

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.

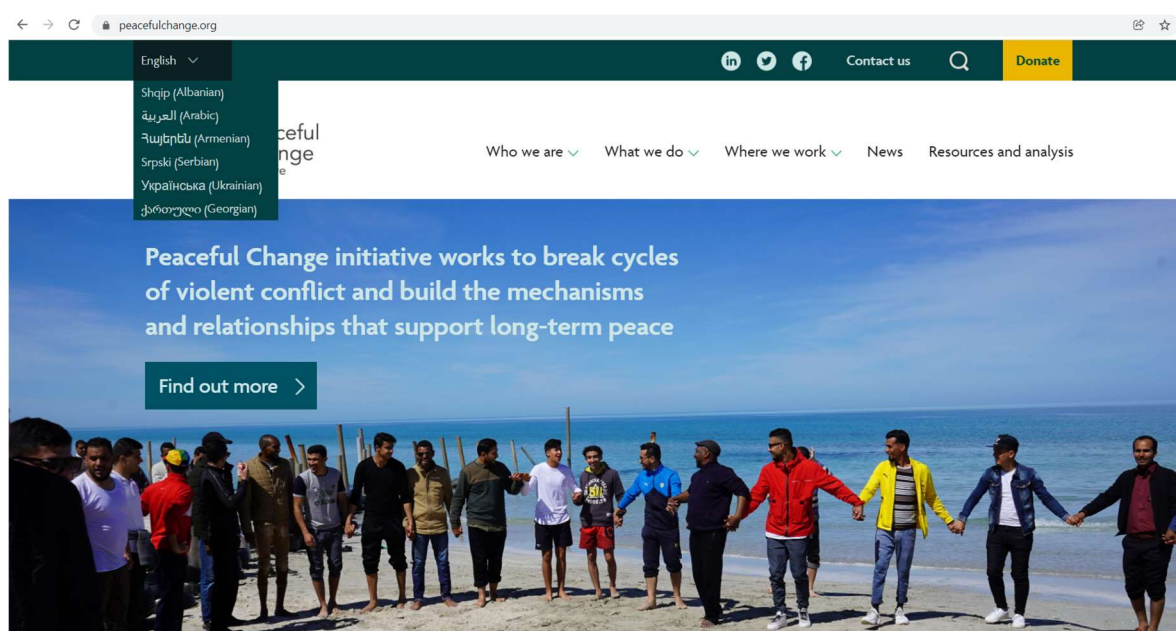
7. Successfully raise unrestricted funding

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

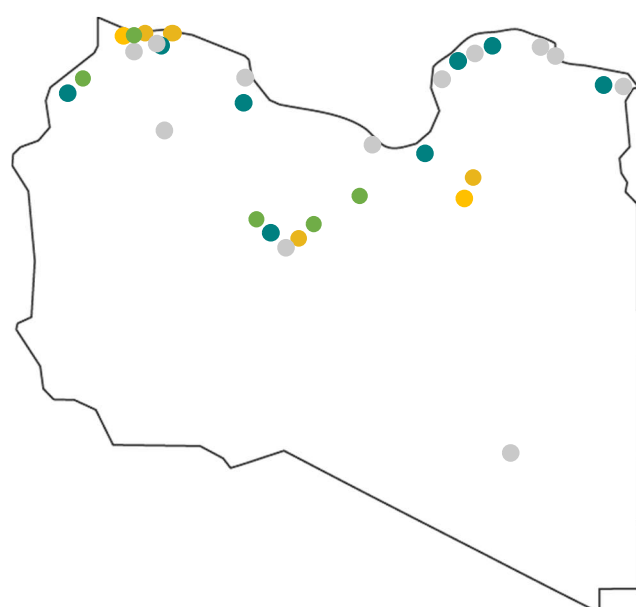
with the Social Peace Partnerships. This is creating the conditions for improved stability and governance, increased opportunities for social cohesion, and the reduction of conflict in communities in the east, south, west and central areas of the country.

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
Sabratra
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.



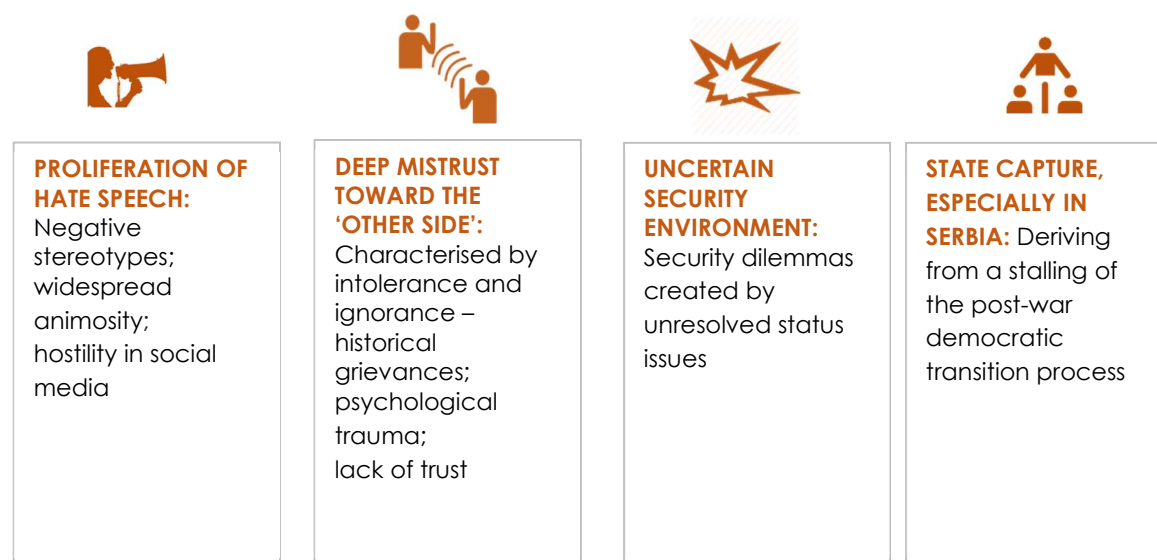
Jars of date jam produced by a factory established through a PCi twinning initiative between the Social Peace Partnerships of Jakharra, Jalu and Ajdabiya. The label reads *Social Peace Partnership of Jakharra – Jakharra Date Syrup Factory*

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. 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 £
Income from:					
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>
Total income		<u>39,877</u>	<u>3,799,369</u>	<u>3,839,246</u>	<u>2,502,142</u>
Expenditure on:					
Charitable activities	5	<u>32,096</u>	<u>3,580,472</u>	<u>3,612,568</u>	<u>2,707,072</u>
Total expenditure		<u>32,096</u>	<u>3,580,472</u>	<u>3,612,568</u>	<u>2,707,072</u>
Net surplus before other recognised gains and losses		7,781	218,897	226,678	(204,930)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		7,781	218,897	226,678	(204,930)
Reconciliation of funds:					
Total funds brought forward		<u>39,697</u>	<u>500,978</u>	<u>540,675</u>	<u>745,605</u>
Total funds carried forward		<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	£	£	£
Fixed assets				
Tangible assets	9		8,114	2,422
Current assets				
Debtors	10	833,750		400,839
Cash at bank and in hand		<u>898,240</u>		<u>399,166</u>
		1,731,990		800,005
Creditors: amounts falling due within one year	11	<u>(972,751)</u>		<u>(261,752)</u>
Net current assets			<u>759,239</u>	<u>538,253</u>
Net assets			<u>767,353</u>	<u>540,675</u>
Charity Funds				
Restricted funds	12		719,875	500,978
Unrestricted funds	12		<u>47,478</u>	<u>39,697</u>
Total funds			<u>767,353</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 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	14	<u>509,428</u>	<u>(71,780)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(10,354)</u>	<u>(3,633)</u>
Net cash used in investing activities		<u>(10,354)</u>	<u>(3,633)</u>
Change in cash and cash equivalents in the year		(499,074)	(75,413)
Cash and cash equivalents brought forward		<u>399,166</u>	<u>474,579</u>
Cash and cash equivalents carried forward	15	<u>898,240</u>	<u>399,166</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 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	-	3,799,369	3,799,369	2,456,587
Total 2020	3,070	3,759,909	3,799,454	2,459,657
	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	39,792	-	39,792	42,485
Total 2020	39,792	-	39,792	

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

	Grants to Institutions 2021 £	Total 2021 £	<i>Total 2020 £</i>
Conflict resolution	<u>187,209</u>	<u>187,209</u>	<u>199,529</u>
Total 2020	<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:

	2021 £	2020 £
Wages and salaries	1,082,460	1,035,724
Social security costs	36,542	33,959
Other pension costs	23,274	15,396
	<u><u>1,142,276</u></u>	<u><u>1,085,079</u></u>

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

	2021 No.	2020 No.
Administration and management	4	3
Projects	<u>18</u>	<u>19</u>
	<u><u>22</u></u>	<u><u>22</u></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 £
Cost	
At 31 March 2020	32,760
Additions	<u>10,354</u>
At 30 March 2021	<u>43,114</u>
Depreciation	
At 31 March 2020	30,338
Charge for the year	<u>4,662</u>
At 30 March 2021	<u>35,000</u>
Net book value	
At 30 March 2021	<u><u>8,114</u></u>
At 30 March 2020	<u><u>2,422</u></u>

10. Debtors

	2021 £	2020 £
Due within one year		
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

	2021 £	2020 £
Funds held as agent	6,420	8,501
Trade creditors	138,177	85,701
Other creditors	-	-
Accruals and deferred income	828,154	167,550
	<u>972,751</u>	<u>261,752</u>

	£
Deferred income	
Deferred income at 31 March 2020	<u>76,823</u>
Resources deferred during the year	76,823
Amounts released from previous years	<u>(371,394)</u>
Deferred income at 30 March 2021	<u>371,394</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 £
Unrestricted funds					
General Funds	<u>39,697</u>	<u>39,877</u>	<u>(32,096)</u>		<u>47,478</u>
Restricted funds					
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 £
Unrestricted funds					
General Funds	<u>41,933</u>	<u>45,555</u>	<u>(45,678)</u>	<u>(2,113)</u>	<u>39,697</u>
Restricted funds					
Libya Programs	692,156	2,227,418	(2,418,596)	-	500,978
Syria Programs	11,516	-	(11,516)	-	-
Black Sea Programs	-	229,169	(231,282)	2,113	-
	<u>703,672</u>	<u>2,456,587</u>	<u>(2,661,394)</u>	<u>2,113</u>	<u>500,978</u>
Total funds	<u>745,605</u>	<u>2,502,142</u>	<u>(2,707,072)</u>	-	<u>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)	226,678	(204,930)
Adjustment for:		
Depreciation charges	4,662	1,433
Decrease/(increase) in debtors	(432,911)	96,722
Increase)/(decrease) in creditors	710,999	34,995
Net cash (used in)/provided by operating activities	<u>509,428</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>898,240</u>	<u>399,166</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>399,166</u>	<u>(69,811)</u>	<u>399,166</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.