



Peaceful
Change
initiative

ANNUAL REPORT

31 MARCH 2022 – 30 MARCH 2023

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ANNUAL REPORT

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

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

CHAIR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

William Peace

Chair of the Board of Trustees

OBJECTIVES AND ACTIVITIES

CHARITABLE OBJECTIVES

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

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

These objectives are achieved through the following activities:

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

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

OUR WORK

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

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

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

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

HOW WE MAKE A DIFFERENCE

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

KEY EVENTS IN THE YEAR

In the reporting period:

In April 2022:

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

In June 2022:

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

In September 2022:

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

In October 2022:

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

In December 2022:

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

In February 2023:

- PCi began preparations for achieving Cyber Essentials Plus certification.

ACHIEVEMENTS AND PERFORMANCE

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

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

LIBYA

The Social Peace and Local Development project (SPLD):

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

MOZAMBIQUE

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

SERBIA-KOSOVO

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

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

SWITZERLAND

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



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

LIBYA

THE CONTEXT

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

HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

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

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

WORKING AT THE LOCAL LEVEL

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

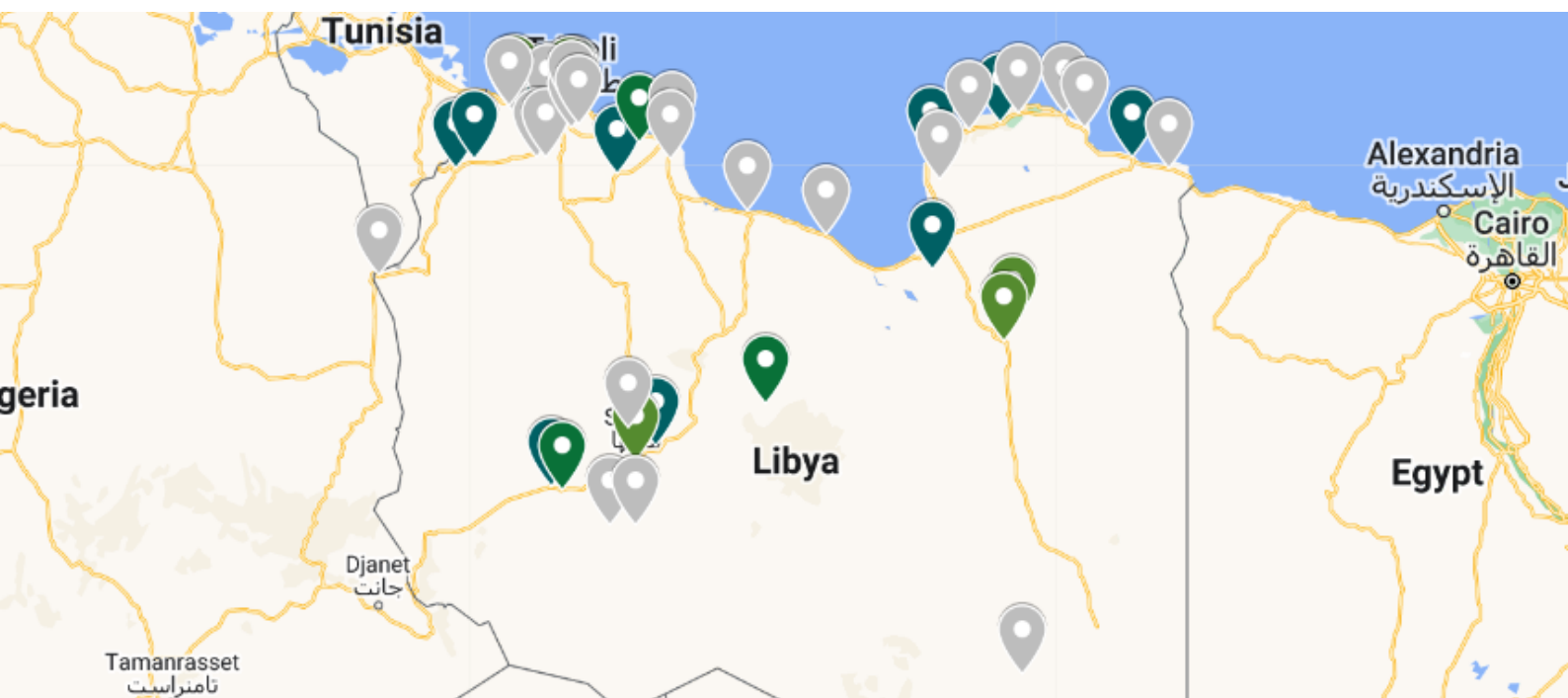
Actions

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

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

What is Social Peace and Local Development (SPLD)?

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



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

Social Peace Partnerships (SPPs)

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

Tier One – direct support



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

Tier Two – direct support



- Al Gharifa
- Jalu
- Jkherra
- Sabha
- Zuwara

Tier Three – direct support



- Alkhoms
- Aljmail
- Derna
- Khalij Sedra

Ad hoc support – UNDP Recovery and Resilience Governance project –



Self-generated

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



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

Impact

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

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

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

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

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

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

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

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

WORKING AT THE INTERNATIONAL LEVEL

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

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

Actions and impact

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

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

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

Challenges we faced

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

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

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

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

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



Above: family in the town of Taworgha, Libya.

MOZAMBIQUE

THE CONTEXT

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

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

WORKING AT THE NATIONAL LEVEL

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

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

Actions and impact

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

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

WORKING AT THE INTERNATIONAL LEVEL

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

Actions and impact

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

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



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

SERBIA–KOSOVO

THE CONTEXT

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

HOW ORDINARY CITIZENS EXPERIENCE CONFLICT

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

WORKING AT THE LOCAL LEVEL

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

Actions and impact

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

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

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

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

WORKING AT THE NATIONAL LEVEL

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

Actions and impact

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

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



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

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

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

Challenges we faced

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

PROVISION OF PCI TECHNICAL SUPPORT TO PEACEBUILDING AND AID PROJECTS

SWITZERLAND

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

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

This work takes place exclusively in Switzerland.

INTERNATIONAL

Provision of technical conflict sensitivity support to aid programmes

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

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

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



Above: United Nations office, Geneva, Switzerland.

COMMUNICATION ON ENGAGEMENT WITH THE UN GLOBAL COMPACT

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

In the reporting period:

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

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

FINANCIAL REVIEW

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

In the reporting year we received funding from:

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

We also carried out consultancy work for organisations including:

- WeWorld GVC

- CESVI
- The Belong Local Government Network

FUNDRAISING

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

RESERVES POLICY

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

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

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

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

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

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

RISKS AND UNCERTAINTIES

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

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

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

PLANS FOR FUTURE PERIODS

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

SUBSIDIARY LEGAL ENTITIES

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

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

BOARD OF TRUSTEES

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

The Board currently consists of:

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

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

IDENTIFICATION AND INDUCTION OF NEW TRUSTEES

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

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

MEETINGS, MINUTES AND DECISION MAKING

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

RISK MANAGEMENT SUB-COMMITTEE

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

FINANCIAL CONTROLS

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

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

MANAGEMENT TEAM

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office address

25B Lloyd Baker Street
London
WC1X 9AT

Company registered number

07931944

Charity registered number

1162997

Chief Executive Officer

Fleur Auzimour Just

Independent auditors

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

Bankers

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

Solicitors

Dechert LLP
160 Queen Victoria Street
London
EC4V 4QQ

Other financial services providers

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS


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

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

AUDITORS

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

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



William Peace
Chair of the Board of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEACEFUL CHANGE INITIATIVE

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

These procedures included:

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

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

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

gery or intentional misrepresentations, or through collusion.

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

USE OF OUR REPORT

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

Goodman Jones LLP

Goodman Jones LLP

Chartered Accountants
Statutory Auditors

29 30 Fitzroy Square
London
W1T 6LQ

Date: 4 December 2023

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

FINANCIAL STATEMENTS AND NOTES

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 30 March 2023

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

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

BALANCE SHEET

as at 30 March 2023

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

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

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



William Peace
Chair of the Board of Trustees

Date: 4 December 2023

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

STATEMENT OF CASH FLOWS

For the year ended 30 March 2023

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 March 2023

1. General information

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

2. Accounting Policies

i. Basis of preparation of financial statements

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

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

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

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

ii. Company status

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

iii. Going concern

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

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

iv. Consolidation

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

v. Fund accounting

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

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

vi. Income

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

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

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

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

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

vii. Interest receivable

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

viii. Expenditure

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

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

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

ix. Government grants

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

x. Operating leases

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

xi. Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Fixtures and fittings - 33.33% straight line

xii. Stocks

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

xiii. Debtors

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

xiv. Cash at Bank and in hand

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

xv. Liabilities and provisions

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

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

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

xvi. Financial instruments

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

xvii. Taxation

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

xviii. Foreign currencies

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

xix. Pensions

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

3. Critical accounting estimates and areas of judgement

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

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

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

4. Income from donations and legacies

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

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

5. Income from charitable activities

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

6. Analysis of expenditure by activities

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

Analysis of support costs

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

7. Analysis of grants

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

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

8. Staff costs

Staff costs were as follows:

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

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

	2023 No.	2022 No.
Administration and management	4	4
Projects	19	19
	23	23

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	1

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

9. Trustees' remuneration and expenses

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

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

10. Tangible fixed assets

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

11. Debtors

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

12. Creditors: Amounts falling due within one year

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

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

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

13. Statement of funds

Statement of funds - current year:

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

Statement of funds - prior year:

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

Restricted funds comprise the following:

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

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

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

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

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

14. Analysis of net assets between funds

Analysis of net assets between funds - current year:

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

Analysis of net assets between funds - prior year:

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

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

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

16. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	548,654	565,818
Total and cash equivalents	548,654	565,818

17. Analysis of changes in net debt

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

18. Pension commitments

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

19. Operating lease commitments

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

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

20. Related party transactions

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

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

21. Controlling party

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