertook the first organisational trip to Mozambique in order to provide conflict sensitivity support to WeWorld’s programming in Cabo Delgado.

In December 2022:

- The Board Risk Management sub-committee met to consider, amongst other things, key changes made, following a comprehensive review of PCi’s Risk Management Register.
- PCi trustees convened for the AGM followed by an ordinary board meeting. At the ordinary board meeting, trustees considered a presentation developed by the PCi executive team on potential registration of a PCi European entity. Based on a cost–benefit analysis the trustees decided not to seek European legal registration, but asked that the cost–benefit analysis be revisited on an annual basis by the Risk Management sub-committee.
- PCi signed contracts with the Ministry of Foreign Affairs of the Netherlands and the UNDP for separate projects in Libya, underlining efforts to diversify PCi’s donor base.

In February 2023:

- PCi began preparations for achieving Cyber Essentials Plus certification.

# ACHIEVEMENTS AND PERFORMANCE

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

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

## LIBYA

The Social Peace and Local Development project (SPLD):

- continued to support more than 20 Social Peace Partnerships (SPPs) comprising 928+ members who work to promote social cohesion across Libya
- strengthened and enhanced peacebuilding technical skills and knowledge through mentoring and training support delivered in 20 target locations across the country
- supported women's leadership and a stronger civil society space through six gender grants, and seven grants implemented by civil society organisations, in collaboration with Social Peace Partnerships
- continued to manage conflict issues and tensions in all the target areas across Libya – with some Social Peace Partnerships rolling out initiatives independently of PCi
- strengthened capacity of Tier 2 Social Peace Partnerships (to become Tier 1) through five grants.

## MOZAMBIQUE

PCi's work with WeWorld's team in Cabo Delgado included developing an understanding of conflict dynamics and conflict sensitivity risks in the communities in which WeWorld is working; supporting WeWorld's project team to prioritise, mitigate and monitor these risks using our conflict-sensitive interactions matrix; and developing indicators and tools for measuring the project's impact on social cohesion.

## SERBIA-KOSOVO

- PCi awarded various institutional grants to support mission-led organisations in Kosovo and Serbia to empower them to pursue the core objectives of their mission to achieve social change within their own societies.
- Through PCi's consortium partners, grant support has been provided to the Advisory Committees established in eight target municipalities to pursue inclusive and participatory approaches to social services planning.
- Support has been provided for a civil society-led process to undertake a campaign in south Serbia to inform the Albanian-speaking population of the census process – the lessons learnt from the census in Serbia will be applied to the census in Kosovo in 2023.

- PCi has commissioned work to build and train a network of civil society organisations and media outlets with knowledge about the specific challenges.
- PCi designed and established a first-of-its-kind initiative to support collaboration between different language media outlets in Kosovo.
- The Kosovo–Serbia Rapid Response Mechanism (KSRRM) adopted a number of joint positions which were widely distributed in local media in Kosovo and Serbia, and amongst members of civil society and the international community.

## SWITZERLAND

Engagement with the UN-led peace negotiation processes in Switzerland concerning Syria took the form of providing capacity building support to the political opposition delegation representation in Geneva. No activities took place inside Syria.



Above: training at the Sabha Social Peace Partnership, Libya.

# LIBYA

## THE CONTEXT

Since the Revolution in 2011, Libya has gone through a series of political and military crises. This has led to significant, ongoing violence across the country and resulted in the creation of parallel governments, each of which is competing for – but so far failing to achieve – nationwide legitimacy and control over state resources. The 2021 Libyan presidential election did not take place in December 2021 and was postponed until 2022; however, at the time of writing, a new roadmap for elections has not yet been agreed.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **Violence between rival armed groups:** killings, kidnappings, damage to public buildings and homes, displacement, psychological trauma, limitations to freedom of movement
- **Tensions and violence between different tribes and ethnic groups:** violence, hate speech, and divisive narratives undermine social cohesion and affect ordinary citizens' safety and security
- **Lack of basic services:** local authorities and service providers are under pressure but have limited capacity to provide electricity, security, jobs, housing, education, and healthcare
- **Lack of functioning police and court system:** communities rely on prominent local people (e.g. peacebuilders, tribal leaders, elders, etc.) to help mediate disputes and conflicts
- **Divisions and limited freedom of movement within the country:** local peacebuilders and civil society from different communities have few opportunities to meet and coordinate action

- **Women, particularly those from more marginalised social groups, are disproportionately affected by the impact of conflict** and crises; they continue to face structural and practical barriers to equal representation and meaningful participation in the political, economic, and social spheres
- **Climate pressures, combined with the impact of protracted conflict** and weak governance, exacerbate the challenges faced by communities and pose a direct threat to lives and livelihoods

## WORKING AT THE LOCAL LEVEL

Social Peace and Local Development (SPLD) is a method for building social cohesion and preventing community conflict which was developed specifically for Libya, following the changes the country underwent in 2011. The methodology was developed by PCI, in partnership with Libyan civil society and government actors, between 2012 and 2014, and it was widely tested in Libyan communities in all three regions of the country. Since 2014, SPLD has been used in 40 communities across Libya, with Social Peace Partnerships being established in more than 30 municipalities. The Social Peace Partnerships bring together a diverse group of local people, with a common goal: to develop and foster good relations through preventing and managing community conflict.

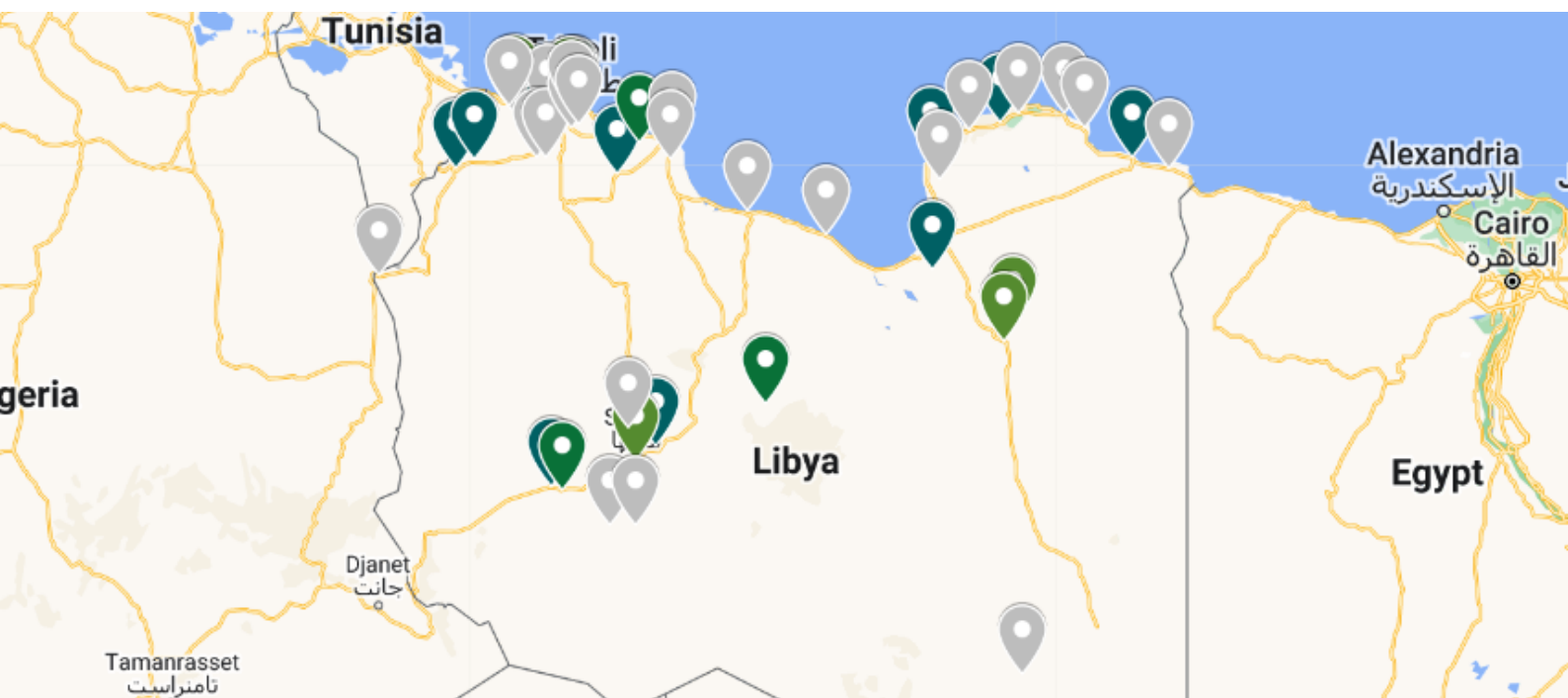
## Actions

- Strengthened and enhanced peacebuilding technical skills and knowledge through mentoring and training support delivered in 20 target locations across the country.

- Strengthened capacity of Tier 2 Social Peace Partnerships (to become Tier 1) through five grants that:
  1. improved the operational capacity of each SPP so it is sustainable without PCi support
  2. improved financial processes so that SPPs can fund initiatives without PCi support, and
  3. improved the ability of SPPs to tackle disputes and conflicts through mediation and peacebuilding efforts.
- Supported women's leadership and a stronger civil society space through six gender grants, and seven grants implemented by civil society organisations, in collaboration with Social Peace Partnerships. The collaboration between civil society organisations and SPPs contributed to expanding the reach of SPPs to wider audiences and stakeholders.
- Continued to manage conflict issues and tensions in all the target areas – with some Social Peace Partnerships rolling out initiatives independently of PCi.

## What is Social Peace and Local Development (SPLD)?

Social Peace and Local Development seeks to build 'horizontal' and 'vertical' relationships, strengthening relationships and trust between different community groups (horizontal) and between these community groups and institutions, especially municipalities (vertical). SPLD encourages people to change the way they live alongside each other by building their relationships through collaboration on projects that require them to work together. In doing so, people are encouraged to negotiate different interests and needs, and to agree on a shared vision for their common future. These projects often focus on the delivery of key local services to improve people's day-to-day lives and contribute to communities feeling safer.



Above: map of Social Peace and Local Development areas, Libya.

## Social Peace Partnerships (SPPs)

- 928+ Partnership members
- 40% women, 60% men, 44% youth
- Average 49 members per SPP

### Tier One – direct support



- Ajdabiya
- Bani Waled
- Benghazi
- Nalut
- Sabratah
- Souq Al Jum'aa
- Tobruk
- Ubari
- Alsahel
- Al Jufra
- Tiji
- Tripoli Centre
- Wadi Albawanees
- Zliten

### Tier Two – direct support



- Al Gharifa
- Jalu
- Jkherra
- Sabha
- Zuwara

### Tier Three – direct support



- Alkhoms
- Aljmail
- Derna
- Khalij Sedra

### Ad hoc support – UNDP Recovery and Resilience Governance project –



#### Self-generated

- Abu Selim
- Ain Zara
- Ajmel
- Al Bayda
- Al Marj
- Alsharguya
- Ben Baya
- Bir'r al Ashhab
- Brak Shati
- Esbeea
- Gadamis
- Kikla
- Kufra, Misrata
- Murzuq
- Om Razam
- Riqdalin
- Sirt
- Suluq
- Taraghin
- Tawergha
- Warshefana
- Yefren
- Zawiya Sidi al-Sayeh



Above: members of Ajdabiya SPP and the team of The Letter F campaign during an advocacy meeting with the Civil Registry Office, Libya.

## Impact

### Strengthening the civic space through collaboration between SPPs and local CSOs on tackling women's issues in Libya

As part of the Social Peace and Local Development programme (SPLD) in Libya, in 2022 Peaceful Change initiative launched a grants programme to enhance cooperation between Social Peace Partnerships (SPPs) and Libyan civil society organisations (CSOs) working on women's issues in Libya. A report conducted by PCi in 2020 revealed that women in Libya had been disproportionately affected by the COVID-19 pandemic. Women were affected by loss of employment and education opportunities, limited access to healthcare, reduced freedom of movement and presence in the public sphere, and increased incidence of domestic violence. Among the report recommendations was the need for SPPs to support local efforts by existing CSOs to address women's needs during and after the pandemic.

After an initial mapping of existing women's organisations across six municipalities in Libya, longlisted organisations were invited to a three-day workshop at their local SPPs. The organisations were supported in the design of project proposals addressing women's issues specific to their communities. A total of seven grants were awarded to women's organisations as part of this grants programme. The projects were chosen based on their contribution towards addressing women's needs and strengthening women's resilience to conflict,

supporting marginalised women, countering gender-based violence, and developing women's leadership skills to enhance their participation and visibility in peacebuilding and decision making.

The grants allowed CSOs to continue the crucial work they are carrying out in supporting women's rights issues across the country and helped strengthen their relationships with SPPs. The collaboration between CSOs and SPPs contributed to expanding their reach to wider audiences and stakeholders. In some cases, the SPPs used their influence to enable a safer operating environment for CSOs, which helped expand the civic space. Thanks to the relationships of trust SPPs have built with local leaders and institutions, the projects part of this grants programme was not interfered with or challenged.

The grants programme also worked as a catalyst to establish and consolidate relationships and trust between SPPs, CSOs, municipal authorities and other local stakeholders. For example, in Tobruq the local SPP persuaded security authorities to authorise an awareness-raising campaign on the rights of women married to foreigners, which is considered a very sensitive and contentious issue. Without buy-in from security authorities ahead of the campaign, the project would have likely been stopped. Instead, the campaign was allowed to take place and opened a space for similar sensitive issues to be discussed – for example, the challenges faced by Libyan returnees whose nationality rights have been suspended.

By working together, SPPs and CSOs also benefited from sharing their skills and knowledge. The SPPs gained a better understanding of how specific women's issues are addressed locally by experienced CSOs, and how SPPs can support – rather than duplicate – these efforts. CSOs gained a better understanding of conflict sensitivity and how to manage conflict and security constraints in their ongoing activity, and they became more organically involved in the work of the SPPs. The relationships and trust built through the process can then be quickly mobilised at times of crisis, and the capacity and synergies developed contribute to strengthening the civic space more broadly.

Providing technical support and funding opportunities for women to strengthen and practise leadership is also key to enhancing women's meaningful participation in peacebuilding and decision making. Their visibility in leadership roles contributes to shifting attitudes and behaviours towards their inclusion as key social and political stakeholders, as well as beliefs about gender roles more broadly.

## WORKING AT THE INTERNATIONAL LEVEL

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

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

### Actions and impact

PCi facilitates the Conflict Sensitive Assistance (CSA) in Libya Forum. The CSA Forum, running since 2012, provides resources for donors, international organisations and international NGOs working in Libya to help them be more conflict sensitive; it also provides an important space for critical self-reflection regarding the impact of international assistance. Over the reporting period, the CSA Forum project came to an end. PCi's activities contributed to the conflict sensitivity of international assistance by:

- maintaining an online national-level peace and conflict factor analysis accessible to international assistance providers working on Libya
- convening the bi-monthly CSA Forum, bringing together participants from embassies, international organisations, and international NGOs to review the changing context in Libya, reflect on how that context affects and is affected by the assistance they provide, and identify recommendations for adjusting international assistance

- developing actionable guidance and tools relating to specific conflict sensitivity challenges faced by international actors in Libya. Work is underway to produce resources on conflict sensitivity relating to communications activities and gender dynamics
- providing tailored training to international implementers and donors, focusing on the practical skills and processes needed to undertake work in a conflict-sensitive way. The training programme – which included a wide range of staff functions within organisations, including those that are often neglected when it comes to conflict sensitivity, such as communications and operations – provided participants with the skills to apply conflict sensitivity to their own work. As part of the programme, PCi further delivered a dedicated session for an international NGO, facilitating discussions on how to better apply conflict sensitivity across the organisation
- developing local-level peace and conflict analyses through consultative approaches to inform conflict-sensitive approaches to working in different locations in Libya.

### Challenges we faced

PCi's international staff were unable to enter Libya due to the government's not issuing visas for international nongovernmental organisations (INGOs), which hampered the delivery of expertise to complex initiatives and the ability to undertake monitoring and evaluation of activities and impact. The process of obtaining a visa is extremely challenging, and the Civil Society Commission is notoriously inflexible when it comes to granting invitation letters and visas to INGOs. As a result, the situation for bringing international staff into the country remains challenging – in addition to the widespread security concerns throughout the country.

Occasional incidents (clashes in some areas) had an impact on operations to some extent, causing delays in delivering activities or preventing staff and partners from participating in meetings, limiting activities. In addition, power cuts impacted some operations due to their effect on communications.

The liquidity crisis, high inflation, and changes in the exchange rate by the Central Bank of Libya created a volatile political situation and placed all communities under extreme financial pressure, especially in smaller towns where jobs and resources are scarce. The disagreements between governments, the ongoing postponement of presidential elections, and the conflict between the HSE and HOR with regard to the amendment

of the constitution are all factors that have exacerbated this situation. PCi continues to leverage and capitalise on its relationships across the country and within the international community to achieve the following goals:

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



Above: family in the town of Taworgha, Libya.

# MOZAMBIQUE

## THE CONTEXT

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

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

## WORKING AT THE NATIONAL LEVEL

The Kujenga Amani Pamoja project works in the Swahili Coast regions of Kenya, Tanzania and Mozambique to support youth-led networks and organisations to actively practise and disseminate learning on peacebuilding and conflict prevention. It looks particularly at the ways in which young men and women can support peacebuilding and inclusion through cultural practices.

The project takes place in a region that experiences high levels of youth unemployment and young people's political marginalisation, creating grievances that are easily manipulated by violent extremist groups.

## Actions and impact

The project is a collaboration between We-World-GVC, 4H Tanzania and TABUFO in Tanzania, Stretchers Youth Organisation in Kenya, Conselho Nacional do Voluntariado in Mozambique, and Peaceful Change initiative. PCi's role within the project is to develop the project's conflict analysis and conflict-sensitive interactions matrix and support the project team to continually monitor and adapt project activities to ensure conflict sensitivity.

PCi is also working in collaboration with the University of Dar es Salaam, the Horn International Institute for Strategic Studies in Kenya, and the Universidade Lúrio in Mozambique to produce research looking at the intersection of youth, culture and peacebuilding, and existing cultural practices and resources that contribute to local peace. The project began in March 2023 and is funded by the European Union.

## WORKING AT THE INTERNATIONAL LEVEL

Peaceful Change initiative is working to strengthen conflict sensitivity expertise amongst national and international humanitarian and development organisations in northern Mozambique. We do this by supporting agencies to conduct and make sense of conflict analysis, to identify and prioritise conflict sensitivity risk and design mitigation strategies, and to design, adapt and monitor projects based on this knowledge.

## Actions and impact

PCi has been supporting WeWorld to strengthen its conflict sensitivity since 2021, including developing a global Conflict Sensitivity Toolkit. Our work with WeWorld's team in Cabo Delgado included:

- developing an understanding of conflict dynamics and conflict sensitivity risks in the communities in which WeWorld is working
- supporting WeWorld's project team to prioritise, mitigate and monitor these risks using our conflict-sensitive interactions matrix
- and developing indicators and tools for measuring the project's impact on social cohesion.



Above: women on the beach of Pemba, Cabo Delgado.

# SERBIA–KOSOVO

## THE CONTEXT

The legacies of the wars that accompanied and accelerated the breakup of Yugoslavia continue to perpetuate a post-conflict atmosphere in various parts of the region. Kosovo's declaration of independence from Serbia in February 2008, though recognised by almost half of all UN member states, continues to be rejected by the latter. Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue under the auspices of the European Union. Though some tangible progress has been made, fundamental disagreements remain over the issue of Kosovo's status, and the actual process has effectively been stalled for over two years, with the two sides accusing one another of responsibility for the stalemate.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **Proliferation of hate speech:** negative stereotypes, widespread animosity, hostility in social media, stereotypes perpetuated in mainstream media
- **Deep mistrust toward the 'other side':** intolerance and ignorance, historical grievances, psychological trauma, lack of trust and lack of political will
- **Uncertain security environment:** security dilemmas created by unresolved status issues
- **State capture,** especially in Serbia, deriving from a stalling of the post-war democratic transition process, lack of progress in EU accession and the authoritarian character of the Serbian regime

## WORKING AT THE LOCAL LEVEL

PCi has been supporting various initiatives to strengthen cross-community ties within and between Kosovo and Serbia, testing various approaches that tackle needs and priorities identified by the Kosovo–Serbia Advisory Group and other consultative mechanisms. At the heart of this approach is an emphasis on civic issues which cut across communities and help build diverse coalitions working together to advocate for change at the local level. PCi, working through its partners, addresses the needs of marginalised communities, undertaking vital work in domestic violence, mental health, and assistance for the elderly and vulnerable. The pandemic has increased concerns around access to vaccines and socio-economic assistance, which we have been successfully addressing.

## Actions and impact

- The Kosovo–Serbia Advisory Group continued to identify tangible and tailored initiatives to ensure that the ALVED project achieves its objectives. Of note, PCi awarded various institutional grants to support mission-led organisations in Kosovo and Serbia to empower them to pursue the core objectives of their mission to achieve social change within their own societies:
  - For example, PCi supported local youth organisation 'Naš Svet, Naša Pravila' ('Our World, Our Rights') in order to strengthen its promotion of the role of young people at the local level in south Serbia to ensure youth are active participants and that youth policies have a positive impact.

- Additionally, PCi provided support to the organisation ‘Budi Aktivan 16’ (‘Be Active 16’), who have a strong track record on human and minority rights, promoting various dimensions of integration of the Albanian community in Serbia.
- Through PCi’s consortium partners, grant support has been provided to the Advisory Committees established in eight target municipalities to pursue inclusive and participatory approaches to social services planning. Such support allowed for the realisation of the Strategies and Action Plans developed by the Committees in a number of key domains identified as priorities through their engagement with local residents, including the development of a database for the provision of social services in four municipalities. For the first time, a Braille printer for blind people was provided in Lipjan/Lipljan municipality, making it the only municipality in Kosovo to provide such a service.
- A local-level initiative was supported by PCi to fill a local-level vacuum created by ongoing status disputes between Kosovo and Serbia which prevent law enforcement bodies from working together to combat human trafficking and gender-based violence in south Serbia and east Kosovo. To overcome this institutional vacuum in this border region, PCi has commissioned work to build and train a network of civil society organisations and media outlets with knowledge about the specific challenges. Through information sharing and joint advocacy, this network has helped raise awareness about the support mechanisms available. It has also provided a vital counterpart for exchanging information between Kosovo and Serbia.
- Support has been provided for a civil society-led process to undertake a campaign in south Serbia to inform the Albanian-speaking population of the census process, its importance to that community, and technical aspects of the

process. The lessons learnt from the census in Serbia will be applied to the census in Kosovo in 2023.

- In response to calls for greater cooperation between independent media outlets from the participants of Media Consultation Dialogues held by the project, PCi designed and established a first-of-its-kind initiative to support collaboration between different language media outlets in Kosovo. This collaboration enabled members of the partnership to benefit from one another to broaden and deepen their reporting, and to extend the reach of their media content.

## WORKING AT THE NATIONAL LEVEL

The spike in tensions between Kosovo and Serbia necessitated an approach that engaged civil society in the formulation of joint responses to divisive events or rhetoric. The Kosovo–Serbia Rapid Response Mechanism has brought together CSOs from a diverse array of communities to develop several public responses. Furthermore, the ongoing status dispute between Kosovo and Serbia has meant that civil society and other actors have been required to take pragmatic approaches to filling resulting vacuums.

### Actions and impact

1. The Kosovo–Serbia Rapid Response Mechanism (KSRRM) adopted a number of joint positions which were widely distributed in local media in Kosovo and Serbia, and amongst members of civil society and the international community:
  - a. **Moving from agreement(s) to peace** – Civil society organisations from Kosovo and Serbia speak out together to emphasise the importance of building goodwill and trust in order to make it possible for political agreements to take hold, bring peace and benefit their societies.

- b. **Citizens must not be held hostage by the Belgrade-Pristina dialogue** – A diverse group of 40 civil society organisations, activists, and media outlets from Kosovo and Serbia express their profound concern about the impact of a lack of progress in the Belgrade–Pristina dialogue on local communities.
- c. **A time for new constructive voices** – Following a gathering in Gračanica/Gračanice, a diverse group of civil society organisations from Kosovo and Serbia have adopted the following joint statement calling for new constructive voices – voices that look to the future whilst retaining a keen eye on the past; voices that seek out partnerships and coalitions beyond the red lines that are sup-  
posed to define them; and voices that stand up publicly against divisive and derogatory rhetoric.
- d. **Women’s voices for peace in Serbia and Kosovo** – On International Women’s Day, civil society from Kosovo and Serbia are united in their calls for more women’s voices to be heard in the normalisation process. The signatories also voiced their concerns about the failure to incorporate gender-specific considerations into the various dialogue agreements and, in particular, the Agreement on the path to normalisation between Kosovo and Serbia.



Above: *Women in the Media* report launch in Kosovo and Serbia

2. In January 2023, a delegation of civil society from Kosovo and Serbia had the opportunity to meet key interlocutors from various EU institutions in Brussels. Members of the KSRRM – who meet officials from the office of EU Special Representative for the Belgrade–Pristina Dialogue, the European External Action Service (EEAS), and others – presented ideas about the role civil society can play given the current tensions on the ground and hopes for a comprehensive agreement between Belgrade and Pristina.
3. PCi continued to support partnership between the Universities of Belgrade and Pristina by supporting exchanges between researchers. Through a focus on engagement with the respective Faculties, these exchanges are designed to deepen the relationship between institutions who are prevented from formally cooperating due to the ongoing status dispute between Kosovo and Serbia. Such cooperation builds firm foundations for future endeavours and helps normalise such working together. It is not, however, without risks and controversies, [a joint statement was issued by various CSOs in Kosovo and Serbia condemning attacks on academic freedom](#) associated with planned presentations of the research findings arising from the initiative.

In response to a recommendation arising from one of the Media Consultation Dialogues (MCDs) – which bring together media professionals from Serbia and Kosovo in order to exchange experiences and forge cooperation among journalists, editors, and managers – a landmark survey on the position of women in the media was published, exploring the reality of daily life for journalists in Kosovo and Serbia, as well as the portrayal of women in the media. By focusing on an issue of common concern, the survey strengthened ties of cooperation between female journalists in Kosovo and Serbia.

## Challenges we faced

Tensions between Kosovo and Serbia have continued to mount over the course of the last eighteen months. In Autumn 2022, Kosovo Serb members of various institutions in north Kosovo – including the police, judiciary, and local government – resigned en masse, creating a vacuum in terms of governance and security. Pristina has continued to deploy special operations units of the Kosovo Police to north Kosovo, further straining relations with the local Kosovo Serb population. There has been a spate of security incidents which have heightened concerns about further violence. All of this comes against the backdrop of Russia’s invasion of Ukraine, which has heightened concerns throughout the Western Balkans about renewed war in the region. Whilst the EU has facilitated an agreement on a new roadmap towards normalisation between the two, there remain a number of outstanding issues – including the establishment of an Association/Community of Serb-majority municipalities, designed to give autonomy to the Kosovo Serb community – which have continued to strain relations.

# PROVISION OF PCI TECHNICAL SUPPORT TO PEACEBUILDING AND AID PROJECTS

## SWITZERLAND

### Provision of technical support to UN-led peace negotiation process for Syria

At the request of the EU and the German Ministry of Foreign Affairs, PCi is providing technical support to the Geneva-based UN-led peace process for Syria. In particular, PCi provides capacity building support to the Syrian Negotiation Committee's representative office in Geneva. This includes work on organisational processes and procedures as well as advisory support on peacebuilding strategies.

This work takes place exclusively in Switzerland.

## INTERNATIONAL

### Provision of technical conflict sensitivity support to aid programmes

PCi responded to several requests from other organisations to provide technical conflict sensitivity

advice to projects and programmes in Libya over the reporting period. Support included conducting analysis of peace and conflict dynamics in areas relevant to those programmes, reviewing project activities, advising on recommended adaptations to project and programme design in order to minimise potential conflict harms and maximise contributions to peace, and supporting the strengthening of institutional capacity regarding conflict sensitivity. Organisations supported included:

- WeWorld GVC
- CESVI
- WeWorld GVC and AVSI as conflict sensitivity partners within an AICS/EU funded project
- Helpcode and Premiere Urgence Internationale as conflict sensitivity partners within an AICS/EU funded project



Above: United Nations office, Geneva, Switzerland.

# COMMUNICATION ON ENGAGEMENT WITH THE UN GLOBAL COMPACT

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

In the reporting period:

- PCi submitted a proposal for comprehensive advisory support on conflict sensitivity and corporate sustainability to a major European lending institution that specialises in infrastructure development and investment in new technologies. While the proposal was not successful, it strengthened PCi's learning about how to build partnerships with corporate sector.
- Based on this learning, PCi developed proposals and concepts for conflict sensitivity and sustainability collaborations with private sector entities that will be engaging in recovery and reconstruction in Ukraine. Plans for the implementation of these concepts are currently being developed.
- Additionally, PCi has worked to ensure internal adherence to the UN Global Compact principles by:
  - strengthening our Recruitment Policy and implementing anonymous job application processes where data that might reveal the age, gender and ethnicity of applicants is masked for the panel that creates shortlists for interviews (Principle 6)
  - implementing programme corruption-risk assessments (Principle 10).

In the reporting period PCi learned a considerable amount about how to engage with the corporate sector to discuss issues of conflict sensitivity and sustainability. We look forward to continuing this engagement and dialogue, in support of the Global Compact.

# FINANCIAL REVIEW

PCi's financial situation in FY23 remained strong; our income and programme expenditure were both slightly higher than in FY22, largely due to increased activities in our Black Sea project, and a small but growing amount of new programming in Southern and Eastern Africa. Our income once again primarily consisted of awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, the European Union, and the United Nations, to fund our portfolio of programmes. Again, much of our expenditure is in support of activities undertaken by our partners in Libya, Serbia, and Kosovo, as well as our technical support project in Geneva, although we were also able to make some investments in programme development during the financial year to support PCi's future resilience.

In the reporting year we received funding from:

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

We also carried out consultancy work for organisations including:

- WeWorld GVC

- CESVI
- The Belong Local Government Network

## FUNDRAISING

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

## RESERVES POLICY

PCi's reserves policy sets out the principles for holding and spending reserves, the accounting policy to follow, and the governance process. The Board of Trustees sets a reserves target for a 24-month period, which is then reviewed annually. This will be based on an assessment of the following risk factors:

- **Operational Contingency:** covering unforeseen day-to-day operational costs, e.g., employing temporary staff to cover a long-term sick absence, legal costs, insurance excess, or crisis response
- **Reduced Income:** a source of income, e.g., a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations
- **Strategic Commitments:** designations that cannot be met by future income alone, e.g., plans for a major asset purchase or significant project that requires the charity to provide 'matched funding'

- Cashflow: the need to fund short-term deficits in a cash budget, e.g., money may need to be spent before a funding grant is received, or to cover bad debts.

For FY23 the Board set a reserves target of £532,000. At the balance sheet date, PCi held reserves of £500,086 (2022: £738,112), of which £452,122 (2022: £692,310) related to restricted funds, thus slightly below the required level. This was due to the Board decision to spend some of the reserves held during FY23 in order to provide operational support to the Libya team during a short-term funding gap.

As the current reserves held are slightly below the reserves target, FY24 will see the Board starting to replenish those reserves, while continuing to focus available resources on ensuring that PCi invests in resilience and in diversification of funding sources, to ensure the charity is in a good position to respond to ongoing challenges, as noted in the Plans for Future Periods section (page 27).

Having reviewed the future plans of the Charity, including an assessment of expected income for at least twelve months from the date of approval of these financial statements, the Trustees do not consider that there is a material uncertainty regarding the going-concern status of the Charity, and accordingly consider it appropriate that the financial statements are prepared on a going-concern basis.

## RISKS AND UNCERTAINTIES

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- physical security of staff and beneficiaries in the areas in which we operate
- solvency and cashflow

- misappropriation of funds or other benefits by proscribed groups within conflict zones
- reliance on a limited group of institutional funders
- psychological wellbeing of staff working overseas or in conflict zones
- safeguarding of beneficiaries
- handling of sensitive data and security of IT systems
- financial risks associated with UK's exit from the European Union.

## PLANS FOR FUTURE PERIODS

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

- diversify programming and funding sources:
  - scaling up and consolidating PCi's programming in Ukraine following the Russian invasion. PCi's focus will be on working with Ukrainian partners to identify social cohesion needs within the country and articulate advocacy plans for effective recovery and reconstruction aid
  - scaling up and consolidating PCi's programming in Mozambique. PCi's focus will be on strengthening the provision of conflict sensitivity support to international assistance efforts in the Cabo Delgado and other conflict-affected areas of the country. In particular, PCi is looking to work with Mozambican researchers and civil society to provide conflict sensitivity advisory services to the international community
  - on-boarding funding for work programming that addresses the intersection between climate change and conflict in Libya
  - consolidating a rapid response mechanism between civil society actors in Serbia and Kosovo in light increasing tensions between communities
- develop a new Organisation Strategic Plan to update and replace the previous strategic plan that was developed in 2019
- develop a Communications Strategy that supports PCi's peacebuilding outcomes, raises the profile of peacebuilding and of the peacebuilding partners that PCi works with and that supports PCi's efforts to diversify funding sources
- engage a Patron who can support PCi to help our organisational profile
- undertake a staff survey to understand what actions to prioritise to attract and retain great staff. Additionally, initiate an internal training programme on project management skills to support ongoing professional development across the organisation.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

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

## SUBSIDIARY LEGAL ENTITIES

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

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

## BOARD OF TRUSTEES

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

The Board currently consists of:

- James Freeman
- Michael Holland (resigned 2 November 2023)

- Anton Shihoff
- Dr Joan McGregor
- Peter Millett (appointed 16 June 2022)
- Wonu Owode (appointed 17 June 2022)
- William Peace (Chair)
- Giulia Pellegrini

## IDENTIFICATION AND INDUCTION OF NEW TRUSTEES

New trustees are identified by fellow trustees, together with the Chief Executive Officer, and invited to join the Board following a process of due diligence and substantial engagement to ensure that PCi's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCi senior management, includes familiarisation with:

- the duties and responsibilities expected of trustees and as outlined in CC3
- PCi's legal framework and governance
- PCi's finances (including audit reports)
- the mission of PCi and the principles that underpin the delivery of that mission
- the details of the current and future programmatic work of the organisation.

## **MEETINGS, MINUTES AND DECISION MAKING**

The Board of Trustees has met regularly during the reporting period, virtually, with PCI's AGM held on 12 December 2022. PCI produced an annual budget in FY23, with Trustees reviewing forecasts and spending on a six-monthly basis. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCI's existing contracts and new-grants pipeline and to discuss programming in PCI's areas of operation.

## **RISK MANAGEMENT SUB-COMMITTEE**

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

## **FINANCIAL CONTROLS**

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

## **REMUNERATION OF KEY MANAGEMENT PERSONNEL**

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

## **MANAGEMENT TEAM**

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees. Abigail Orr continues in her role as Finance and Operations Manager. Rebecca Crozier continues in her role as Programme Development Director. Fleur Just, Abigail Orr and Rebecca Crozier develop and implement strategic plans and key policies together with an expanded management team of Senior Advisers..

# REFERENCE AND ADMINISTRATIVE DETAILS

## Registered office address

25B Lloyd Baker Street  
London  
WC1X 9AT

## Company registered number

07931944

## Charity registered number

1162997

## Chief Executive Officer

Fleur Auzimour Just

## Independent auditors

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

## Bankers

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

## Solicitors

Dechert LLP  
160 Queen Victoria Street  
London  
EC4V 4QQ

## Other financial services providers

- Convera Holdings, LLC (formerly Western Union Business Services)
- Clements Worldwide
- Arthur J Gallagher

# TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the

Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

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

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

## AUDITORS

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

This report was approved by the Trustees on 4 December 2023 and signed on their behalf by:



**William Peace**  
Chair of the Board of Trustees

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEACEFUL CHANGE INITIATIVE

## OPINION

We have audited the financial statements of Peaceful Change Initiative (the 'charitable company') for the year ended 30 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the

ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

## OTHER INFORMATION

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

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

We have nothing to report in this regard.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements, or
- sufficient accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is nec-

essary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited

business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charity Commission and sector regulations, and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out.

These procedures included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- reading minutes of meetings of those charged with governance
- obtaining and reading correspondence from legal and regulatory bodies including HMRC
- identifying and testing journal entries
- challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, for-

gery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

### Goodman Jones LLP

Chartered Accountants  
Statutory Auditors

29 30 Fitzroy Square  
London  
W1T 6LQ

Date: 4 December 2023

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

# FINANCIAL STATEMENTS AND NOTES

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	4	16,000	4,470,088	4,486,088	4,329,618
Charitable activities	5	22,785	-	22,785	45,252
<b>Total income</b>		<b>38,785</b>	<b>4,470,088</b>	<b>4,508,873</b>	<b>4,374,870</b>
<b>Expenditure on:</b>					
Charitable activities		36,632	4,710,276	4,746,899	4,404,111
<b>Total expenditure</b>		<b>36,632</b>	<b>4,710,276</b>	<b>4,746,899</b>	<b>4,404,111</b>
<b>Net movement in funds</b>		<b>2,162</b>	<b>(240,188)</b>	<b>(238,026)</b>	<b>(29,241)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		45,802	692,310	738,112	767,353
Net movement in funds		2,162	(240,188)	(238,026)	(29,241)
<b>Total funds carried forward</b>		<b>47,964</b>	<b>452,122</b>	<b>500,086</b>	<b>738,112</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 37 to 48 form part of these financial statements.

## BALANCE SHEET

### as at 30 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	10	6,557	8,471
		<u>6,557</u>	<u>8,471</u>
<b>Current assets</b>			
Debtors	11	948,852	1,365,583
Cash at bank and in hand		548,654	565,818
		<u>1,497,506</u>	<u>1,931,401</u>
<b>Creditors:</b> amounts falling due within one year	12	<u>(1,003,977)</u>	<u>(1,201,760)</u>
<b>Net current assets</b>		<u>493,529</u>	<u>729,641</u>
<b>Total assets less current liabilities</b>		<u>500,086</u>	<u>738,112</u>
<b>Net assets excluding pension assets</b>		<u>500,086</u>	<u>738,112</u>
<b>Total net assets</b>		<u>500,086</u>	<u>738,112</u>
<b>Charity funds</b>			
Restricted funds	13	452,122	692,310
Unrestricted funds	13	47,964	45,802
<b>Total funds</b>		<u>500,086</u>	<u>738,112</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011. The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. The financial statements

were approved and authorised for issue by the Trustees and signed on their behalf by:



**William Peace**  
Chair of the Board of Trustees

Date: 4 December 2023

The notes on pages 37 to 48 form part of these financial statements.

## STATEMENT OF CASH FLOWS

### For the year ended 30 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(11,093)	(324,894)
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(6,071)	(7,528)
<b>Net cash used in investing activities</b>	(6,071)	(7,528)
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	(17,164)	(332,422)
Cash and cash equivalents at the beginning of the year	565,818	898,240
<b>Cash and cash equivalents at the end of the year</b>	<b>548,654</b>	<b>565,818</b>

The notes on pages 37 to 48 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 March 2023

#### 1. General information

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

#### 2. Accounting Policies

##### *i. Basis of preparation of financial statements*

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the

Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

##### *ii. Company status*

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

### *iii. Going concern*

The Charity receives the majority of its income in the form of grants for specific programme expenditure, and many of these grant agreements include an allowance for overheads. The majority of income is for multi-year projects, so the Charity already has income contracted for FY24 and FY25.

After reviewing the level of recurring expenditure and expected income for FY24 and beyond, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, the Charity will continue efforts to increase unrestricted funding. The Charity acknowledges the risk that Government budgets will tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### *iv. Consolidation*

The Charity operates internationally and has established legal entities in Libya (Peaceful Change initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative - a division of a foreign non-governmental organisation). These entities are to enable operation of PCi at a local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

### *v. Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### *vi. Income*

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

### *vii. Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

#### *viii. Expenditure*

Expenditure is recognised, inclusive of irrecoverable VAT, once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### *ix. Government grants*

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

#### *x. Operating leases*

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

#### *xi. Tangible fixed assets and depreciation*

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

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

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

Depreciation is provided on the following basis:

Fixtures and fittings - 33.33% straight line

#### *xii. Stocks*

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

#### *xiii. Debtors*

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

#### *xiv. Cash at Bank and in hand*

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

#### *xv. Liabilities and provisions*

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

#### *xvi. Financial instruments*

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### *xvii. Taxation*

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### *xviii. Foreign currencies*

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

#### *xix. Pensions*

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

### **3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees have not identified any estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

#### 4. Income from donations and legacies

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Donations	16,000	-	16,000	3,020
Grants	-	4,470,088	4,470,088	4,326,598
	<b>16,000</b>	4,470,088	<b>4,486,088</b>	4,329,618
Total 2022	3,020	4,326,598	4,329,618	

Grant income is received from UK and non-UK governments and governmental organisations. During the year, the Charity received grants totalling £3,312,484 (2022: £3,147,053) from the UK government.

#### 5. Income from charitable activities

	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£
Conflict resolution and peacebuilding	22,785	22,785	45,252
Total 2022	45,252	45,252	

#### 6. Analysis of expenditure by activities

	Activities undertaken directly 2023	Grant funding of activities 2023	Support costs 2023	Total funds 2023	Total funds 2022
	£	£	£	£	£
Conflict resolution and peacebuilding	3,990,968	321,240	434,691	4,746,899	4,404,111
Total 2022	3,896,360	203,527	304,224	4,404,111	

## Analysis of support costs

	Conflict resolution 2023 £	Total funds 2023 £	Total 2022 £
Staff Costs	300,794	<b>300,794</b>	131,831
Depreciation	7,985	<b>7,985</b>	6,843
Travel	16,695	<b>16,695</b>	4,256
Rent	21,594	<b>21,594</b>	21,960
Insurance	22,013	<b>22,013</b>	18,882
Light and heat	661	<b>661</b>	416
Office expenses	216	<b>216</b>	999
Printing, postage and stationery	115	<b>115</b>	304
Telephone	560	<b>560</b>	28
Computer	13,346	<b>13,346</b>	5,719
Legal and professional fees	19,621	<b>19,621</b>	56,457
Audit	10,740	<b>10,740</b>	10,740
Staff welfare and training	21	<b>21</b>	1,995
Bank charges	774	<b>774</b>	744
Surplus/deficit on foreign currency	12,199	<b>12,199</b>	34,190
Sundry expenses	367	<b>367</b>	6,119
Subscriptions	6,241	<b>6,241</b>	2,417
Trustees' meeting expenses	749	<b>749</b>	296
Loss on disposal of fixed assets	-	-	28
	434,691	<b>434,691</b>	304,224
Total 2022	304,224	304,224	

## 7. Analysis of grants

	<b>Grants to Institutions 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Conflict resolution and peacebuilding	321,240	<b>321,240</b>	203,527
Total 2022	203,527	<b>203,527</b>	

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

## 8. Staff costs

Staff costs were as follows:

	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	<b>1,155,766</b>	1,135,444
Social security costs	<b>21,715</b>	30,621
Other pension costs	<b>47,783</b>	46,234
	<b>1,225,264</b>	1,212,299

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

	<b>2023 No.</b>	<b>2022 No.</b>
Administration and management	<b>4</b>	4
Projects	<b>19</b>	19
	<b>23</b>	23

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

	<b>2023 No.</b>	<b>2022 No.</b>
In the band £60,001 - £70,000	<b>1</b>	1

Remuneration including employer's national insurance and pension contributions totalling £200,308 (2022: £160,351) was paid to key management personnel.

## 9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 30 March 2023, expenses totalling £1,017 were reimbursed or paid directly to 2 Trustees (2022 - £593 to 2 Trustees).

## 10. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 31 March 2022	50,642
Additions	6,071
At 30 March 2023	56,713
<b>Depreciation</b>	
At 31 March 2022	42,171
Charge for the year	7,985
At 30 March 2023	50,156
<b>Net book value</b>	
At 30 March 2023	6,557
At 30 March 2022	8,471

## 11. Debtors

<b>Due within one year</b>	2023 £	2022 £
Trade debtors	111,628	799,700
Other debtors	3,958	3,866
Prepayments and accrued income	833,266	562,017
	<b>948,852</b>	<b>1,365,583</b>

## 12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	148,418	267,153
Accruals and deferred income	855,559	934,607
	<b>1,003,977</b>	<b>1,201,760</b>

	2023 £	2022 £
<b>Deferred income</b>		
Deferred income at 31 March 2022	624,174	371,394
Resources deferred during the year	396,903	624,174
Amounts released from previous years	(252,780)	(371,394)
<b>Deferred income at 30 March 2023</b>	<b>768,297</b>	<b>624,174</b>

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

## 13. Statement of funds

### Statement of funds - current year:

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

Statement of funds - prior year:

	Balance at 31 March 2022 £	Income £	Expenditure £	Balance at 30 March 2023 £
<b>Unrestricted funds</b>				
General Funds	47,477	48,272	(49,947)	45,802
<b>Restricted funds</b>				
Libya Programmes	704,306	2,147,316	(2,175,215)	676,407
Syria Programmes	5,000	677,647	(677,314)	5,333
Black Sea Programmes	10,570	1,467,198	(1,467,198)	10,570
UK programmes	-	34,437	(34,437)	-
	719,876	4,326,598	(4,354,164)	692,310
<b>Total funds</b>	767,353	4,374,870	(4,404,111)	738,112

Restricted funds comprise the following:

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

Syria - the work in Syria supports UN-led efforts to develop a political solution to the conflict, in line with UN Security Council Resolution 2254.

Black Sea - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries

UK - this programme focuses on engagement with the UK government (through the parliament and the civil service) to promote conflict sensitivity in the UK's foreign policy. The programme also supports UK institutions to promote social cohesion in the UK.

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

#### 14. Analysis of net assets between funds

Analysis of net assets between funds - current year:

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

Analysis of net assets between funds - prior year:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,471	-	8,471
Current assets	768,563	1,162,838	1,931,401
Creditors due within one year	(731,262)	(470,528)	(1,201,760)
<b>Total</b>	<b>45,802</b>	<b>692,310</b>	<b>738,112</b>

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	(238,026)	(29,241)
<b>Adjustment for:</b>		
Depreciation charges	7,985	7,171
Decrease/(increase) in debtors	416,731	(531,833)
Increase/(decrease) in creditors	(197,783)	229,009
<b>Net cash used in operating activities</b>	<b>(11,093)</b>	<b>(324,894)</b>

## 16. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	548,654	565,818
<b>Total and cash equivalents</b>	<b>548,654</b>	<b>565,818</b>

## 17. Analysis of changes in net debt

	At 30 March 2022	Cash flows 2023	At 30 March 2023
	£	£	£
Cash at bank and in hand	565,818	(17,164)	548,654
	<b>565,818</b>	<b>(17,164)</b>	<b>548,654</b>

## 18. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £21,715 (2022 - £30,621) in the year. Contributions totalling £2,645 (2022: £2,994) were payable to the fund at the balance sheet date and are included in creditors.

## 19. Operating lease commitments

At 30 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	4,500	4,500

## 20. Related party transactions

During the year, £67,983 (2022: £59,886) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year, and £4,150 (2022: £1,681) was paid for expenses reimbursed. At the balance sheet date, an amount totalling £12,000 (2022: £31,607) was owed by the Charity in respect of these services.

During the year, donations of £3,500 (2022: £3,000) were received by the Charity from Trustees and related parties. No restrictions were attached to these donations.

## 21. Controlling party

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

**PEACEFUL CHANGE INITIATIVE**

England & Wales - Charity number 1162997

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# Accounts

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Peaceful  
Change  
initiative

# Annual Report

31 March 2021 – 30 March 2022



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# ANNUAL REPORT

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2021 to 30 March 2022. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## CHAIR'S REPORT

With our previous chair, Michael Holland, heavily engaged in a start-up business, I have stepped in as Peaceful Change initiative's new chair. Fortunately, Michael continues as a trustee and following years of building a solid foundation of good governance and financial security for Peaceful Change initiative, I am pleased that his wisdom is still available to us. As fate would have it, I had spent the previous seven years alongside the chair of a successful counselling charity as Secretary/Treasurer. My time as managing director of a dozen private sector enterprises of various sizes and shapes was also helpful tuition. My earliest engagement with Peaceful Change initiative was assisting the CEO, Fleur Just, in the preparation of the organisation's 2019–2022 strategic plan aimed at growth.

I am also delighted to announce the appointment of two new trustees to the Peaceful Change initiative Board of Trustees in June 2022. Ms Wonu Owoade has had a distinguished career in the international development sector before establishing herself as a successful independent fundraising consultant. Mr Peter Millett CMG was the UK's Ambassador to Libya until 2018, following on from a number of high-profile diplomatic postings. During his time in Libya he was introduced to Peaceful Change initiative's peacebuilding work and remained in contact with us after he retired from the diplomatic service. Wonu and Peter add important expertise to the Peaceful Change initiative's Board.

In my role as chair, I am donating at least one day a week to fundraising on behalf of Peaceful Change initiative. The funding landscape for charities has become more challenging following the COVID-19 pandemic and the economic crisis triggered by Russia's

invasion of Ukraine. Those of you who are familiar with the finances of government-funded charities will know that our strategic objectives for growth and improved effectiveness are dependent on the availability of unrestricted funding. The margins in government contracts are very small.

We are therefore building our fundraising expertise, with a particular focus on charitable foundations and high-net-worth individuals.

In November 2021, we invited about a hundred influential government and private sector individuals to a reception featuring a keynote speech by Peter Millett, the recent UK ambassador to Libya, and a report by Fleur Just, our CEO. Attendance from the government sector was excellent; from the private sector, it was disappointing. We are making relationship building with charitable foundations a key priority, highlighting our cost and performance effectiveness.

It was disappointing to read Philip Rojc's article, *Where's David Rockefeller When We Need Him?*<sup>1</sup> on grantmakers' agency in relation to international conflicts like the 2022 war in Ukraine. He asks, "Could philanthropy have helped prevent this? Or what can grantmakers do to reduce the likelihood of wars like this breaking out in the future? Judging from long-term downward trends in philanthropic funding for peace and security, you might get the impression that most funders' answers to those two questions, if they're being candid, would be 'no' and 'nothing'."

To summarise, the general philanthropic position on peacebuilding is that it is not a good philanthropic investment, and its accomplishments are difficult to measure.

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<sup>1</sup> *Inside Philanthropy*, 14 April 2022

But this a view oriented to the short term and it fails to understand what transformational peacebuilding is and does.

Addressing conflict and building peace is an essential investment without which the impact of any humanitarian and development work in fragile and conflict-affected countries will always be unstable.

The cost and the time required to bring about a durable peace is substantial, but it is far less than the cost (in lives, livelihoods, infrastructure, quality of lives and wealth) of permitting the conflict to continue.

Peaceful Change initiative has worked in Libya alongside others for ten years. This year, Libya moved up five places in the global peace rankings published by the Institute for Economics and Peace. Libya is the most peacefully improved country in the world.

Peacebuilders are special people. They begin by being trained in all the process skills, but they also must have patience, imagination, courage, love and a willingness to take big risks.

*William Peace*

**William Peace**

Chair of the Board of Trustees

# OBJECTIVES AND ACTIVITIES

## CHARITABLE OBJECTIVES

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

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

These objectives are achieved through the following activities:

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

7. Publishing reports on the causes of, and recommended solutions to, particular conflicts, and making these freely available for public consumption.

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

## OUR WORK

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

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

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

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

## WHY WE MAKE A DIFFERENCE

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

## KEY EVENTS IN THE YEAR

In the reporting period:

- In April, PCi onboarded a new contract that explored the way the UK engages in fragile and conflict-affected countries post-Brexit, post-COVID-19 and post-Integrated Review, funded by the Joseph Rowntree Charitable Trust;
  - In July, PCi explored further opportunities for engaging with philanthropists and produced a Fund-raising Brochure to promote the impact of PCi’s work;
  - In October, PCi onboarded a new senior member of staff: Rebecca Crozier, Programme Development Director;
  - In November, PCi held a reception and presentation to celebrate ten years of building peace in conflict-affected countries, at Carlton House Terrace, St. James’s, London, with 50 guests;
  - In December, PCi convened a virtual event to launch the findings of a joint publication from the Foreign Policy Centre (FPC) and PCi: [‘A Force For Good?’ Examining UK engagement in Fragile and Conflict Affected Countries](#);
- In January, PCi joined BOND, the international development network, and provided a written submission to the International Development Committee Inquiry ‘Promoting dialogue and preventing atrocities: the UK government approach’;
  - In February, with the Russian invasion of Ukraine, PCi commenced support to Ukrainian civil society actors to address needs emerging from the crisis, including but not limited to supporting access for humanitarian aid. This support is un-funded by grants;
  - In March, PCi was accepted as a member of EPLO, the European Peacebuilding Liaison Office. PCi also co-hosted, with Chatham House, a high-level event looking at the political economy of Libya and its impact on communities and their livelihoods.

## ACHIEVEMENTS AND PERFORMANCE

With programmes in North Africa (Libya), Western Balkans (Serbia-Kosovo) and Europe/Switzerland (Syria) we also maintained contacts with different stakeholders in Ukraine and the South Caucasus. Our work focuses on:

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



Above: livelihood Training, Bani Walid, Libya

## LIBYA

The Social Peace and Local Development Project (SPLD):

- Continued to support more than 20 Social Peace Partnerships (SPPs) comprising 563 members, strengthening social cohesion across Libya;
- Deepened the development of a cadre of 20 peacebuilding professionals who provide support to the SPPs as well as disseminating the SPLD approach;
- Strengthened the approach to women, peace and security through implementation of a new project component focused on gender in six municipalities;
- Created Livelihood opportunities through a new project component that addressed economic stressors, including conflict and COVID-19, that negatively impact on community relations, gender equality and social inclusion;
- Supported a network of 36 peacebuilding practitioners who carry out peace actions involving 26 communities across the country.

## SERBIA-KOSOVO

- Five Media Consultation Dialogues brought together media professionals from Serbia and Kosovo to work to end divisive narratives;
- A Rapid Response mechanism was established in Kosovo to assess the impact of COVID-19 on non-majority communities, to support an advocacy strategy and increase awareness amongst government stakeholders on challenges facing these communities.

## SWITZERLAND

Engaged with the UN-led peace negotiation processes in Switzerland concerning Syria by providing capacity-building support to the political opposition delegation representation in Geneva. No activities took place inside Syria.

# LIBYA

## THE CONTEXT

Since the Revolution in 2011, Libya has gone through a series of political and military crises. This has led to significant, ongoing violence across the country and resulted in the creation of three different governments, each of which is competing for – but has so far failed to achieve – nationwide legitimacy. The 2021 Libyan presidential election did not take place in December 2021 and was postponed until 2022.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **VIOLENCE BETWEEN RIVAL ARMED GROUPS:** killings, kidnappings, damage to public buildings and homes, displacement, psychological trauma, limitations to freedom of movement;
- **TENSIONS AND VIOLENCE BETWEEN DIFFERENT TRIBES AND ETHNIC GROUPS:** violence, hate speech, and divisive narratives undermine social cohesion and affect ordinary citizens' safety and security;
- **LACK OF BASIC SERVICES:** local authorities and service providers are under pressure but have limited capacity to provide electricity, security, jobs, housing, education, and healthcare;
- **LACK OF FUNCTIONING POLICE AND COURT SYSTEM:** communities rely on prominent local people (e.g. peacebuilders, tribal leaders, elders, etc.) to help mediate disputes and conflicts;
- **DIVISIONS AND LIMITED FREEDOM OF MOVEMENT WITHIN THE COUNTRY:** local peacebuilders and civil society from different communities have few opportunities to meet and coordinate action.

## WORKING AT THE LOCAL LEVEL

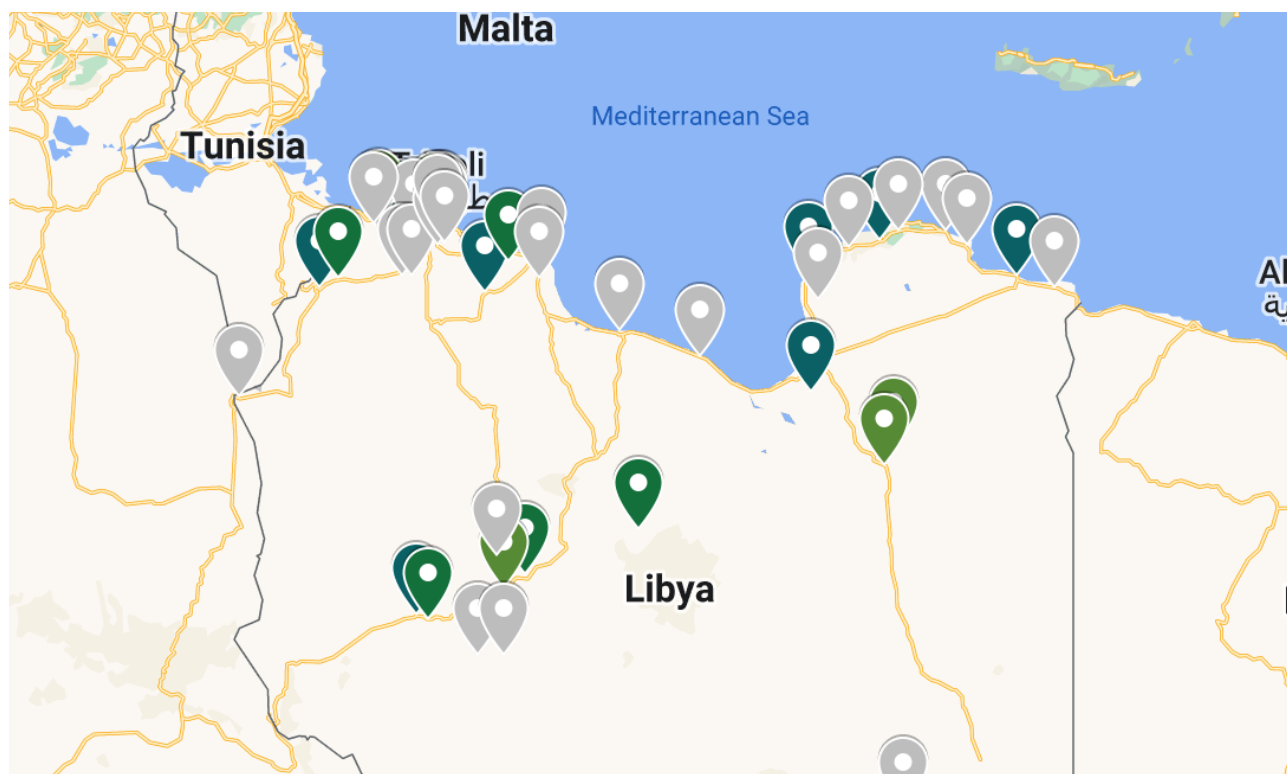
Social Peace and Local Development (SPLD) is a method for building social cohesion and preventing community conflict, developed specifically for Libya, following the changes the country underwent in 2011. The methodology was developed by PCi, in partnership with Libyan civil society and government actors, between 2012 and 2014, and it was widely tested in Libyan communities in all three regions of the country. Since 2014, SPLD has been used in forty communities across Libya, where Social Peace Partnerships have been established. The Social Peace Partnerships bring together a diverse group of local people, with a common goal: to develop and foster good relations through preventing and managing community conflict.

### WHAT IS SOCIAL PEACE AND LOCAL DEVELOPMENT?

Social Peace and Local Development seeks to build 'horizontal' and 'vertical' relationships, strengthening relationships and trust between different community groups (horizontal) and between these community groups and institutions, especially municipalities (vertical). SPLD encourages people to change the way they live alongside each other by building their relationships through collaboration on projects that require them to work together. In doing so, people are encouraged to negotiate different interests and needs, and to agree on a shared vision for their common future. These projects often focus on the delivery of key local services to improve people's day-to-day lives and contribute to communities feeling safer.

## ACTIONS

- **Strengthened and enhanced peacebuilding technical skills and knowledge through mentoring and training support** delivered in 20 target locations across the country;
  - **Strengthened capacity of Tier 2 Social Peace Partnerships (to become Tier 1) through five grants that:** 1) improved the operational capacity of each SPP so it is sustainable without PCi support; 2) improved financial processes so that SPPs can fund initiatives without PCi support; 3) improved the ability of SPPs to tackle disputes and conflicts through mediation and peacebuilding efforts;
  - **Strengthened community resilience and promoted local economic development through livelihood interventions and five entrepreneurship grants;**
  - **Supported women's leadership and a stronger civil society space** through six gender grants, and
- seven grants implemented by civil society organisations, in collaboration with Social Peace Partnerships. The collaboration between civil society organisations and SPPs contributed to expanding the reach of SPPs to wider audiences and stakeholders;
  - **Promoted the voice of youth** through three youth grants, using the 'Bader' youth media platform designed to amplify the voice of young people who are active in promoting social peace, civil society initiatives, and voluntary work in Libya;
  - **Continued to manage conflict issues and tensions in all the target areas** – with some Social Peace Partnerships rolling out initiatives independently of PCi.



Above: map of Social Peace and Local Development areas, Libya

### 563+ Partnership members

- 39% women | 59% men | 43% youth
- Average 27 members per SPP

#### Tier One – direct support



Ajdabiya  
Bani Waled  
Benghazi  
Nalut  
Sabratah  
Souq Al Jum'aa  
Tobruk  
Ubari  
Alsahel

#### Tier Two – direct support



Al Jufra  
Tiji  
Tripoli Centre  
Wadi Albawanees  
Zliten  
Al Gharifa

#### Tier Three – direct support



Zuwara  
Hai Alandalus  
Jakharrad  
Jalu  
Sabh

#### Ad hoc support – UNDP R&R gov project - Self-generated



Abu Selim  
Ain Zara  
Ajmel  
Al Bayda  
Al Marj  
Bir'r al Ashhab  
Brak Shati  
Derna  
Esbeea  
Gadamis  
Khalij Alsidra  
Kikla  
Kufra, Misrata  
Murzuq  
Om Razam  
Riqdalin  
Sirt  
Suluq  
Taraghin  
Tawergha  
Warshefana  
Yefren  
Zawiya Sidi al-Sayeh



Above: Randa in entrepreneurship training

## IMPACT

### CASE STUDY: SUPPORTING WOMEN ENTREPRENEURS IN TOBRUQ: RANDA'S ONLINE SHOPPING BUSINESS

In November 2021, PCi implemented a series of livelihood interventions in six Libyan Municipalities, including Tobruq, informed by community consultations and Local Economic Assessments. The Social Peace Partnerships in each target location played a key role, working to design interventions and selecting participants; they also engaged and collaborated with relevant economic stakeholders and local authorities, strengthening relationships and trust between different communities and institutions – and working to implement interventions that were delivered in a conflict-sensitive manner.

In Tobruq, an entrepreneurship training session was delivered to 22 young people, enabling 27-year-old graduate Randa Mahmoud to design and establish her own Facebook shopping business ('Badaya Store'). Randa explained: "I would like to set up an online shopping business in my own city, where you can buy household goods online and pay in instalments, since the price of household goods is increasing rapidly."

Randa applied the skills acquired through the training – which included market research, accountancy, and digital marketing – to establish her business; she currently has 2,500 Facebook followers and her business has created seven jobs. Randa is keen to expand and open a physical shop. She reflected on the empowerment of women in business: "I hope that women will continue to create companies that benefit them financially, while also giving back to society. I think this will make Libyan society more familiar [with] and trusting of women-led companies, and we will see more women business leaders in the future."

## WORKING AT THE (SUB) NATIONAL LEVEL

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

In 2018, participants in PCi-led networking meetings formed their own organisation, the Peacemakers' Network – Libya. This is a group of individuals from Libyan civil society, local government, media and academia who work to find solutions to promote sustainable peace. Registered with the authorities in Libya, the organisation gives Libyans from both sides of the conflict divide a vehicle to work together in an institutional way, to seek funding autonomously, and to amplify the voice of its diverse membership.

The Peacemakers' Network currently has 36 members from different ethnicities and tribes, representing 26 communities throughout Libya. The Peacemakers' Network has met regularly online since the pandemic began (March 2020) but was able to convene an in-person session in November 2021. PCi provided support to the Peacemakers' Network through programmatic advice to the management team, including the adoption of a Monitoring and Evaluation framework for organisational development and provision of training in conflict sensitivity tools.

## ACTIONS

With support from PCi, the Peacemakers' Network (PN) has:

- Adopted a Human Resources, Finance and Procurement Policy and hired a Project Manager and an External Finance Officer, to strengthen internal policies and promote streamlined organisational processes as well as updated strategic goals reflecting the current situation in Libya;

- Improved strategic communication through the development of a communication strategy, for both internal and external communication (with Libyan audiences), as well as updating the [PBN website](#).

## IMPACT

The development of strengthened organisational processes has:

- Developed the PN's ability to produce project proposals focused on peace initiatives and submit them to international NGOs; this has facilitated funding from international donors, specifically the Local Governance and Civil Society programme (LGCS) in Libya (implemented by DAI and funded by USAID);
- Facilitated the roll-out of a targeted media and public awareness campaign on electoral processes in Libya, involving the distribution of five videos across a diverse range of Libyan media and social media, at the end of 2021 – with elections now scheduled for 2022. The video subjects were: 1) Democracy, 2) Presidential Election, 3) Legislative Election, 4) Role of Women in Politics, and 5) Candidate Selection.

## AMPLIFYING WOMEN'S VOICES AND SUPPORTING A MORE OPEN DISCUSSION OF WOMEN'S ISSUES

In addition, at the beginning of 2022, PCi in Libya launched an awareness-raising campaign that comprised eight audio podcasts titled 'Illybyabeek' (the Arabic name includes concepts of 'women' and 'togetherness') that were broadcast on SoundCloud, Spotify, Apple Podcasts and YouTube.





Above: Facebook page of ILLYBYABEEK podcast series: <https://www.facebook.com/illybyabeek/>

#### CASE STUDY: 'IIYBYABEEK' – CREATING THE SPACE TO DISCUSS SENSITIVE GENDER ISSUES IN LIBYA

The campaign provided visibility to the stories and experiences of Libyan women and the challenges they face (ranging from a lack of political representation, to underage marriage, domestic violence and the consequences of citizenship laws). It also created a safe space for more open discussion around these issues.

Each episode hosted a prominent woman in her field, including activists, academics and political figures. Zahia Ali was the first guest to be interviewed. Zahia is a women's rights activist and one of PCi's Trainer Mentors. In her episode, she talked about her work on supporting domestic abuse cases in court and helping women to access justice.

A Facebook page was set up to promote the podcast episodes, facilitating citizens to discuss the issues and contribute recommendations on how to address them. A few weeks later, the page had 11,600 followers; over 250 recommendations were collected through the comments from a total of 22,400 interactions (likes, comments, and shares).

The episode on domestic violence was among the most popular discussion points. Many women shared examples of their personal role models or their experiences of dealing with similar issues, from street harassment to unemployment and social pressures. While some comments were critical of the approach to the topics, the page has allowed for an open discussion by both men and women, which represents an important step towards sensitising the Libyan public on these issues and creating support to address the challenges faced by women.

PCi is currently drawing up a set of recommendations to address the issues raised through the podcasts. PCi will share key learning with the SPPs and CSOs it supports across Libya to inform both the design of new initiatives at the community level, and nationwide advocacy campaigns targeting government and other institutional decision-makers, seeking to achieve the widest possible reach in Libya.

## WORKING AT THE INTERNATIONAL LEVEL

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

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

## ACTIONS AND IMPACT

PCi facilitates the Conflict Sensitive Assistance (CSA) in Libya Forum. The CSA Forum, which has been running since 2012, provides resources for donors, international organisations and international NGOs working in Libya to help them be more conflict sensitive; it also provides an important space for critical self-reflection regarding the impact of their work. Over the reporting period, PCi's activities contributed to the conflict sensitivity of international assistance by:

- Maintaining an online national-level peace and conflict factor analysis accessible to international assistance providers working on Libya;
- Convening the bi-monthly CSA Forum, bringing together participants from embassies, international organisations and international NGOs to review the changing context in Libya, reflect on how that context affects and is affected by the assistance they provide, and identify recommendations for adjusting international assistance;
- Developing actionable guidance and tools relating to specific conflict sensitivity challenges faced by international actors in Libya. Work is underway to produce resources on conflict sensitivity relating to communications activities and gender dynamics;

- Providing tailored training to international implementers and donors, focusing on the practical skills and processes needed to undertake work in a conflict-sensitive way. The training programme – which included a wide range of staff functions within organisations, including those that are often neglected when it comes to conflict sensitivity, such as communications and operations – provided participants with the skills to apply conflict sensitivity to their own work. As part of the programme, PCi further delivered a dedicated session for an international NGO, facilitating discussions on how to better apply conflict sensitivity across the organisation;
- Developing local-level peace and conflict analyses through consultative approaches to inform conflict-sensitive approaches to working in different locations in Libya.

## PCI AND CHATHAM HOUSE CO-HOST THE WEBINAR 'SOCIETAL IMPACT OF THE CONFLICT ECONOMY IN LIBYA' (29 MARCH 2022)

The webinar launched a new PCi publication, ['Unpacking the impact of conflict economy dynamics on six Libyan Municipalities'](#). This report fills an important gap in our understanding of conflict dynamics in Libya, arguing that political elites and armed groups cannot be assessed in a vacuum, without exploration of the socio-economic context of the communities that they claim to represent. The research takes a localised approach, exploring factors that influence local conflict economy dynamics, which vary from area to area. It is also a human-centred approach, viewing Libyans as participants in the local conflict economy – both willing and unwilling – rather than only as passive victims of the conflict-affected environment in which they live.

The report concludes that reducing the societal impact of Libya's conflict economy cannot rely solely on high-level elite bargains and a top-down approach to security sector reform. National-level conflict dynamics and local instability are linked, and this necessitates a twin-track approach whereby local in-

terventions are supported by the implementation of national-level reforms that address structural issues. In addition, in support of local social cohesion, the paper recommends the establishment of economic–social peace partnerships that promote pro-peace business activities across conflict divides. It also recommends conflict-sensitive livelihood and peacebuilding interventions that minimise the risk of assistance worsening conflict dynamics, and that maximise opportunities to contribute to sustainable peace.

The panellists were:

- **Emad Badi**, Senior Fellow at the Atlantic Council, Advisor at DCAF and Senior Analyst at Global Initiative against Transnational Organized Crime;
- **Virginie Collombier**, Part-time Professor and Scientific Coordinator of the Middle East Directions Programme at the European University Institute;
- **Tim Eaton**, Senior Research Fellow in the Middle East and North Africa Programme at Chatham House and XCEPT Research Lead for the Libya, East and West Africa Case Study.

Chair: **Fleur Auzimour Just**, Chief Executive Officer of the Peaceful Change initiative.

## CHALLENGES WE FACED

PCI's international staff were unable to enter Libya due to sustained security challenges across the country, hampering the delivery of expertise to complex initiatives and the ability to undertake monitoring and evaluation of activities and impact. The process of obtaining a visa is extremely challenging, and the Civil Society Commission is notoriously inflexible when it comes to granting invitation letters and visas to international non-governmental organisations (INGOs). As a result, the situation for bringing international staff into

the country remains challenging – in addition to the widespread security concerns throughout the country.

Occasional incidents (clashes in some areas) had an impact on operations to some extent, causing delays in delivering activities or preventing staff and partners from participating in meetings, limiting activities. In addition, power cuts impacted some operations due to their effect on communications.

The liquidity crisis, high inflation, and changes in the exchange rate by the Central Bank of Libya created a volatile political situation and placed all communities under extreme financial pressure, especially in smaller towns where jobs and resources are scarce. The disagreements between governments, the ongoing postponement of presidential elections, and the conflict between the HSE and HOR with regard to the amendment of the constitution are all factors that have exacerbated this situation. PCI continues to leverage and capitalise on its relationships across the country and within the international community to achieve the following goals:

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



Above: Conflict Sensitive Assistance (CSA) in Libya Forum

### **CASE STUDY: DEVELOPING LOCAL-LEVEL CONFLICT SENSITIVITY ANALYSIS FOR SABHA**

Over the course of 2020 and 2021 PCi has been pioneering a Local CSA Forum process. The CSA team facilitated a collaborative process amongst several organisations to develop a peace and conflict analysis of the southern Libyan city Sabha. The analysis identified key conflict sensitivity interactions relating to delivering assistance in Sabha and suggested practical advice on how to manage and mitigate them. It was presented in several fora such as the Humanitarian-development-peace Nexus Working Group and EU Implementers Forum to inform shared understanding and stimulate discussions around conflict-sensitive approaches to working in Sabha. As such it proved to be a valuable resource for donors and implementers and PCi will be working on more such analyses to feed into joint processes.

# SERBIA-KOSOVO

## THE CONTEXT

The legacies of the wars that accompanied and accelerated the breakup of Yugoslavia continue to perpetuate a post-conflict atmosphere in various parts of the region. Kosovo's declaration of independence from Serbia in February 2008, though recognised by almost half of all UN member states, continues to be rejected by the latter. Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue under the auspices of the European Union. Though some tangible progress has been made, fundamental disagreements remain over the issue of Kosovo's status, and the actual process has effectively been stalled for over two years, with the two sides accusing one another of responsibility for the stalemate.

## HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

- **PROLIFERATION OF HATE SPEECH:** negative stereotypes, widespread animosity, hostility in social media, stereotypes perpetuated in mainstream media;
- **DEEP MISTRUST TOWARD THE 'OTHER SIDE':** characterised by intolerance and ignorance – historical grievances, psychological trauma, lack of trust and lack of political will;
- **UNCERTAIN SECURITY ENVIRONMENT:** security dilemmas created by unresolved status issues;
- **STATE CAPTURE, ESPECIALLY IN SERBIA:** Deriving from a stalling of the post-war democratic transition process, lack of progress in EU accession and the authoritarian character of the Serbian regime;

## WORKING AT THE LOCAL LEVEL

PCi has been supporting fractured communities to maintain cohesion during the COVID-19 pandemic in Serbia and Kosovo through the Amplifying Local Voices for Equitable Development (ALVED) project. COVID-19 continues to put pressure on local authorities to deliver services, with unequal access to resources generating mistrust within and between communities, especially where minority groups are concerned. PCi, working through its partners, addresses the needs of marginalised communities, undertaking vital work in domestic violence, mental health, and assistance for the elderly and vulnerable. The pandemic has increased concerns around access to vaccines and socio-economic assistance, which we have been successfully addressing.

## ACTIONS AND IMPACT

- The Kosovo–Serbia Advisory Group was established to provide tangible inputs into how the project achieves its objectives and is pivotal in re-designing grant schemes to support Kosovo's and Serbia's civil societies to establish and support cross-border and cross-community connections. As a result, 14 initiatives in five target municipalities were supported through the project. In addition, under the umbrella of the ALVED project Advisory Group PCi supported two institutional grants to support mission-led organisations in Kosovo and Serbia to empower them to pursue the core objectives of their mission to achieve social change within their own societies:
  - For example, PCi supported Caglavica Media Center to ensure that the organisation is able to continue to convene televised debates on

topical issues that are, relevant and accessible to all of the communities of Kosovo. The period of cooperation will allow Caglavica Media Center to improve its format for convening debates that involve the different communities in Kosovo, learn from it, and establish it as a unique selling point with respect to future core activities.

- Through PCi's consortium partners, Advisory Committees have been established in eight target municipalities to pursue inclusive and participatory approaches to social services planning. This ensures that the views of local residents and organisations are heard, and that the social services strategies created reflect needs and demands on the ground. This is especially important in light of the additional strain COVID-19 has placed on social services providers across the Western Balkans.
- Youth mobilisation activities were implemented in five municipalities in Kosovo and three municipalities in Serbia to empower young people with the skills necessary to engage in the political and economic life of their municipality. In addition, a special grant scheme to support young people to better address the issues and problems they face in their communities, improve their skills for lobbying with decision-makers, and create sustainable social entrepreneurship ventures was designed, with seven out of 11 grants under implementation (May 2022).

## WORKING AT THE NATIONAL LEVEL

Further to thorough research into the ways in which divisive narratives are generated and disseminated in mainstream media in Serbia and Kosovo – the findings and recommendations of which were published as [Understanding Divisive Narratives – Media Analysis](#) – the Media Consultation Dialogues continued to look into both chronic and acute problems in Serbian and Kosovar media. Several specific actions were taken based on the conclusions and recommendations of these Dialogues.

## ACTIONS AND IMPACT

Four Media Consultation Dialogues (MCDs) were held, bringing together media professionals from Serbia and Kosovo in order to exchange experiences and forge co-operation among journalists, editors and managers and thus contribute to a better media landscape and a healthy West Balkan neighbourhood. The discussions focused on:

1. The role of local media in Kosovo and Serbia (looking into their relevance, their sustainability and the possibility of amplifying their voices, since the local media tend to be more engaged in fostering inter-ethnic tolerance than their larger, nationwide media outlets);
2. Media sustainability (independent media voices struggle to survive; the ones which have no financial troubles are the ones firmly controlled by the respective governments and which just replicate official positions);
3. Women in the newsrooms (looking at both the status of women journalists in Serbia and Kosovo and the way that women are represented in the media);
4. Social media and their impact on journalism (since the social media tend to be the ones in which hate speech and intolerance are most present, the Dialogue examined ways of countering that trend; it also looked closely at positive impacts of social media and the need for traditional media to adapt to the new reality of social media functioning as media outlets).

The Media Consultation Dialogues resulted in a series of conclusions and recommendations which were shared with the media in Kosovo and Serbia and relevant national and international institutions. The MCDs also galvanised several action points for ALVED:

- The first PCi Media Awards for stories showcasing inter-ethnic coexistence were given out in two ceremonies (one for Albanian-lan-

guage stories and one for Serbian-language ones) in [Belgrade](#) and [Pristina](#). One jury member said: “The importance of the awarded stories lies in the fact that they go way beyond daily news reporting and deal with real life, which is always much more complex and even beautiful than daily news make it appear to be.” Another commented: “This is the only award of this kind in the entire region. It encourages journalists to present the reality between communities which is vital for a healthy social coexistence, without anger and hatred.” The Media Award will go into its second year in 2022.

- In order to spread the word on positive examples and the work of civil society organisations in Kosovo and Serbia, a fellowship programme was established with two news agencies (BETA in Belgrade and KosovaPress in Pristina) and a local news portal in Bujanovac ([Bujanovacke](#), the only bilingual (Albanian and Serbian) website in Southern Serbia). PCi first funded a journalist in each of these outlets whose work focused exclusively on

issues that civil society brings to the table. After an experimental five-month period, the Fellowship was recognised as a significant contribution to the media scene and was extended until the end of 2022.

- To assist with media sustainability issues and test the waters on cooperation between Serbian and Albanian language outlets in Kosovo, a grant was awarded to the Gorazdevac Media Group to expand their output by cooperating with Albanian and Bosnian language media outlets and a CSO.
- Further to the conclusions of the MCD on women in journalism, a working group was established which will undertake a comprehensive research study on the status of women in the media in Kosovo and Serbia, highlight the most pressing issues and problems, and offer solutions.



Above: the award ceremony for the best stories in Serbian was held on 28 February 2022 in Belgrade’s Media centre

## CHALLENGES WE FACED

COVID-19 continued to limit the possibility for in-person meetings until, effectively, the very end of 2021, which affected particular elements of the project such as the community-level work and the formation of a Kosovo–Serbia Advisory Group. In addition, the fall of the Kosovo government in March 2020 and again in December 2020, followed by fresh elections in February 2021, created political disturbances that filtered down to ALVED’s targeted municipalities. The indictment and detention of former Kosovo Liberation Army (KLA) leaders, including former President Thaci and former Parliament Speaker Veseli by the Kosovo Specialist Chambers in the Hague, heightened tensions and further polarised intra-ethnic and inter-ethnic relations in Kosovo. Barely a year after the previous ones, Parliamentary and (some) local elections, as well as Presidential elections, were scheduled in Serbia for 3 April 2022; the expectation is that it will be months before a new government is formed, giving Belgrade another rea-

son to stall both the Brussels dialogue and any other significant domestic or foreign policy decisions. It is quite likely that the new government will not be formed until the end of the summer. On top of that, the Russian invasion of Ukraine amplified the splits between Belgrade and Pristina, with Kosovo decisively taking the EU’s stand on the Russian aggression while Serbia continues to maintain a neutral attitude, which panders to the (by-and-large) pro-Russian sentiment of most of the population and the political elite.



Above: PCi’s Media Awards for showcasing multi-ethnic coexistence in Kosovo were handed out on 3 March 2022 in Pristina to journalists and media who participated in the category of Albanian language media content

# PROVISION OF PCI TECHNICAL SUPPORT TO PEACEBUILDING PROJECTS

## UK

### EXPLORING HOW THE UK ENGAGES IN FRAGILE AND CONFLICT-AFFECTED COUNTRIES IN A CHANGING GLOBAL CONTEXT

Between April 2021 and March 2022, PCi undertook a piece of work, generously supported by the Joseph Rowntree Charitable Trust, to look at how the UK engages in fragile and conflict-affected countries in light of the changing global and institutional context relating to UK foreign policy.

The work, in collaboration with the Foreign Policy Centre, resulted in a collection of essays from expert contributors entitled: [A 'Force for Good?': Examining UK engagement in Fragile and Conflict Affected](#)

**Countries.** The essay collection examined different aspects of the UK's engagement in fragile and conflict-affected countries and made recommendations around how the UK can respond to the changing international environment, informed by its values and building on its foreign policy strengths and capacities as a soft power with conflict and peacebuilding expertise.

**The report** was launched at an online event on 6 December 2021.



Above: a 'Force for Good' report launch event

## SWITZERLAND

### PROVISION OF TECHNICAL SUPPORT TO UN-LED PEACE NEGOTIATION PROCESS FOR SYRIA

At the request of the EU and the German Ministry of Foreign Affairs, PCi is providing technical support to the Geneva-based UN-led peace process for Syria. In particular, PCi provides capacity building support to the Syrian Negotiation Committee's representative office in Geneva. This includes work on organisational processes and procedures as well as advisory support on peacebuilding strategies.

This work takes place exclusively in Switzerland.



Above: United Nations Office, Geneva, Switzerland

# FINANCIAL REVIEW

PCi's financial situation in FY22 remained strong; we increased both our income and programme expenditure compared to FY21, and had no significant change in reserves. Our income was once again primarily due to awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, the European Union, and the United Nations, to fund our portfolio of programmes. Our increase in income and expenditure on activities was largely due to the Technical Support to Peacebuilding Projects which we began at the end of FY21 and continued throughout FY22. Again, much of our expenditure is in support of activities undertaken by our partners in Libya, Serbia and Kosovo, although we were also able to make some investments in programme development during the financial year to support PCi's future resilience.

In the reporting year we received funding from:

- The UK Foreign and Commonwealth Office
- The European Union
- The Swiss Federal Department of Foreign Affairs
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- The Canada Fund for Local Initiatives
- The World Food Programme
- The Joseph Rowntree Charitable Trust

We also carried out consultancy work for:

- The Shared Ground Programme (Belong Network)
- The Kaizen Partnership Ltd

- WeWorld GVC
- The Kaizen Partnership Ltd
- Expertise France
- The International Organization for Migration
- Ilko Kucheriv Democratic Initiatives Foundation

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

## FUNDRAISING

PCi has not signed up to fundraising codes of conduct and does not use professional fundraisers.

## RESERVES POLICY

PCi's reserves policy sets out the principles for holding and spending reserves, the accounting policy to follow, and the governance process. The Board of Trustees sets a reserves target for a 24-month period, which is then reviewed annually. This will be based on an assessment of the following risk factors:

- Operational Contingency: covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, legal costs, insurance excess, or crisis response;
- Reduced income: a source of income, e.g. a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations;
- Strategic Commitments: designations that cannot be met by future income alone, e.g. plans for a

major asset purchase or significant project that requires the charity to provide 'matched funding';

- Cashflow: the need to fund short-term deficits in a cash budget, e.g. money may need to be spent before a funding grant is received, or to cover bad debts.

For FY22 the Board set a reserves target of £564,000. At the balance sheet date, PCi held reserves of £738,112 (2021: £767,353), of which £692,310 (2021: £719,875) related to restricted funds, thus retaining the reserves required.

As the current reserves held are higher than the reserves target, FY23 will see the Board continuing to focus on ensuring that PCi invests in resilience and in diversification of funding sources, to ensure the charity is in a good position to respond to ongoing challenges, as noted in the Plans for Future Periods section on page 28.

Having reviewed the future plans of the Charity, including an assessment of expected income for at least twelve months from the date of approval of these financial statements, the Trustees do not consider that there is a material uncertainty regarding the going-concern status of the Charity, and accordingly consider it appropriate that the financial statements are prepared on a going-concern basis.

## RISKS AND UNCERTAINTIES

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- Physical security of staff and beneficiaries in the areas in which we operate;
- Solvency and cashflow;

- Misappropriation of funds or other benefits by proscribed groups within conflict zones;
- Reliance on a limited group of institutional funders;
- Psychological wellbeing of staff working overseas or in conflict zones;
- Safeguarding of beneficiaries;
- Handling of sensitive data and security of IT systems;
- Financial risks associated with UK's exit from the European Union.

## PLANS FOR FUTURE PERIODS

PCi recognises that the post-pandemic and post-Brexit operational environment is very challenging for UK charities. In particular, the UK government funding for international peacebuilding work has significantly reduced with an ODA cap and periodic FCDO funding freezes. In response, PCi recognises the need to focus on resilience and diversification. To this end, from FY23, PCi's focus will be on:

- Diversifying charitable income streams by building relationships with government institutional donors in European countries as well as foundations and philanthropists. We have articulated donor engagement strategies and work plans in this regard. We will bring in specific expertise to the Board of Trustees to support this objective;
- Developing and implementing a more proactive external communications strategy in support of our fundraising objectives. To this end we will recruit a Communications Manager;
- Developing and disseminating high-quality thought leadership products and analysis stemming from PCi's programmes. We will leverage our enhanced communications capacity to disseminate reports and other thought leadership materials;
- Developing new methodologies to address emerging challenges to peace and stability. For example, PCi will work to develop ways of addressing the intersection of climate change and conflict dynamics;
- Commencing work in one new conflict-affected country, in line with PCi's charitable mandate. Our focus will be on supporting conflict-sensitive humanitarian aid and social cohesion work in Northern Mozambique.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

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

## SUBSIDIARY LEGAL ENTITIES

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

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

## BOARD OF TRUSTEES

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

The Board currently consists of:

- James Freeman
- Michael Holland

- Anton Shihoff
- William Peace (Chair)
- Dr Joan McGregor
- Giulia Pellegrini
- Wonu Owoade (since June 2022)
- Peter Millett (since June 2022)

## IDENTIFICATION AND INDUCTION OF NEW TRUSTEES

New trustees are identified by fellow trustees, together with the Chief Executive Officer, and invited to join the Board following a process of due diligence and substantial engagement to ensure that PCi's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCi senior management, includes familiarisation with:

- The duties and responsibilities expected of trustees and as outlined in CC3;
- PCi's legal framework and governance;
- PCi's finances (including audit reports);
- The mission of PCi and the principles that underpin the delivery of that mission;
- The details of the current and future programmatic work of the organisation.

## MEETINGS, MINUTES AND DECISION MAKING

The Board of Trustees has met regularly during the reporting period, virtually, with PCi's AGM held on 13 December 2021. PCi returned to the usual annual budgeting cycle in FY22, with Trustees reviewing forecasts and spending on a six-monthly basis. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCi's existing contracts and new-grants pipeline and to discuss programming in PCi's areas of operation.

## RISK MANAGEMENT SUB-COMMITTEE

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

## FINANCIAL CONTROLS

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

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

## MANAGEMENT TEAM

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees. Abigail Orr continues in her role as Finance and Operations Manager. Rebecca Crozier has joined the Management Team as Programme Development Director. Fleur Just, Abigail Orr and Rebecca Crozier develop and implement strategic plans and key policies together with an expanded management team of Senior Advisers.

# REFERENCE AND ADMINISTRATIVE DETAILS

## REGISTERED OFFICE ADDRESS

25B Lloyd Baker Street  
London  
WC1X 9AT

## COMPANY REGISTERED NUMBER

07931944

## CHARITY REGISTERED NUMBER

1162997

## CHIEF EXECUTIVE OFFICER

Fleur Auzimour Just

## INDEPENDENT AUDITORS

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

## BANKERS

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

## SOLICITORS

Dechert LLP  
160 Queen Victoria Street  
London  
EC4V 4QQ

## OTHER FINANCIAL SERVICES PROVIDERS

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

# TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and

disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

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

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

## AUDITORS

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

This report was approved by the Trustees on 12 December 2022 and signed on their behalf by:

*William Peace*

**William Peace**  
Chair of the Board of Trustees

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEACEFUL CHANGE INITIATIVE

## OPINION

We have audited the financial statements of Peaceful Change initiative for the year ended 30 March 2022 set out on pages 35 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 March 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 and the Charities Act 2011.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Stand-

ard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

## OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the finan-

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

We have nothing to report in this regard.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal con-

trol as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not de-

tecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

### Goodman Jones LLP

Chartered Accountants  
Statutory Auditors

29 30 Fitzroy Square  
London  
W1T 6LQ

Date: 12-12-22

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

# FINANCIAL STATEMENTS AND NOTES

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 March 2022

Income from:	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations and legacies	3	3,020	4,326,598	4,329,618	3,799,454
Charitable activities	4	45,252	-	45,252	39,792
<b>Total income</b>		<b>48,272</b>	<b>4,326,598</b>	<b>4,374,870</b>	<b>3,839,246</b>
<b>Expenditure on:</b>					
Charitable activities	5	49,947	4,354,164	4,404,111	3,612,568
<b>Total expenditure</b>		<b>49,947</b>	<b>4,354,164</b>	<b>4,404,111</b>	<b>3,612,568</b>
<b>Net surplus before other recognised gains and losses</b>		<b>(1,675)</b>	<b>(27,566)</b>	<b>(29,241)</b>	<b>226,678</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(1,675)</b>	<b>(27,566)</b>	<b>(29,241)</b>	<b>226,678</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		47,477	719,876	767,353	540,675
<b>Total funds carried forward</b>		<b>45,802</b>	<b>692,310</b>	<b>738,112</b>	<b>767,353</b>

The notes on pages 37 to 49 form part of these financial statements.

**PEACEFUL CHANGE INITIATIVE  
BALANCE SHEET AS AT 30 MARCH 2022**

Company number 07931944

	Note	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		8,471		8,114
<b>Current assets</b>					
Debtors	10	1,365,583		833,750	
Cash at bank and in hand		565,818		898,240	
		1,931,401		1,731,990	
<b>Creditors:</b> amounts falling due within one year	11	(1,201,760)		(972,751)	
<b>Net current assets</b>			729,641		759,239
<b>Net assets</b>			738,112		767,353
<b>Charity Funds</b>					
Restricted funds	12		692,310		719,875
Unrestricted funds	12		45,802		47,478
<b>Total funds</b>			738,112		767,353

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Trustees on 12 December 2022, and signed on their behalf, by:

*William Peace*

**William Peace**  
Chair of the Board of Trustees

The notes on pages 37 to 49 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 MARCH 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	14	(324,894)	509,428
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(7,528)	(10,354)
<b>Net cash used in investing activities</b>		(7,528)	(10,354)
<b>Change in cash and cash equivalents in the year</b>		(332,422)	(499,074)
Cash and cash equivalents brought forward		898,240	399,166
<b>Cash and cash equivalents carried forward</b>	15	<b>565,818</b>	<b>898,240</b>

The notes on pages 37 to 49 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2022

### 1. GENERAL INFORMATION

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

### 2. ACCOUNTING POLICIES

#### a. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in

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

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

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

#### b. Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 28. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

### **c. Going concern**

The Charity receives the majority of its income in the form of grants for specific programme expenditure, and many of these grant agreements include an allowance for overheads. The majority of income is for multi-year projects, so the Charity already has income contracted for FY23 and FY24.

After reviewing the level of recurring expenditure and expected income for FY23 and beyond, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, the Charity will continue efforts to increase unrestricted funding. The Charity acknowledges the risk that Government budgets will tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **d. Consolidation**

The Charity operates internationally and has established legal entities in Libya (Peaceful Change Initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative a division of a foreign non-governmental organisation)). These entities are solely to enable operation of PCi at local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

### **e. Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **f. Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

### **g. Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

## **h. Expenditure**

Expenditure is recognised inclusive of irrecoverable VAT once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

## **i. Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

## **j. Tangible fixed assets and depreciation**

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

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

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

- Fixtures and fittings
- 33.33% straight line

## **k. Debtors**

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

## **l. Cash at Bank and in hand**

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

## **m. Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the

pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

#### **n. Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### **o. Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **p. Foreign currencies**

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

#### **q. Pension**

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

#### **r. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Donations	3,020	-	3,020	85
Grants	-	4,326,598	4,326,598	3,799,369
	<b>3,020</b>	<b>4,326,598</b>	<b>4,329,618</b>	
Total 2021	85	3,799,369	3,799,454	

Grant income is received from UK and non UK governments and governmental organisations. During the year, the Charity received grants totalling £3,147,053 (2021: £2,817,278) from the UK government.

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Conflict resolution and peacebuilding	45,252	-	45,252	39,792
Total 2021	39,792	-	39,792	

### 5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022	Grant funding of activities 2022	Support costs 2022	Total 2022	Total funds 2021 Total 2021
	£	£	£	£	£
Conflict resolution	3,896,360	203,527	304,224	4,404,111	3,612,568
Total 2021	3,192,626	187,209	232,733	3,612,568	

## ANALYSIS OF SUPPORT COSTS

	Conflict resolution 2022 £	Total 2022 £	Total 2021 £
Staff Costs	131,831	<b>131,831</b>	96,244
Depreciation	6,843	<b>6,843</b>	4,662
Travel	4,256	<b>4,256</b>	-
Rent	21,960	<b>21,960</b>	21,017
Insurance	18,882	<b>18,882</b>	13,793
Light and heat	416	<b>416</b>	599
Office expenses	999	<b>999</b>	472
Printing, postage and stationery	304	<b>304</b>	24
Telephone	28	<b>28</b>	28
Computer	5,719	<b>5,719</b>	3,433
Legal and professional fees	56,457	<b>56,457</b>	45,338
Audit	10,740	<b>10,740</b>	8,950
Staff welfare and training	1,995	<b>1,995</b>	990
Bank charges	744	<b>744</b>	476
Surplus/deficit on foreign currency	34,190	<b>34,190</b>	34,011
Sundry expenses	6,119	<b>6,119</b>	17
Subscriptions	2,417	<b>2,417</b>	2,679
Trustees' meeting expenses	296	<b>296</b>	-
Loss on disposal of fixed assets	28	<b>28</b>	-
	304,224	<b>304,224</b>	232,733
Total 2021	232,733	232,733	

## 6. ANALYSIS OF GRANTS

	<b>Grants to Institutions 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Conflict resolution	203,527	<b>203,527</b>	187,209
Total 2021	187,209	187,209	

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

## 7. STAFF COSTS

Staff costs were as follows:

	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	1,135,444	1,082,460
Social security costs	46,234	36,542
Other pension costs	30,621	23,274
	<b>1,212,299</b>	<b>1,142,276</b>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Administration and management	4	4
Projects	19	18
	<b>23</b>	<b>22</b>

One employee received remuneration amounting to more than £60,000 in the year, (2021: One).

Remuneration totalling £160,351 (2021: £123,840) was paid to key management personnel.

## 8. TRUSTEES' REMUNERATION AND EXPENSES

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

During the year, no Trustees received any benefits in kind (2021 £nil).

During the year ended 30 March 2022, travel expenses totalling £592 were reimbursed or paid directly to two Trustees (2021 - £nil to no Trustees).

## 9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>Cost</b>	
At 31 March 2021	43,114
Additions	7,528
At 30 March 2022	<b>50,642</b>
<b>Depreciation</b>	
At 31 March 2021	35,000
Charge for the year	7,171
At 30 March 2022	<b>42,171</b>
<b>Net book value</b>	
At 30 March 2022	<b>8,471</b>
At 30 March 2021	<b>8,114</b>

## 10. DEBTORS

Due within one year	2022 £	2021 £
Trade debtors	799,700	8,413
Other debtors	3,866	3,951
Prepayments and accrued income	562,017	821,386
	<b>1,365,583</b>	<b>833,750</b>

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Funds held as agent	-	6,420
Trade creditors	267,153	138,177
Other creditors	-	-
Accruals and deferred income	934,607	828,154
	<b>1,201,760</b>	<b>972,751</b>

	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 31 March 2021	371,394	(76,823)
Resources deferred during the year	624,174	371,394
Amounts released from previous years	(371,394)	(76,823)
Deferred income at 30 March 2022	<b>624,174</b>	<b>371,394</b>

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

## 12. STATEMENT OF FUNDS

Statement of funds - current year:

	Balance at 31 March 2021 £	Income £	Expenditure £	Transfer in/ (out) £	Balance at 30 March 2022 £
<b>Unrestricted funds</b>					
General Funds	47,478	48,272	(49,947)	-	45,802
<b>Restricted funds</b>					
Libya Programs	704,305	2,147,316	(2,175,215)	-	676,407
Syria Programs	5,000	677,647	(677,314)	-	5,333
Black Sea Programs	10,570	1,467,198	(1,467,198)	-	10,570
UK Programs	-	34,437	(34,437)	-	-
	<b>719,875</b>	<b>4,326,598</b>	<b>(4,354,164)</b>	<b>-</b>	<b>692,310</b>
Total funds	<b>767,353</b>	<b>4,374,870</b>	<b>(4,404,111)</b>	<b>-</b>	<b>738,112</b>

Statement of funds - prior year:

	Balance at 31 March 2021 £	Income £	Expenditure £	Transfer in/ (out) £	Balance at 30 March 2022 £
<b>Unrestricted funds</b>					
General Funds	39,697	39,877	(32,096)	-	47,478
<b>Restricted funds</b>					
Libya Programs	500,978	2,110,222	(1,906,895)	-	704,305
Syria Programs	-	234,568	(229,568)	-	5,000
Black Sea Programs	-	1,454,579	(1,444,009)	-	10,570
	<b>500,978</b>	<b>3,799,369</b>	<b>(3,580,472)</b>	<b>-</b>	<b>719,875</b>
Total funds	<b>540,675</b>	<b>3,839,246</b>	<b>(3,612,568)</b>	<b>-</b>	<b>767,353</b>

Restricted funds comprise the following:

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

**Syria** - the work in Syria supports UN-led efforts to develop a political solution to the conflict, in line with UN Security Council Resolution 2254.

**Black Sea** - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries.

**UK** - this programme focuses on engagement with the UK government (through the parliament and the civil service) to promote conflict sensitivity in the UK's foreign policy. The programme also supports UK institutions to promote social cohesion in the UK.

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,471	-	8,471
Current assets	768,563	1,162,838	1,931,401
Creditors due within one year	(731,262)	(470,528)	(1,201,760)
	<b>45,802</b>	<b>692,310</b>	<b>738,112</b>

Analysis of net assets between funds - prior year:

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8114	-	8,114
Current assets	640,721	1,091,269	1,731,990
Creditors due within one year	(601,357)	(371,394)	(972,751)
	<b>47,478</b>	<b>719,875</b>	<b>767,353</b>

### 14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	<b>(29,241)</b>	226,678
<b>Adjustment for:</b>		
Depreciation charges	7,171	4,662
Decrease/(increase) in debtors	<b>(531,833)</b>	(432,911)
Increase)/(decrease) in creditors	<b>229,009</b>	710,999
<b>Net cash (used in)/provided by operating activities</b>	<b>(324,894)</b>	509,428

## 15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	565,818	898,240
Total	565,818	898,240

## 16. ANALYSIS OF CHANGES IN NET DEBT

	At 30 March 2021 £	Cash flows 2022 £	At 30 March 2022 £
Cash at bank and in hand	898,240	(332,422)	565,818
Debt due within 1 year	-	-	-
	898,240	(332,422)	565,818

## 17. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £30,621 (2021 - £23,274). Contributions totalling £2,994 (2021 - £2,043) were payable to the fund at the balance sheet date and are included in creditors.

## 18. OPERATING LEASE COMMITMENTS

At 30 March 2022 the Charity had commitments to make future minimum lease payments under non-cancelable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	4,500	4,500

## 19. RELATED PARTY TRANSACTIONS

During the year, J McGregor, one of the Trustees, received £nil (2021: £12,000) for consultancy services (prior to becoming a trustee). No other remuneration was paid to Trustees in the year.

During the year, £59,886 (2021: £59,646) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year, and £1,681 (2021: £513) was paid for expenses reimbursed. At the balance sheet date, an amount totalling £31,607 (2021: £5,405) was owed by the Charity in respect of these services.

## 20. CONTROLLING PARTY

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

**PEACEFUL CHANGE INITIATIVE**

England & Wales - Charity number 1162997

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# Accounts

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# Annual Report

31 March 2020 – 30 March 2021



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# Chairman's Report

Peaceful Change initiative works to break cycles of violent conflict and build the institutions and relationships that support long-term peace. Our core aims remain:

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

Our work in the year is detailed in our Trustees' Report below, along with our financial statements to the year ending 30 March 2021. Key charitable activities in the year were:

- i) Continued delivery for our Libya projects, which now sees the social peace model adopted across 40 towns in the country. In the reporting period we have had a particular focus on combating hate speech which has arisen between different ethnic groups in Libya as a result of the COVID-19 pandemic.
- ii) Working with partner organisations in Serbia and Kosovo to amplify local voices, especially those of marginalised groups, in support of equitable development. PCi's own particular contribution has been to work with media organisations in both countries to address the way in which conflictual narratives are perpetuated.
- iii) Support to schools in conflict-affected parts of Georgia, Abkhazia to maintain education during COVID-19 disruptions. PCi facilitated the sharing of experiences between teachers across conflict divides on how to address challenges to education posed by the pandemic.

During the COVID pandemic, PCi maintained its operations through the use of virtual tools and remote working. Whilst some programme delivery work was re-prioritised and deferred, we were able to maintain critical relationships in conflict-affected countries and continue dialogue through virtual meetings and training, and to use our investments in local offices and people when international travel was restricted.

Financially the impact on income has been limited, though the Board anticipates and has commenced managing the risk of reduced government and institutional spending within the near term.

In February 2021, PCi was very pleased to welcome two new trustees to the Board: Dr Joan McGregor, who is a conflict transformation specialist with over 40 years of experience, and Ms Giulia Pellegrini, who works with Allianz Global Investors as Deputy Chief Investment Officer for emerging markets debt and has a strong background in risk management.

## **Michael Holland**

Chairman of the Board of Trustees

# Annual Report

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2020 to 30 March 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

## Objectives and activities

### Charitable objectives

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

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

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

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

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

### Our work

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

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

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

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

Using these methods, our work:

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

### **Why we make a difference**

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

### **Key objectives and performance indicators we use to measure success**

In 2019 PCi adopted a three-year strategic plan. Implementation of this plan was slowed down in the reporting period due to the multifaceted impacts of the COVID-19 pandemic. Nevertheless some progress is recorded against PCi's organisational goals.

#### **Strategic Goals:**

##### **1. Improve existing programming impact and sustainability**

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

- Programme quality: ongoing improvement to and development of new peacebuilding methodologies to best prevent and reduce violent conflict;
  - In the reporting period, PCi introduced new programming tools for Libya to address the nexus between conflict drivers and livelihoods.
  - In our Western Balkans programming, PCi developed new methodologies for engagement with media on the narratives that maintain conflict.
- Operational sustainability: ongoing development of programmes' in-country ability to manage projects, fundraise, maintain operations, and deploy peacebuilding expertise;
  - No significant developments in the reporting period.
- Coverage of programming: ongoing striving to cover as many of a country's conflict-affected areas as possible;

- To date, PCi's Social Peace and Local Development approach has been taken up by 40 towns across Libya, accounting for just under half of major towns in the country.
- Scale of programming: ongoing effort to raise funds to maximise impact.
  - No significant developments in the reporting period.

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

In the reporting period, PCi established a Centre of Excellence on Conflict Sensitivity. PCi's conflict sensitivity practice focuses on:

- The 'So What' of analysis: turning analysis into specific and actionable advice on how to deliver projects in fragile and conflict-affected countries;
- Developing new tools such as the Conflict Sensitive Decision-Making Protocol which decision makers can use to go through a 'due diligence' checklist for conflict decision making.

During the reporting period, PCi held the role of Coordination of the International Conflict Sensitivity Hub.

## 3. Expand PCi's charitable impact into new geographies

In the reporting period, PCi:

- Expanded organisational work in the South Caucasus region, taking on COVID-19-related programming in conflict-affected communities in Georgia, Abkhazia;
- Undertook regular project activities in Geneva, Switzerland in support of UN-led peace negotiation processes relating to Syria.

## 4. Demonstrate appropriate operational effectiveness

In the reporting period PCi:

- Successfully transitioned to home-working modalities for all staff;
- Completed the transition to an online Sage accounting system;
- Developed a database of training and learning resources across different geographical resources;
- Successfully repatriated staff to their home base in response to the COVID-19 pandemic.

## 5. Make PCi a great place to work

In the reporting period, PCi adopted a number of policies and processes aimed at enabling the organisation to attract and retain great staff:

- Adopted a Professional Development Policy
- Adopted a Compensation Policy
- Adopted and implemented a new Professional Development Review procedure.

## 6. Increase external and internal communications

In the reporting period, PCi developed a new website which better communicates the nature and impact of PCi's work to a broad range of external audiences.

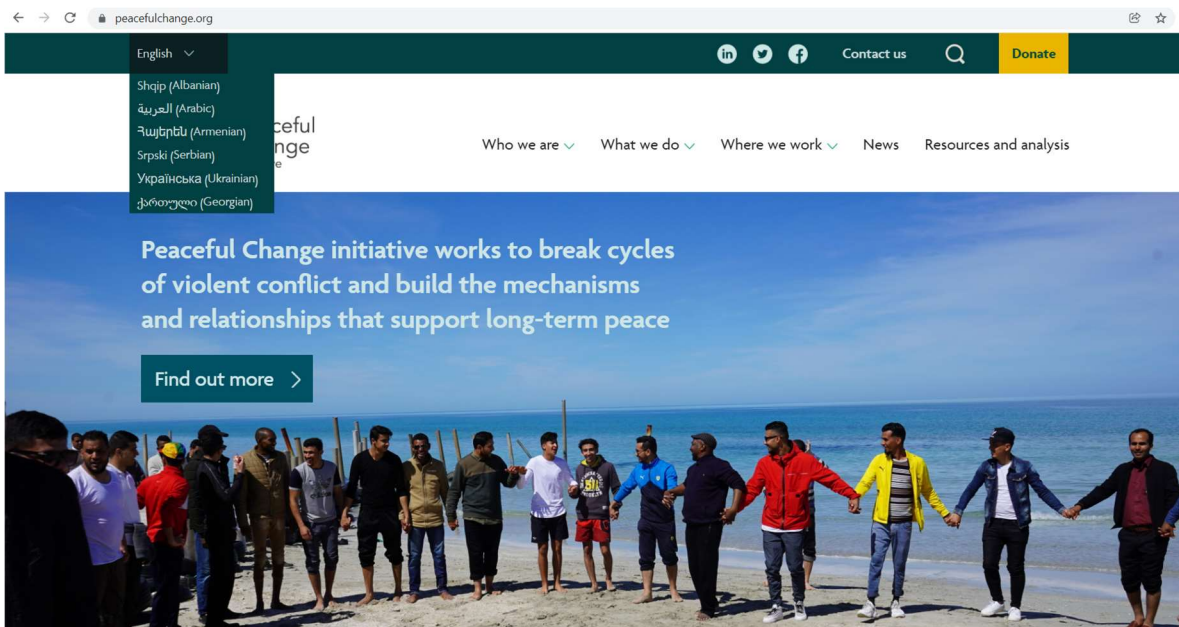
## 7. Successfully raise unrestricted funding

In the reporting period, PCi dedicated a team (Chief Executive Officer, Communications Officer and a volunteer trustee, Mr Bill Peace) to develop and implement a plan for unrestricted fundraising.

### Key events in the year

In the reporting period:

- In April, PCi was in the first month of working-from-home arrangements across all areas in response to the COVID-19 pandemic which continued throughout the 12-month period.
- In May and June, PCi teams were engaged in project adaptation across all programmes to ensure project activities were socially distanced and maximally relevant to the communities that PCi serves.
- The project contract for the Strengthening Capacities of Local Authorities in Target Municipalities in Libya project, supported by UNDP, came to an end.
- In August, PCi onboarded a new contract, funded by the UK, for a Short-term Emergency Project Intervention to support schools in conflict-affected parts of Georgia, Abkhazia.
- In October, PCi onboarded a new contract with the German government, through GIZ, to provide support to the UN-led peace negotiations in Switzerland regarding Syria.
- In November, the UK government announced a plan to cut its overseas development budget to 0.5% of economic output.
- In January, PCi launched its new website.
- In February, PCi inducted two new trustees to the Board: Dr Joan McGregor and Ms Giulia Pellegrini.



PCi's website-set up to communicate in seven languages

# Achievements and performance

With programmes in North Africa (Libya), Western Balkans (Serbia-Kosovo) and Europe/Switzerland (Syria), we also implemented a 3-month project in the South Caucasus (Georgia, Abkhazia) and maintained contacts with different stakeholders in Ukraine. Our work focuses on:

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

## Libya

Continued to support more than **20** Social Peace Partnerships comprising **490+** members who work to promote social cohesion across Libya

Continued to develop a cadre of **20** peacebuilding professionals who provide constant support to the Partnerships and disseminate the SPLD approach

Deepened approach to women, peace and security by implementing a new project component focused on gender in **6** municipalities

Strengthened livelihood opportunities with a new project to address economic stressors such as conflict and COVID-19 that negatively impact on community relations, gender equality and social inclusion

Created a network of **38** peacebuilding practitioners who carry out peace actions involving **26** communities across the country

**258** participants from an average of **27** organisations per meeting participated in **6** Conflict Sensitive Assistance (CSA) Forums and **100** unique participants from **22** different organisations participated in **7** Conflict Sensitive Assistance training courses

## Serbia - Kosovo

**5** Media Consultation Dialogues brought together media professionals from Serbia and Kosovo to work to end divisive narratives

A Rapid Response mechanism was established in Kosovo to assess the impact of COVID-19 on non-majority communities, to support an advocacy strategy and increase awareness amongst government stakeholders on challenges faced

## Switzerland

Engagement with the UN-led peace negotiation processes in Switzerland concerning Syria by providing capacity building support to the political opposition delegation representation in Geneva. No activities took place inside Syria

## Georgia, Abkhazia

Civil society groups (known as Community Resilience Mechanisms) established to coordinate in **19** communities (10 in Tbilisi-administered Georgia and 9 in Abkhazia) to support schools in isolated communities to fill gaps in COVID preparedness and support local groups to organise and meet the challenges of the pandemic

# LIBYA

## The context

Since the Revolution in 2011, Libya has gone through a series of political and military crises. This has led to significant, ongoing violence across the country and resulted in the creation of three different governments, each of which is competing for – but has so far failed to achieve – nationwide legitimacy. The 2021 Libyan presidential election is scheduled to be held on 24 December.

## How ordinary citizens experience conflict



### **VIOLENCE BETWEEN RIVAL ARMED GROUPS:**

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



### **TENSIONS AND VIOLENCE BETWEEN DIFFERENT TRIBES AND ETHNIC GROUPS:**

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



### **LACK OF BASIC SERVICES:**

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



### **LACK OF FUNCTIONING POLICE AND COURT SYSTEM:**

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



### **DIVISIONS AND LIMITED FREEDOM OF MOVEMENT WITHIN THE COUNTRY:**

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

## Working at the local level

Local communities that experience the impact of armed conflict or violent change have to manage new divisions, mistrust, and competition for resources. The Social Peace and Local Development (SPLD) approach brings together local authorities, traditional authorities (tribal leaders, religious leaders), civil society and local residents in a Social Peace Partnership. Through training and mentoring, the approach supports the formation of a local conflict management mechanism that facilitates dialogue around community issues and managing conflict/crises. It also facilitates a Social Peace Partnership to address the development needs and aspirations of local residents through the delivery of social peace actions which reinforce messages of community cooperation – challenging prevailing conflict and/or divisive narratives – as well as across different identity groups, promoting social cohesion. Conflict sensitivity is embedded, as a principle, into the Social Peace Partnership so that the community may gain understanding of how actions may have unintended impacts on conflict or support sustainable peace.

PCi has a presence and established relationships in 40 towns and cities throughout Libya through active engagement – and through introducing the SPLD approach via independent initiatives conducted by the Trainer Mentors and collaborations with communities who have expressed an interest. PCi's ability to continue to operate during live conflict and crises comes as a result of its in-country presence and resources, as well as the trust that PCi has established with local actors and the investment that PCi has made in building strong local relationships

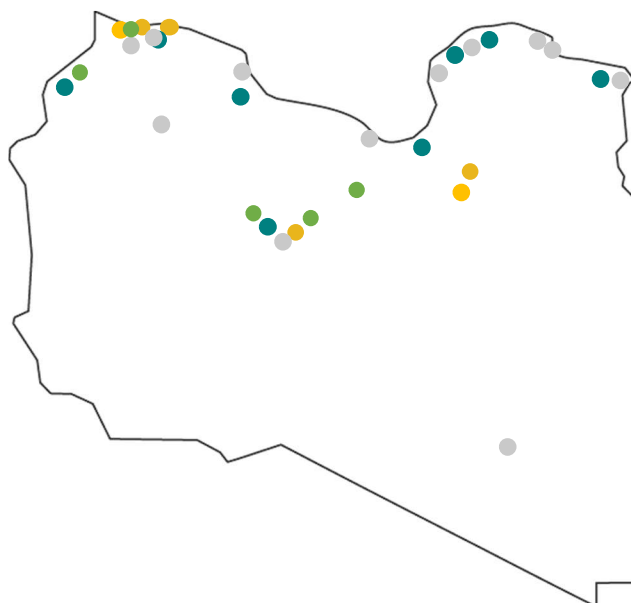
with the Social Peace Partnerships. This is creating the conditions for improved stability and governance, increased opportunities for social cohesion, and the reduction of conflict in communities in the east, south, west and central areas of the country.

### Actions and impact

- Strengthened and enhanced peacebuilding technical skills and knowledge in 20 target locations across Libya, supporting Social Peace Partnerships to respond to the challenges in these areas, including conflict, displacement and COVID-19. Some of the mentoring and training support was delivered remotely due to the deteriorating operational environment.

#### 490+ Partnership members

- 33% women | 67% men | 38% youth
- Average 26 members per SPP



#### Tier One – direct support ●

- Ajdabiya
- Bani Waled
- Benghazi
- Nalut
- Sabratah
- Souq Al Jum'aa
- Tobruk
- Awbari
- Alsahel

#### Tier Three – direct support ●

- Zuwara
- Hai Alandalus
- Jakharrad
- Jalu
- Sabhā

#### Tier Two – direct support ●

- Al Ghurayfah
- Tiji
- Tripoli Centre
- Wadi Albawanees
- Zliten
- Jufra

#### Ad hoc support – self-generated ●

- Suluq
- Murzuq
- Bi'r al Ashhab
- Kufra
- Al Marj
- Derna
- Umm ar Rizam
- Aljmail
- Khalij Alsidra
- Wershefana

Note: The twinning methodology was introduced in August 2019 with three twinning grants disbursed. During the reporting period travel was not possible so further twinning did not take place.

This work is facilitating Social Peace Partnerships to address concerns in their communities, using their own initiative, for example:

- In Benghazi, the Tension Monitoring Team of the Social Peace Partnership, with support from PCI's Trainer Mentors, facilitated a training in Conflict Analysis, Tension Monitoring and Conflict Sensitivity. It was designed for community leaders, such as respected elders, security officers, university professors, students and members of the legal profession, amongst others, to increase their awareness of peacebuilding

work and to encourage their cooperation with civil society and the Social Peace Partnership to better manage conflict in the city.

- In Jalu, Municipal Council candidates were concerned that time was running out to run an electoral campaign, so they sought help from the Social Peace Partnership to introduce themselves to the public, advertise their manifestos, and encourage people to vote. Working with local radio, the Social Peace Partnership conducted 4 programmes to raise awareness among residents on the importance of the elections and encourage them to register to vote. They also introduced the candidates and hosted a debate among them.
- Commenced implementation of Gender and Livelihoods programme components in 6 Municipalities;
- Implemented 17 grants across Libya, produced within a limited timeframe to meet the urgent COVID-19 need, in collaboration with the relevant 17 Municipalities and civil society. The grants helped to raise awareness around COVID-19 prevention; enabled the production of masks as well as the provision of personal protective equipment to frontline workers; and, in addition, facilitated the disinfection of public places and enabled the provision of support to households that were shielding.



A billboard installed by the Nalut Social Peace Partnership urging people to stay at home and practise social distancing



Suloug Social Peace Partnership volunteers disinfecting public offices in partnership with the Municipal Council through a grant provided by PCi

### Case Study: Nalut Social Peace Partnership supports migrant workers seeking to return home following COVID-19 pandemic

Following the lockdown in Libya in March 2020, some Libyan businesses were forced to close, leaving migrant workers without a job and needing to return home. A subsequent international travel ban affected the border town of Wazen, situated between Libya and Tunisia, where 70 Algerian and 150 Tunisian migrant workers became stuck. The migrants had run out of money and were sleeping outside in abandoned buildings, living in unhygienic conditions which increased the likelihood of spreading COVID-19.

Nalut Social Peace Partnership was already implementing a COVID-19 public awareness campaign and subsequently collaborated with the Municipality, the Head of the Displaced Persons Office in Nalut, the Red Crescent and the Boy Scouts to source donations/funding to address this situation. Through this collaboration, the Social Peace Partnership was able to provide the migrant workers with masks, hand sanitiser, gloves, food and materials to build shelters; the local health authority helped to disinfect the old shelters. The migrant workers (and border security officers) received training on the prevention of COVID-19. One member of the Nalut Social Peace Partnership said: "Supporting the migrant workers felt like a logical step in our campaign to protect everyone from COVID-19 by helping the most vulnerable. It was important because it was a collaboration between the Municipality and civil society; we also worked with the media office at the border crossing to ensure that they received regular information on the situation."



Nalut Social Peace Partnership members on the Wazen border crossing (Libya/Tunisia)

### Working at the (sub-)national level

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

With the arrival of the COVID-19 pandemic in March 2020, the Peacebuilding Network, Libya (PBN) adapted swiftly, developing new communication practices and meeting regularly online. Despite the challenges, through the actions outlined below the Peacebuilding Network, Libya was able to increase its membership to 38 peacebuilders from 26 cities around Libya, comprising 31% women, 50% youth and 18% minority groups. PCi provided support to the Peacebuilding Network, Libya through organisational development, providing support to outreach activities and programmatic advice.

### Actions

- Six Network members who were elected to positions on the management team by the General Assembly were contracted as professional staff. They each have an individual action plan for which they are accountable to PCi for completion.
- Regular online contact enabled members to exchange information about their actions and discuss political developments in Libya, increasing awareness amongst members of different perspectives held across the country. This communication became very active when the political process in Libya entered a new phase. The Peacebuilding Network engaged with the Libyan Political Dialogue Forum and actively coordinated to develop initiatives that would support the process. This led to the development of two public statements (one of which was delivered to the UN in person by the

Network's head), and an initiative to combat hate speech in the country, which also served as part of a recruitment campaign to increase the membership of the organisation.

## **Impact**

Peacebuilding Network members came up with proposals to carry out peacebuilding activities, two examples are outlined below:

- Network members met online to analyse COVID-19 preparedness in their own areas and share preparations with other members, raising awareness around the different capacities and attitudes towards COVID-19 around the country. In April 2020, a call from the UN Secretary General for a global ceasefire to consolidate resources and fight the epidemic drew a more direct connection between COVID-19 and the need for peace, and this was discussed in a thematic call between the Network members. This led to the development of a joint initiative to build solidarity among Libyans to face the disease together under the campaign "Libya's health is your health". Through billboards, social media and radio the Network shared messages to raise awareness around COVID-19 and the importance of equality and solidarity.
- Network members identified that internal divisions inside Libya led to hate speech, which was obstructing further progress on both peacebuilding and reconciliation. The Network mobilised their respective communities and held workshops with the participation of prominent persons from their own community whose presence on social media held influence. The material presented sought to raise awareness of what hate speech is, how it functions, and why it should be avoided. The Network launched a campaign using radio, social media platforms and community meetings to increase awareness on the importance of addressing and mitigating hate speech.



Media activists and activists participate in an Anti-Hate Speech Workshop in Ghat, conducted by PBN

## **A national media campaign to raise the profile of young peace leaders**

In February 2021, a national social media campaign was launched to raise the profile of young peace leaders: the 'Bader' Facebook campaign ('Bader' means 'initiate' in Arabic). The campaign gathered and disseminated stories of youth leadership in peacebuilding and civil society projects – and called on young Libyans to submit project proposals that promoted social peace, community cohesion, gender equality and social inclusion. Three prize winners were to be awarded up to 20,000 LYD to implement their projects. The campaign received over 15,000 likes from people spanning over 30 cities in Libya; this popularity led to over 500 story submissions in the space of one month.

## Working at the international level

Libya's peace and conflict context is complex, driven by multifaceted conflict dynamics. When delivered in a way that does not take such complexity into account, international humanitarian, development and political assistance runs the risk of exacerbating tensions while missing opportunities to promote peace. Conflict sensitivity is an approach to delivering humanitarian, development and political assistance that incorporates a nuanced understanding of the context in order to minimise the risk of assistance worsening conflict dynamics, and to maximise opportunities to contribute to sustainable peace.



Libya

## Actions and impact

PCi facilitates the Conflict Sensitive Assistance (CSA) in Libya Forum. The CSA Forum, which has been running since 2012, provides resources for donors, international organisations and international NGOs working in Libya to help them be more conflict sensitive; it also provides an important space for critical self-reflection regarding the impact of their work. Over the reporting period, PCi's activities contributed to the conflict sensitivity of international assistance by:

- Maintaining an online national-level peace and conflict factor analysis accessible to international assistance providers working on Libya;
- Convening the bi-monthly CSA Forum, bringing together participants from embassies, international organisations and international NGOs to review the changing context in Libya, reflect on how that context affects and is affected by the assistance they provide, and identify recommendations for adjusting international assistance;
- Developing actionable guidance and tools relating to specific conflict sensitivity challenges faced by international actors in Libya. Work is underway to produce resources on conflict sensitivity relating to communications activities and gender dynamics;
- Providing tailored training to international implementers and donors, focusing on the practical skills and processes needed to undertake work in a conflict-sensitive way. The training programme – which included a wide range of staff functions within organisations, including those that are frequently neglected when it comes to conflict sensitivity, such as communications and operations – provided participants with the skills to apply conflict sensitivity to their own work. As part of the programme, PCi further delivered a dedicated session for an international NGO facilitating discussions on how to better apply conflict sensitivity across the organisation;
- Developing local level peace and conflict analyses through consultative approaches to inform conflict-sensitive approaches to working in different locations in Libya.

## Case Study: Developing local-level conflict sensitivity analysis for Sabha

Over the course of 2020 and 2021 PCi has been pioneering a Local CSA Forum process. The CSA team facilitated a collaborative process amongst several organisations to develop a peace and conflict analysis of the southern Libyan city Sabha. The analysis identified key conflict sensitivity interactions relating to delivering assistance in Sabha and suggested practical advice on how to manage and mitigate them. It was presented in several fora such as the Humanitarian-development-peace Nexus Working Group and EU Implementers Forum to inform shared understanding and stimulate discussions around conflict-sensitive approaches to working in Sabha. As such it proved to be a valuable resource for donors and implementers and PCi will be working on more such analyses to feed into joint processes.

### Challenges we faced

PCi's international staff were unable to enter Libya due to sustained security challenges across the country, limiting the delivery of expertise to complex initiatives and the ability to undertake monitoring and evaluation of activities and impact. The onset of the COVID-19 pandemic, in March 2020, prevented PCi from holding trainings and meetings with international staff in Tunis; however, PCi did strengthen the support that was provided remotely. Incidents such as road closures (due to COVID-19 lockdowns and subsequent restrictions on travel) had an impact on operations, causing delays in delivering activities or preventing staff and partners from participating in meetings, limiting activities. In addition, power cuts impacted on some operations due to their effect on communications.

The liquidity crisis, depreciation of currency, high inflation, and changes in the exchange rate by the Central Bank of Libya created a volatile political situation and placed all communities under extreme financial pressure, especially in smaller towns where jobs and resources are scarce. However, during the reporting period, there was a flutter of negotiations and agreements that are pointing to a way forward after a decade of military conflict and political strife. Following the ceasefire agreement between the GNA and the LNA, the UN Support Mission in Libya confirmed in mid-November 2020 that the GNA and the LNA had agreed to hold parliamentary and presidential elections in December 2021. PCi continues to leverage its relationships across the country and within the international community to:

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



Jars of date jam produced by a factory established through a PCi twinning initiative between the Social Peace Partnerships of Jakharra, Jalu and Ajdabiya. The label reads *Social Peace Partnership of Jakharra – Jakharra Date Syrup Factory*

# SERBIA - KOSOVO

## The context

The legacies of the wars that accompanied and accelerated the breakup of Yugoslavia continue to perpetuate a post-conflict atmosphere in various parts of the region. Kosovo's declaration of independence from Serbia in February 2008, though recognised by almost half of all UN member states, continues to be rejected by the latter. Since the 2013 Brussels Agreement, both parties have been engaged in a process of dialogue under the auspices of the European Union. Though some tangible progress has been made, fundamental disagreements remain over the issue of Kosovo's status.

## How ordinary citizens experience conflict



## Working at the local level

PCi have been supporting fractured communities to maintain cohesion during the COVID-19 pandemic in Serbia and Kosovo through the Amplifying Local Voices for Equitable Development (ALVED) project. COVID-19 continues to put pressure on local authorities to deliver services, with unequal access to resources generating mistrust within and between communities, especially where minority groups are concerned. PCi, working through their partners, addresses the needs of marginalised communities, undertaking vital work in domestic violence, mental health, and assistance for the elderly and vulnerable. The pandemic has increased concerns around access to vaccines and socio-economic assistance, which we have been successfully addressing.

## Actions and impact

- PCi's partner Aktiv established a Rapid Response mechanism in north Kosovo to assess the impact of COVID-19 on non-majority communities. Aktiv's findings on access to socio-economic provision and the security vulnerabilities of such communities have served as important advocacy points.

- The Kosovo-Serbia Advisory Group was established to provide tangible inputs into how the project achieves its objectives, pivotal in redesigning grant schemes to be more COVID-19 responsive. As a result, initiatives in 8 target municipalities were supported. For example, through one of PCI's partners, the challenges that the hearing impaired/deaf community were experiencing during the pandemic sought to be addressed; this involved advocating for better access to municipal services, as well as the provision of sign language training.
- Through PCI's consortium partners, Advisory Committees have been established in 8 target municipalities to pursue inclusive and participatory approaches to social services planning. This ensures that the views of local residents and organisations are heard, and that the social services strategies created reflect the needs and demands on the ground. This is especially important in light of the additional strain COVID-19 has placed on social services provision across the Western Balkans.
- 3 partner organisations created 9 podcasts; 6 of the podcasts addressed COVID-19 and its impact on education, business and mental health, the language rights of minorities, etc. It was their first joint cooperation and some of the podcasts were carried by mainstream media outlets.
- Youth mobilisation activities were implemented in 5 municipalities in Kosovo and 3 municipalities in Serbia to empower young people with the skills necessary to engage in the political and economic life of their municipality.



Gjilan/Gnjilane, Kosovo

### Case Study: Supporting civic responses during the COVID-19 pandemic

Despite good intentions and efforts to treat all citizens equally, regardless of their ethnicity, the Kosovo government has experienced a lack of capacity to address the needs of all communities living in Kosovo, as COVID-19 mitigation measures have been introduced. Government institutions have been weakened by the political crisis and the collapse of the government; this has left non-majority communities with a lack of qualitative and timely information, as well as challenges obtaining assistance.

In response, PCI's partner Aktiv established a Rapid Response Civic Group (RRCG) to collect real-time information and data to assess how the COVID-19 pandemic was impacting non-majority communities in 17 municipalities. This enabled Aktiv to produce two infographic reports which, in turn, informed a 9-point advocacy strategy that sought to increase awareness amongst government stakeholders and which highlighted the key challenges that non-majority communities were facing. Some of the advocacy actions are outlined below:

- Open letter to the Ministry of Health and the Ombudsperson regarding the problems faced in accessing institutions
- Publication on COVID-19 institutional challenges and proposed solutions
- Public statement on non-majority community challenges accessing the Pandemic Economic Aid package and on the lack of translation to non-majority community languages
- A video-cast informing greater audiences on the findings of the RRCG through social media

### Working at the national level

PCi collaborated with IPSOS (a multinational market research and consulting firm) to understand how divisive narratives are generated and disseminated in mainstream media in Serbia and Kosovo. The findings and recommendations of this research, published as [Understanding Divisive Narratives – Media Analysis](#), were used to guide the Media Consultation Dialogues to support efforts to reduce divisive narratives so they become less prominent in mainstream discourse.



UNDERSTANDING DIVISIVE NARRATIVES  
Media analysis

### Actions and impact

5 Media Consultation Dialogues were held to bring together media professionals from Serbia and Kosovo in order to exchange experiences and forge co-operation among journalists, editors and managers and thus contribute to a better media landscape and a healthy West Balkan neighbourhood. The discussions focused on, among other issues, how 'othering' occurs in the media; the work of media regulatory bodies; and why we find it difficult to find empathy for 'the other'.

The Media Consultation Dialogues resulted in a series of conclusions and recommendations which were shared with the media in Kosovo and Serbia and relevant national and international institutions. The Media Consultation Dialogues also galvanised a number of action points for ALVED, e.g. the Media Award for media content about multi-ethnic coexistence. One participant, a Kosovo editor, said: "...This [Media Dialogue Consultation] made me listen to my inner voice, I would like to hear it more often, it is the part of me that needs to see more inclusive reporting, telling the whole truth, however bitter it may be."

### Challenges we faced

COVID-19 continued to limit the possibility for in-person meetings, which affected particular elements of the project such as the community-level work and the formation of a Kosovo-Serbia Advisory Group. In addition, the fall of the Kosovo government in March 2020 and again in December 2020, followed by fresh elections in February 2021, created political disturbances

that filtered down to ALVED's targeted municipalities. The indictment and detention of former Kosovo Liberation Army (KLA) leaders, including former President Thaci and former Parliament Speaker Veseli by the Kosovo Specialist Chambers in the Hague, heightened tensions and further polarised intra-ethnic and inter-ethnic relations in Kosovo. Parliamentary and local elections were held in Serbia on 21 June 2020; however, the Government was not formed until late in October, which caused delays in the signing of MoUs with the partner municipalities.



Kosovo

# Provision of PCi Technical Support to Peacebuilding Projects

## Switzerland: Provision of technical support to UN-led peace negotiation process for Syria

At the request of the EU and the German Ministry of Foreign Affairs, PCi is providing technical support to the Geneva-based UN-led peace process for Syria. In particular, PCi provides capacity building support to the Syrian Negotiation Committee's representative office in Geneva. This includes work on organisational processes and procedures as well as advisory support on peacebuilding strategies.

This work takes place exclusively in Switzerland.



United Nations Office, Geneva, Switzerland

## Georgia, Abkhazia: Short-term emergency project intervention

COVID-19 is highlighting vulnerabilities among marginalised communities around the world. In Georgia, Abkhazia, remote communities situated far away from urban centres have learned to cope with their isolation, even though they face additional challenges when situated adjacent to conflict-affected areas. They experience the conflict as separate communities with little to no contact across the conflict divide. The introduction of measures to



Children receiving a water tank at a school in Georgia

mitigate the impact of COVID-19 stretched livelihoods and coping mechanisms to breaking point. For example, travel restrictions led to a shortage of essential goods and the lack of water supply made it difficult to maintain good hygiene; in addition, the distance from decision making challenged the effectiveness of public health mechanisms.

PCi, in partnership with the Tbilisi-based organisation IDP Women Association "Consent", and Sukhumi-based Asarkia, funded by the UK Embassy to Georgia, implemented a three-month project (August 2020 to mid-November 2020, which extended into 2021), in 19 target communities (10 in Tbilisi-administered Georgia and 9 in Abkhazia), to support schools in isolated communities in this region to deal with these challenges, filling gaps in COVID-preparedness and supporting local groups to organise and meet the challenges of the pandemic.

Civil society groups – named Community Resilience Mechanisms (CRM) – were established in all 19 communities, based around a focal point person who maintained contact with the implementing partners. The groups worked with the partners to establish a process, involving school management and local authorities, enabling civil society and grassroots organisations to be better able to protect and meet the emergency needs of vulnerable men, women, boys and girls in isolated communities, and to enhance their resilience to the impact of COVID-19 in the short term. The physical and practical assistance the project provided enabled schools to secure equipment, and carry out repairs to improve the sanitary situation; as well as supporting teachers from across the conflict divide to address challenges to education posed by the pandemic.



Children at school in Georgia

One of the challenges faced by the project was that widespread restrictions meant switching activities to remote/online formats, which in turn led to a certain degree of fragmentation among civil society initiatives. Where initiatives previously focused on drawing people together for discussions and to compare notes, these were often replaced with more fragmented communication between different stakeholders.

**Collaboration with the International Labour Organisation (ILO): Guide to promote social cohesion and peaceful coexistence in fragile contexts**

PCi's trustee Joan McGregor and Senior Peacebuilding Advisor Raj Bhari worked with ILO to produce the guide "[Promoting Social Cohesion and Peaceful Coexistence in Fragile Contexts through Technical and Vocational Education and Training](#)" (TVET). It is aimed at TVET practitioners to consolidate their role as active promoters of social cohesion and peaceful coexistence. The guide provides practical guidance on how to adapt



training to mixed community groups, to embed conflict resolution skills, cooperation, and other relevant core skills into training curricula, and create a conflict-sensitive, inclusive, and diverse learning environment for all. The guide was launched at a Webinar on the International Day of Living Together in Peace on 17 May 2021.

## Financial Review

PCi's financial situation in FY21 was strong; we increased both our income and programme expenditure compared to FY20, and added to our reserves. Our income was once again primarily due to awards from institutional donors, which are mainly the overseas aid agencies of a number of governments, the European Union, and the United Nations, to fund our portfolio of programmes. Our increased income and expenditure on activities was due to a) our programming in Serbia and Kosovo moving from the inception period into implementation, b) the Libya programming successfully adapting to the COVID-19 situation and continuing in the new operating environment, and c) the new projects in Technical Support to Peacebuilding Projects which we undertook within the year. Again, much of our expenditure is in support of activities undertaken by our partners in Libya, Serbia and Kosovo, although we were also able to make some investments in developing new programmes and methodologies during the financial year.

In the reporting year we received funding from:

- The UK Foreign and Commonwealth Office
- The European Union
- The Swiss Federal Department of Foreign Affairs
- The United Nations Development Programme
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

We also carried out consultancy work for:

- The Shared Ground Programme (Belong Network)
- The Kaizen Partnership Ltd
- Expertise France
- The International Labour Office
- Ilko Kucheriv Democratic Initiatives Foundation

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

### **Fundraising**

PCi does not currently generate funds from the public at large and does not use professional fundraisers. No complaints have been received by the Charity during the year in regards to its fundraising.

## Reserves policy

Having achieved our previous reserves policy of attaining a financial reserve of at least £250,000 in FY19 and maintaining this in FY20, the Board of Trustees conducted a review of our reserves requirements, and adopted a new reserves policy within FY21, aiming to allow PCi to invest in development, while maintaining reserves required for daily operation and cashflow.

PCi's reserves policy sets out the principles for holding and spending reserves, the accounting policy to follow, and the governance process. The Board of Trustees sets a reserves target for a 24-month period, which is then reviewed annually. This will be based on an assessment of the following risk factors:

- Operational Contingency: Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, legal costs, insurance excess, or crisis response;
- Reduced income: A source of income, e.g. a grant, not being renewed. Funds might be needed to give the trustees time to take action if income falls below expectations.
- Strategic Commitments: Designations that cannot be met by future income alone, e.g. plans for a major asset purchase or significant project that requires the charity to provide 'matched funding';
- Cashflow: The need to fund short-term deficits in a cash budget, e.g. money may need to be spent before a funding grant is received, or to cover bad debts.

For FY21 the Board set a reserves target of £534,000. At the balance sheet date, PCi held reserves of £767,353 (2020: £540,675), of which £719,875 (2020: £500,978) related to restricted funds, thus retaining the reserves required.

As the current reserves held are higher than the reserves target, FY22 will see the Board focusing on ensuring that PCi invests in strategic objectives and diversification of funding sources, to ensure the charity is in a good position to continue to respond to ongoing challenges, as noted in the Plans for Future Periods section on page 25.

Having reviewed the future plans of the Charity, including an assessment of expected income for at least twelve months from the date of approval of these financial statements, the Trustees do not consider that there is a material uncertainty regarding the going concern status of the Charity, and accordingly consider it appropriate that the financial statements are prepared on a going concern basis.

## **Risks and uncertainties**

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- Physical security of staff and beneficiaries in the areas in which we operate;
- Solvency and cashflow;
- Misappropriation of funds or other benefits by proscribed groups within conflict zones;
- Reliance on a limited group of institutional funders;
- Psychological wellbeing of staff working overseas or in conflict zones;
- Safeguarding of beneficiaries;
- Handling of sensitive data and security of IT systems;
- Financial risks associated with UK's exit from the European Union.

A separate risk register concerning COVID-19 impacts was developed during the reporting period.

## Plans for future periods

The Trustees remain focused on ensuring that PCi is able to respond to the challenges posed by the COVID-19 pandemic.

- Implementing the charity's resilience plan to ensure that PCi remains in a strong operational and programming position, during and after the pandemic, to pursue its strategic plan;
- Overseeing cost reviews and budget planning as the organisation responds to potential variations in donor funding availability;
- Adapting programming to ensure that it is maximally responsive to new tensions and needs experienced by target communities as a result of the pandemic. This will include a renewed focus on the nexus between conflict and livelihoods and the conflict sensitivity of economic recovery work.
- Exploring new work in countries such as Bosnia, Burkina Faso and Mozambique where the conflict indicators are, unfortunately, increasing rapidly.
- Embedding strengthened policy and procedure frameworks on a) safeguarding participants in our work, b) receiving private donations and c) combating climate change.

# Structure, governance and management

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

## Subsidiary legal entities

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

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

## Board of Trustees

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

The Board currently consists of:

- James Freeman
- Michael Holland (Chair)
- Anton Shihoff
- William Peace
- Dr Joan McGregor (appointed February 2021)
- Giulia Pellegrini (appointed February 2021)

## Identification and induction of new trustees

New trustees are identified by fellow trustees together with the Chief Executive Officer and invited to join the Board, following a process of due diligence and substantial engagement to ensure that PCi's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCi senior management, includes familiarisation with:

- The duties and responsibilities expected of trustees and as outlined in CC3;
- PCi's legal framework and governance;
- PCi's finances (including audit reports);
- The mission of PCi and the principles that underpin the delivery of that mission;
- The details of the current and future programmatic work of the organisation.

## Meetings, minutes and decision making

The Board of Trustees has met regularly during the reporting period, virtually, with PCi's AGM held on 19 November 2020. Trustees met (virtually) more frequently than usual in the year in

order to exercise oversight of PCi's response to the impact of the COVID-19 pandemic on the charity's activity implementation, staff and operations. Furthermore, PCi moved to a six-monthly budgeting cycle in response to the pandemic, with Trustees reviewing forecasts, spending and budgets on a six-monthly basis. Trustees are in frequent communication between meetings, both among themselves and with the Chief Executive Officer, and with other senior management as appropriate. For example, the Board convenes for monthly Programme Update sessions to review PCi's existing contracts and new-grants pipeline and to discuss programming in PCi's areas of operation.

### **Risk Management Sub-Committee**

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

In the reporting, the Sub-Committee adopted an additional risk register covering COVID-19 related risks to staff, operations, programming and financial sustainability.

### **Financial controls**

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

### **Remuneration of key management personnel**

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

### **Management Team**

Fleur Just remains as Chief Executive Officer, reporting directly to the Board of Trustees. Abigail Orr continues in her role as Finance and Operations Manager. Fleur Just and Abigail Orr develop and implement strategic plans and key policies together with an expanded management team of Senior Advisers.

The expanded PCi Management Team met on a regular basis through the reporting period to consider necessary adaptations to methodologies, programming and operations in response to the COVID-19 pandemic. This included drafting of a practice note on best practices in remote programming.

# Reference and administrative details

**Registered office address:**

25B Lloyd Baker Street  
London  
WC1X 9AT

**Company registered number:**

07931944

**Charity registered number:**

1162997

**Chief Executive Officer:**

Fleur Auzimour Just

**Independent auditors:**

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

**Bankers:**

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

**Solicitors:**

Dechert LLP  
160 Queen Victoria Street  
London  
EC4V 4QQ

**Other financial services providers:**

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

# Trustees' Responsibilities Statement

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

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

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

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

## Disclosure of information to auditors

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

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

## Auditors

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

This report was approved by the Trustees on 13 December 2021 and signed on their behalf by:

*Michael Holland*

.....  
**Michael Holland**  
**Trustee**

# Independent Auditors' Report to the Members of Peaceful Change Initiative

## Opinion

We have audited the financial statements of Peaceful Change Initiative for the year ended 30 March 2021 set out on pages 34 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

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

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

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

## **Responsibilities of Trustees**

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

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

## **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

### **Goodman Jones LLP**

Chartered Accountants

29-30 Fitzroy Square  
London  
W1T 6LQ

Date: 18-12-21

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

# Statement of Financial Activities incorporating Income and Expenditure Account For the year ended 30 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	85	3,799,369	3,799,454	2,459,657
Charitable activities	4	<u>39,792</u>	<u>-</u>	<u>39,792</u>	<u>42,485</u>
<b>Total income</b>		<u>39,877</u>	<u>3,799,369</u>	<u>3,839,246</u>	<u>2,502,142</u>
<b>Expenditure on:</b>					
Charitable activities	5	<u>32,096</u>	<u>3,580,472</u>	<u>3,612,568</u>	<u>2,707,072</u>
<b>Total expenditure</b>		<u>32,096</u>	<u>3,580,472</u>	<u>3,612,568</u>	<u>2,707,072</u>
<b>Net surplus before other recognised gains and losses</b>		7,781	218,897	226,678	(204,930)
Transfers between funds				-	-
<b>Net movement in funds</b>		7,781	218,897	226,678	(204,930)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>39,697</u>	<u>500,978</u>	<u>540,675</u>	<u>745,605</u>
<b>Total funds carried forward</b>		<u>47,478</u>	<u>719,875</u>	<u>767,353</u>	<u>540,675</u>

The notes on pages 37 to 49 form part of these financial statements.

# Peaceful Change Initiative

## Balance Sheet as at 30 March 2021

Company number 07931944

		2021		2020	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		<b>8,114</b>		2,422
<b>Current assets</b>					
Debtors	10	<b>833,750</b>		400,839	
Cash at bank and in hand		<u><b>898,240</b></u>		<u>399,166</u>	
		<b>1,731,990</b>		800,005	
<b>Creditors:</b> amounts falling due within one year	11	<u><b>(972,751)</b></u>		<u>(261,752)</u>	
<b>Net current assets</b>			<u><b>759,239</b></u>		<u>538,253</u>
<b>Net assets</b>			<u><b>767,353</b></u>		<u>540,675</u>
<b>Charity Funds</b>					
Restricted funds	12		<b>719,875</b>		500,978
Unrestricted funds	12		<u><b>47,478</b></u>		<u>39,697</u>
<b>Total funds</b>			<u><b>767,353</b></u>		<u>540,675</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Trustees on 13 December 2021, and signed on their behalf, by:

*Michael Holland*  
 .....  
**Michael Holland**  
**Trustee**

The notes on pages 37 to 49 form part of these financial statements.

# Statement of Cash Flows

## For the year ended 30 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	14	<u>509,428</u>	<u>(71,780)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(10,354)</u>	<u>(3,633)</u>
<b>Net cash used in investing activities</b>		<u>(10,354)</u>	<u>(3,633)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(499,074)</b>	<b>(75,413)</b>
Cash and cash equivalents brought forward		<u>399,166</u>	<u>474,579</u>
<b>Cash and cash equivalents carried forward</b>	15	<u><u>898,240</u></u>	<u><u>399,166</u></u>

The notes on pages 37 to 49 form part of these financial statements.

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 1. General information

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

### 2. Accounting Policies

#### 2.1 Basis of preparation of financial statements

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

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

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

#### 2.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 26. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

#### 2.3 Going concern

The Charity receives the majority of its income in the form of grants for specific programme expenditure, and many of these grant agreements include an allowance for overheads. The majority of income is for multi-year projects, so the Charity already has income contracted for FY22 and FY23.

After reviewing the level of recurring expenditure and expected income for FY22 and FY23, and the future plans of the Charity, the Trustees consider that the Charity is a going concern. As noted in the Trustees' Report, the Charity will continue efforts to increase unrestricted funding. The Trustees have considered the impacts that the Covid-19 pandemic may have for the Charity and have undertaken the following actions: adapting programming, developing a strong COVID-19 risk management framework, developing a charity resilience plan and overseeing cost reviews and budget planning as the organisation adapts to the pandemic situation. The Charity has not had to take advantage of the financial support schemes that the Government has provided as it has sufficient income and cash reserves. The Charity acknowledges the risk that Government budgets will tighten, which could impact on future funding opportunities, but is confident that it has taken steps to manage this risk. The Charity is able to be very adaptable to changes in income due to low fixed costs, and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 2. Accounting Policies (continued)

#### 2.4 Consolidation

The Charity operates internationally and has established a legal entities in Libya (Peaceful Change Initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change Initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative a division of a foreign non-governmental organisation)). These entities are to enable operation of PCi at local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

#### 2.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### 2.6 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 2. Accounting Policies (continued)

#### 2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

#### 2.8 Expenditure

Expenditure is recognised inclusive of irrecoverable VAT once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

#### 2.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

#### 2.10 Tangible fixed assets and depreciation

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

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

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

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

## For the year ended 30 March 2021

### **2. Accounting Policies (continued)**

#### **2.11 Debtors**

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

#### **2.12 Cash at Bank and in hand**

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

#### **2.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

#### **2.14 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### **2.15 Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **2.16 Foreign currencies**

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

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 2. Accounting Policies (continued)

#### 2.17 Pension

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

#### 2.18 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	85	-	85	3,070
Grants	<u>-</u>	<u>3,799,369</u>	<u>3,799,369</u>	<u>2,456,587</u>
Total 2020	<u>3,070</u>	<u>3,759,909</u>	<u>3,799,454</u>	<u>2,459,657</u>
	3,070	2,456,587	2,459,657	

Grant income is received from UK and non-UK governments and governmental organisations. During the year, the Charity received grants totalling £2,817,278 (2020: £1,226,556) from the UK government.

### 4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Conflict resolution and peacebuilding	<u>39,792</u>	<u>-</u>	<u>39,792</u>	<u>42,485</u>
Total 2020	<u>39,792</u>	<u>-</u>	<u>39,792</u>	

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Conflict resolution	<u>3,192,626</u>	<u>187,209</u>	<u>232,733</u>	<u>3,612,568</u>	<u>2,707,072</u>
Total 2020	<u>2,232,559</u>	<u>199,529</u>	<u>274,984</u>	<u>2,707,072</u>	

### Analysis of support costs

	Conflict resolution 2021 £	Total 2021 £	Total 2020 £
Travel	-	-	15,431
Rent	21,017	21,017	38,055
Insurance	13,793	13,793	2,785
Light and heat	599	599	398
Office expenses	472	472	1,108
Printing, postage and stationery	24	24	1,031
Telephone	28	28	204
Computer and IT services	3,433	3,433	5,838
Legal and professional fees	43,548	43,548	50,281
Subscriptions	2,679	2,679	-
Audit	8,950	8,950	8,950
Staff welfare and training	990	990	365
Bank charges	476	476	1,186
Surplus/deficit on foreign currency	34,011	34,011	14,706
Sundry expenses	17	17	1,004
Trustees' meeting expenses	-	-	460
Staff costs	96,244	96,244	131,749
Depreciation	4,662	4,662	1,433
	<u>232,733</u>	<u>232,733</u>	<u>274,984</u>
Total 2020	<u>274,984</u>	<u>274,984</u>	

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 6. Analysis of grants

	<b>Grants to Institutions 2021 £</b>	<b>Total 2021 £</b>	<i>Total 2020 £</i>
Conflict resolution	<u>187,209</u>	<u>187,209</u>	<u>199,529</u>
<i>Total 2020</i>		<u><u>199,529</u></u>	<u><u>199,529</u></u>

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

### 7. Staff costs

Staff costs were as follows:

	<b>2021 £</b>	<i>2020 £</i>
Wages and salaries	<b>1,082,460</b>	1,035,724
Social security costs	<b>36,542</b>	33,959
Other pension costs	<b>23,274</b>	15,396
	<u><b>1,142,276</b></u>	<u>1,085,079</u>

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

	<b>2021 No.</b>	<i>2020 No.</i>
Administration and management	<b>4</b>	3
Projects	<u><b>18</b></u>	<u>19</u>
	<u><b>22</b></u>	<u>22</u>

One employee received remuneration amounting to more than £60,000 in the year, (2020: Nil).

Remuneration totalling £123,840 (2020: £135,407) was paid to key management personnel.

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 8. Trustees' remuneration and expenses

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

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year ended 30 March 2021, travel expenses totalling £nil were reimbursed or paid directly to no Trustees (2020 - £1,183 to 3 Trustees).

### 9. Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 31 March 2020	32,760
Additions	<u>10,354</u>
At 30 March 2021	<u>43,114</u>
<b>Depreciation</b>	
At 31 March 2020	30,338
Charge for the year	<u>4,662</u>
At 30 March 2021	<u>35,000</u>
<b>Net book value</b>	
At 30 March 2021	<u><u>8,114</u></u>
At 30 March 2020	<u><u>2,422</u></u>

### 10. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	8,413	136,258
Other debtors	3,951	3,693
Prepayments and accrued income	821,386	260,888
	<u>833,750</u>	<u>400,839</u>

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 11. Creditors: Amounts falling due within one year

	<b>2021</b>	2020
	<b>£</b>	£
Funds held as agent	<b>6,420</b>	8,501
Trade creditors	<b>138,177</b>	85,701
Other creditors	-	-
Accruals and deferred income	<b>828,154</b>	167,550
	<hr/> <b>972,751</b> <hr/>	<hr/> 261,752 <hr/>

	<b>£</b>
<b>Deferred income</b>	
Deferred income at 31 March 2020	<u><b>76,823</b></u>
Resources deferred during the year	<u><b>76,823</b></u>
Amounts released from previous years	<u><b>(371,394)</b></u>
Deferred income at 30 March 2021	<u><u><b>371,394</b></u></u>

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

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 12. Statement of funds

#### Statement of funds - current year

	Balance at 31 March 2020 £	Income £	Expenditure £	Transfer in/(out) £	Balance at 30 March 2021 £
<b>Unrestricted funds</b>					
General Funds	<u>39,697</u>	<u>39,877</u>	<u>(32,096)</u>		<u>47,478</u>
<b>Restricted funds</b>					
Libya Programs	500,978	2,110,222	(1,906,895)	-	704,305
Syria Programs	-	234,568	(229,568)	-	5,000
Black Sea Programs	-	1,454,579	(1,444,009)		10,570
	<u>500,978</u>	<u>3,799,369</u>	<u>(3,580,472)</u>		<u>719,875</u>
Total funds	<u>540,675</u>	<u>3,839,246</u>	<u>(3,612,568)</u>	-	<u>767,353</u>
		<u>129,500</u>	<u>4,022,693</u>	<u>(3,613,887)</u>	<u>538,306</u>

#### Statement of funds - prior year

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

Restricted comprise the following:

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

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

**Black Sea** - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries.

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 13. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8114	-	8,114
Current assets	640,721	1,091,269	1,731,990
Creditors due within one year	(601,357)	(371,394)	(972,751)
	<u>47,478</u>	<u>719,875</u>	<u>767,353</u>

#### Analysis of net assets between funds - prior year

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<b>226,678</b>	(204,930)
<b>Adjustment for:</b>		
Depreciation charges	<b>4,662</b>	1,433
Decrease/(increase) in debtors	<b>(432,911)</b>	96,722
Increase)/(decrease) in creditors	<b>710,999</b>	34,995
<b>Net cash (used in)/provided by operating activities</b>	<u><b>509,428</b></u>	<u>(71,780)</u>

# Notes to the Financial Statements

## For the year ended 30 March 2021

### 15. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>898,240</u>	<u>399,166</u>
Total	<u><u>898,240</u></u>	<u><u>399,166</u></u>

### 16. Analysis of changes in net debt

	At 30 March 2020 £	Cash flows 2021 £	At 30 March 2021 £
Cash at bank and in hand	399,166	499,074	898,240
Debt due within 1 year	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>399,166</u></u>	<u><u>(69,811)</u></u>	<u><u>399,166</u></u>

### 17. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £23,274 (2020 - £15,396). Contributions totalling £2,043 (2020 - £1,738) were payable to the fund at the balance sheet date and are included in creditors.

### 18. Operating lease commitments

At 30 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	<u>4,500</u>	<u>7,800</u>

# Notes to the Financial Statements

## For the year ended 30 March 2021

### **19. Related party transactions**

During the year, M Holland, one of the Trustees, received £nil (2020: £5,000) for consultancy services. No amounts were outstanding in respect of these services at the balance sheet date. No remuneration was received for his role as a trustee. During the year, J McGregor one of the Trustees received £12,000 (2020: £nil) for consultancy services (prior to becoming a trustee). No other remuneration was paid to Trustees in the year.

During the year £59,646 (2020: £55,901) was paid to the spouse of a member of key management personnel for consultancy and project advisory services provided during the year, and £513 was paid for expenses reimbursed. At the balance sheet date an amount totalling £5,405 (2020: £6,774) was owed by the Charity in respect of these services.

### **20. Controlling party**

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

**PEACEFUL CHANGE INITIATIVE**

England & Wales - Charity number 1162997

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# Accounts

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# Annual Report

31 March 2019 – 30 March 2020



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# Chairman's Report

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

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

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

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

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

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

**Michael Holland**

*Chair of the Board of Trustees*

# Annual Report

The Trustees present their annual report together with the audited financial statement of Peaceful Change initiative (hereafter 'PCi' or 'the Charity') for the period 31 March 2019 to 30 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## Objectives and activities

### Charitable objectives

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

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

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

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

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

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

### Our work

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

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

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

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

Using these methods, our work:

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

### **Why we make a difference**

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

### **Key objectives and performance indicators we use to measure success**

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

#### **Strategic Goals:**

##### **1. Improve existing programming impact and sustainability**

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

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

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

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

Each Centre of Excellence will:

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

### **3. Expand PCi's charitable impact into new geographies**

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

### **4. Demonstrate appropriate operational effectiveness**

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

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

### **5. Make PCi a great place to work**

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

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

### **6. Increase external and internal communications**

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

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

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

## 7. Successfully raise unrestricted funding

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

### Key events in the year

In the reporting period:

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

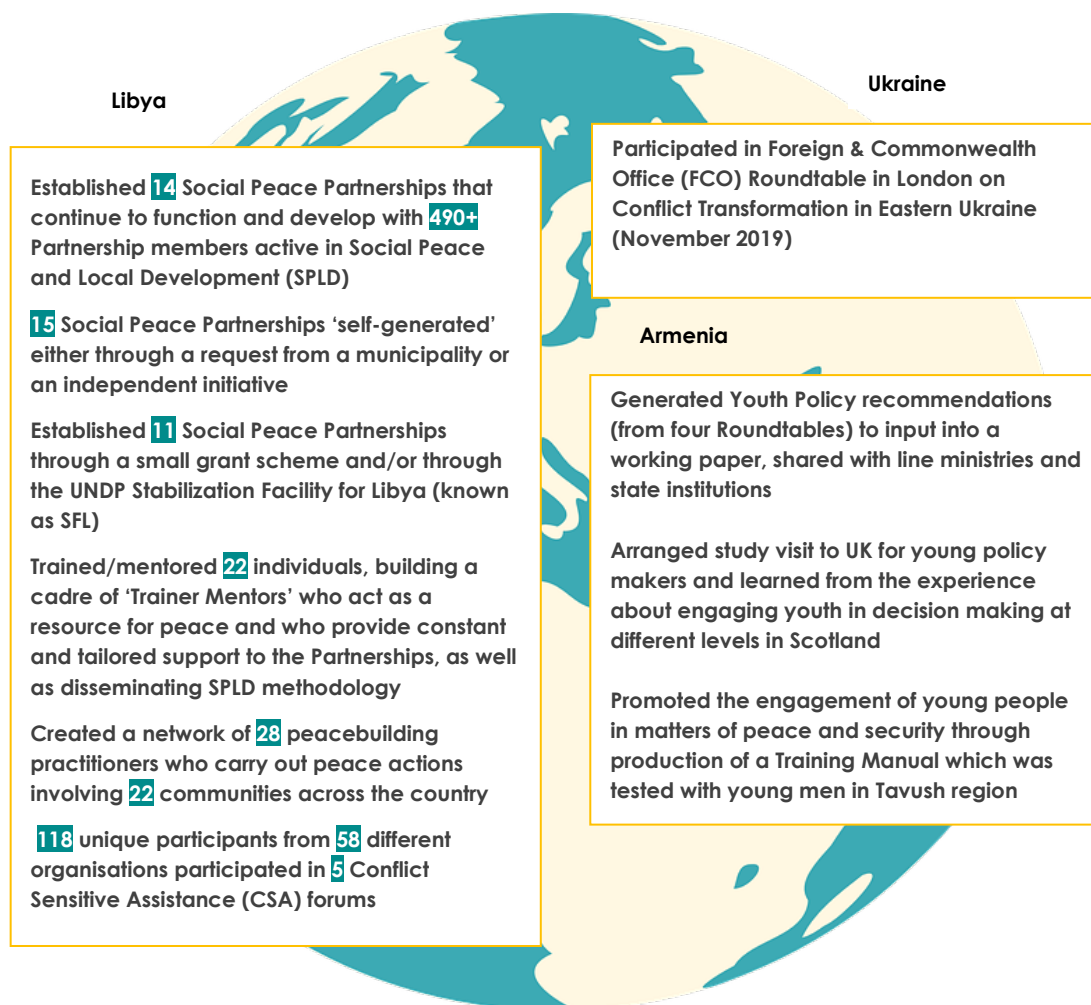


An internal PCi workshop was held in March 2019 for senior staff in London, focused on PCi's strategic planning process

# Achievements and performance

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

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



# LIBYA

## The context

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

## How ordinary citizens experience conflict



### **VIOLENCE BETWEEN RIVAL ARMED GROUPS:**

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



### **TENSIONS AND VIOLENCE BETWEEN DIFFERENT TRIBES AND ETHNIC GROUPS:**

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



### **LACK OF BASIC SERVICES:**

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



### **LACK OF FUNCTIONING POLICE AND COURT SYSTEM:**

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



### **DIVISIONS AND LIMITED FREEDOM OF MOVEMENT WITHIN THE COUNTRY:**

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

## Working at the local level

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

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

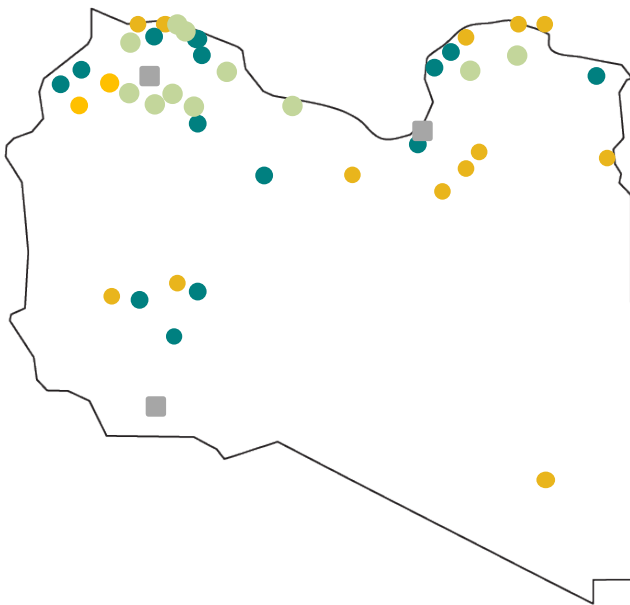
## Actions and impact

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

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

### 490+ Partnership members active across 14 areas

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



### 14

Established through the programme:

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

### 15

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

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

■ PCi offices

### 11

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

## Additional highlights

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

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



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

## Social Peace translated into action...

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



A family enjoy the renovated playground in Tripoli Centre

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

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

## PCi collaborates with municipalities to strengthen capacity

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

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

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

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

### Case Study: Abu Salim municipality

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



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

## Working at the (sub-)national level

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

### Actions

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

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

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

### Impact

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

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

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

### Working at the international level

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

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



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

### **Actions**

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

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

## Impact

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

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

### Case study: Responding to COVID-19

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

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

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

### Challenges we faced

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

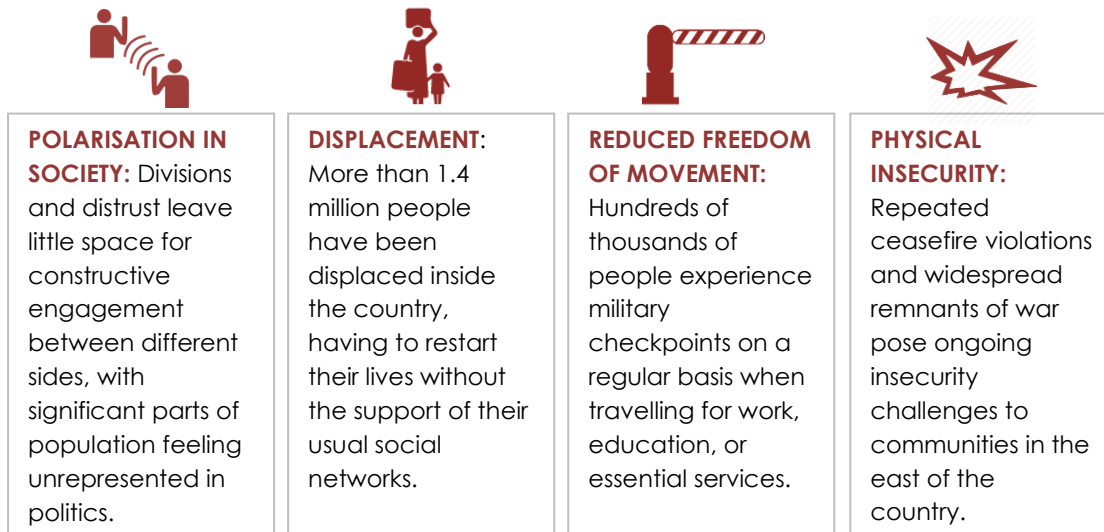
- Manage increased tensions caused by polarisation in 40 towns across Libya; and
- Support the international community to minimise the risks of current assistance inadvertently causing harm.

# UKRAINE

## The context

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

## How ordinary citizens experience conflict



## Working at the international level

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

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



Kyiv, 2014





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

# ARMENIA

## The context

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

## How ordinary citizens experience conflict

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

## Working at the local and national level

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



Armenian youth expressing their views around transitions in the country

## Actions and impact

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



Artur Ghazaryan from the Youth Cooperation Centre of Dilijan

### Case Study: Armenian delegation travels to Scotland

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



Armenian delegation on study visit to Scotland

to

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

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

### Challenges we faced

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



Armenian participants and PCi colleagues on study visit to Scotland



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



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

# PCi FOCUS ON CONFLICT SENSITIVITY

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

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

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

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



Panel discussion, ODI, London

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

# WOMEN, PEACE AND SECURITY

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



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

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

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

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

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

# YOUTH, PEACE AND SECURITY

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

## Armenia: Youth as advocates for peacebuilding

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

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

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



Young activists attend training to promote youth participation in Dilijan



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

## Libya: Supporting the next generation of peacebuilders

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

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

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



Young people attend the Zwara Youth Forum

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

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

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

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



Rabha telling her inspiring story at the Youth Forum

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

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



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



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

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

In the reporting year we received funding from:

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

We also carried out consultancy work for:

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

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

## **Fundraising**

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

## **Reserves policy**

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

## **Risks and uncertainties**

The Charity has a risk management policy in place and the Trustees track risk trends and mitigation measures through a risk register on an ongoing basis. In addition, the Charity has a range of insurance policies in place and enlists the services of specialist companies to help analyse risks in the specific areas in which we operate. The key risks that are tracked by the Trustees include:

- Physical security of staff and beneficiaries in the areas in which we operate;
- Solvency and cash flow;
- Misappropriation of funds or other benefits by proscribed groups within conflict zones;
- Reliance on a limited group of institutional funders;
- Psychological wellbeing of staff working overseas or in conflict zones;
- Safeguarding of beneficiaries;
- Handling of sensitive data and security of IT systems; and
- Financial risks associated with UK's exit from the European Union

## Plans for future periods

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

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

# Structure, governance and management

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

## Subsidiary legal entities

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

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

## Board of Trustees

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

The Board currently consists of:

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

## Identification and induction of new trustees

New trustees are identified by fellow trustees together with the Chief Executive Officer and invited to join the Board, following a process of due diligence and substantial engagement to ensure that PCi's charitable objectives are well understood by the incoming trustee. They are vetted in accordance with the Charity Commission guidance laid out in its publication CC30. Orientation for trustees, carried out by existing trustees and PCi senior management, includes familiarisation with:

- The duties and responsibilities expected of trustees and as outlined in CC3;
- PCi's legal framework and governance;
- PCi's finances (including audit reports);
- The mission of PCi and the principles that underpin the delivery of that mission; and
- The details of the current and future programmatic work of the organisation.

## Meetings, minutes and decision making

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

## **Risk Management Sub-Committee**

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

## **Financial controls**

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

## **Remuneration of key management personnel**

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

## **Management structure**

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

### *Management Team*

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

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

### *College of Advisers*

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

The College of Advisers provide:

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

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

# Reference and administrative details

**Registered office address:**

25B Lloyd Baker Street  
London  
WC1X 9AT

**Company registered number:**

07931944

**Charity registered number:**

1162997

**Chief Executive Officer:**

Fleur Auzimour Just

**Independent auditors:**

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

**Bankers:**

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

**Solicitors:**

Dechert LLP  
160 Queen Victoria Street  
London  
EC4V 4QQ

**Other financial services providers:**

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

# Trustees' Responsibilities Statement

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

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

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

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

## Disclosure of information to auditors

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

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

## Auditors

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

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

*Michael Holland*

.....  
**Michael Holland**  
**Trustee**

# Independent Auditors' Report to the Members of Peaceful Change Initiative

## Opinion

We have audited the financial statements of Peaceful Change Initiative for the year ended 30 March 2020 set out on pages 36 to 51. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

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

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

We have nothing to report in this regard.

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

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

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

### **Responsibilities of Trustees**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

## **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

## **Goodman Jones LLP**

Chartered Accountants

29-30 Fitzroy Square  
London  
W1T 6LQ

Date: 23-11-20

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

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

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

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

# Peaceful Change Initiative

## Balance Sheet as at 30 March 2020

Company number 07931944

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

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Trustees on 19 November 2020, and signed on their behalf, by:

*Michael Holland*

.....

**Michael Holland**  
**Trustee**

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

# Statement of Cash Flows

## For the year ended 30 March 2020

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

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 1. General information

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

### 2. Accounting Policies

#### 2.1 Basis of preparation of financial statements

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

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

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

#### 2.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 24. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

#### 2.3 Going concern

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 2. Accounting Policies (continued)

#### 2.4 Consolidation

The Charity operates internationally and has established a legal entities in Libya (Peaceful Change Initiative, Libya - registered as a Civil Society Organisation), Tunisia (Peaceful Change Initiative, Tunisia), and Ukraine (Representative Office of Peaceful Change initiative a division of a foreign non-governmental organisation)). These entities are to enable operation of PCi at local level and all operations and accounting transactions are managed and accounted for through the UK charity for all entities. As such consolidated financial statements are not required.

#### 2.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### 2.6 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grant income is recognised once the above criteria are met, together with any performance conditions attached to the grant. Grant income is deferred when the Charity has received the funds but has not yet met the recognition criteria, including fulfilling all relevant performance conditions.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from charitable activities is recognised in the period in which it is receivable and to the extent that the associated services have been completed.

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 2. Accounting Policies (continued)

#### 2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

#### 2.8 Expenditure

Expenditure is recognised inclusive of irrecoverable VAT once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

#### 2.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

#### 2.10 Tangible fixed assets and depreciation

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

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

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

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

## For the year ended 30 March 2020

### 2. Accounting Policies (continued)

#### 2.11 Debtors

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

#### 2.12 Cash at Bank and in hand

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

#### 2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

#### 2.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### 2.15 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 2.16 Foreign currencies

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 2. Accounting Policies (continued)

#### 2.17 Pension

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

### 3. Income from donations and legacies

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

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

### 4. Income from charitable activities

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 5. Analysis of expenditure by activities

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

### Analysis of support costs

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 6. Analysis of grants

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

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

### 7. Staff costs

Staff costs were as follows:

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

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

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

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

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

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 8. Trustees' remuneration and expenses

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

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

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

### 9. Tangible fixed assets

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

### 10. Debtors

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 11. Creditors: Amounts falling due within one year

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

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

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 12. Statement of funds

#### Statement of funds - current year

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

129,500

#### Statement of funds - prior year

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

Restricted comprise the following:

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

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

**Black Sea** - this programme focuses on strengthening the capacity of civil society organisations to design and carry out effective peace and confidence building projects across conflict boundaries.

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 13. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

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

#### Analysis of net assets between funds - prior year

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

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

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### 15. Analysis of cash and cash equivalents

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

### 16. Analysis of changes in net debt

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

### 17. Pension commitments

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

### 18. Operating lease commitments

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

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

### 19. Related party transactions

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

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

# Notes to the Financial Statements

## For the year ended 30 March 2020

### **20. Controlling party**

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