



# PEACE DIRECT FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDING 31 DECEMBER 2011



Supporting local action against conflict worldwide

FRIDAY



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COMPANIES HOUSE

*Picture: peacebuilder Disha Jayaweera unites Tamils and Sinhalese at a workshop in Sri Lanka. Her work was recognised by two international awards in March 2012.*

## CONTENTS

	page
Officers and financial advisers	3
Report of the Trustees	4
Report of the independent auditor	18
Statement of financial activities	20
Balance sheet	21
Notes to the accounts	22

*Please note: These accounts represent a nine-month period because this year we moved our year-end forward from 31 March to 31 December.*

## **OFFICERS AND FINANCIAL ADVISERS**

Registered name	Peace Direct
Trustees	Roland Ward (joined 5 July 2011, Chair from 24 April 2012) Joan Link (Vice Chair) Michelle Tighe (Treasurer) Joan Carey (joined 6 September 2011) Dr Scilla Elworthy Andres Ilves (Chair until 24 April 2012) Sheila Kleyn (joined 6 September 2011) Dylan Matthews Dr Tim Othieno (joined 6 September 2011)  Vesna Matovic (Resigned 3 May 2011) Nicholas Bradbury (Resigned 3 May 2011)
Senior management	Carolyn Hayman, Chief Executive
Secretary	Robert Mathers (until 5 June 2011) Mathew van Lierop (from 6 June 2011)
Charity number	1123241
Company number	06458464
Registered office	Development House, 56-64 Leonard St, London EC2A 4LT
Patrons	Dame Margaret Anstee Prince El Hassan of Jordan Dekha Ibrahim Abdi (deceased 14 July 2011) Baroness Helena Kennedy QC Dame Emma Kirkby Mark Rylance
Bankers	Co-operative Bank, PO Box 101, 1 Balloon St, Manchester M60 4EP CCLA Investment Management Ltd, 80 Cheapside, London EC2V 6DZ
Independent auditors	Kingston Smith LLP, Devonshire House, 60 Goswell Rd, London EC1M 7AD
Solicitor	John Byrne & Co, Sheraton House, Castle Park, Cambridge CB3 0AX

## REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2011

The Trustees present their report together with the financial statements for the nine-month period ended 31 December 2011. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice (2005) 'Accounting and Reporting by Charities'.

### OBJECTIVES AND ACTIVITIES

#### Objectives

Our vision is of a world where local people lead in the resolution of their own conflicts, and local peacebuilding is at the centre of all strategies for managing conflict.

Our mission is to find, fund and promote locally led peacebuilding worldwide.

1. **Find:** We seek out effective and visionary local organisations and individuals working to end conflict and build peace in their own countries.
2. **Fund:** We fund them to do what they think will be most effective in their unique context – we don't tell them what to do.
3. **Promote:** We put them in contact with people in power – including donors, international agencies and the media. In pursuit of this, we wish Peace Direct to be recognised as a leading authority on local peacebuilding.

#### Summary of activities

Our work continued to challenge prevailing assumptions among aid professionals and donors about what can be achieved by local people in conflict-affected countries. As one donor commented, 'It's been amazing what you've been able to accomplish in an active conflict area.'

The year's activities pursued the three strands of our mission:

**1 & 2 Find and fund:** At the end of 2011, we were funding locally led peacebuilding initiatives in Sudan, South Sudan (including a cross-border project on oil-related conflict), DRC, Zimbabwe, Nepal, Sri Lanka, Pakistan and Kashmir, and one in London. The largest project (approximately £135,000 in this period), in South Kordofan in Sudan, has involved setting up Peace Committees to prevent local-level conflicts escalating into all-out war. Full details of all these projects can be found at [www.peacedirect.org](http://www.peacedirect.org).

**3 Promote:** Our work in promoting locally led peacebuilding falls into three parts. Firstly, our website, Insight on Conflict ([www.insightonconflict.org](http://www.insightonconflict.org)) covers the work of over 600 local peacebuilding organisations in 19 conflict areas, together with a twice-weekly blog and a monthly research digest. It is on course to attract about half a million visits a year from all over the world. Secondly, we work with the media to profile our peacebuilders' work and get their voices heard on conflict-related issues in their own countries. Gulalai Ismail, working in the dangerous Swat Valley in Pakistan, said that young people were more willing to join her project challenging radicalism because they had seen her speaking in the Western media. And finally, we lobby politicians and civil servants with personal briefings and published case studies making the point that locally led peacebuilding can be both large scale and effective – most recently *Coming Home*, a study of community-led DDR in DR Congo ([www.peacedirect.org/coming-home](http://www.peacedirect.org/coming-home)).

## HIGHLIGHTS OF THE PERIOD

### 1 & 2. Finding and funding local peacebuilding organisations

In our 2011-2016 strategic plan, we envisaged working with our existing partners for the first two years. Accordingly we did not begin any new relationships. We began the process of agreeing formal partnership plans with all of our partners, in order to be able to plan joint fundraising and influencing activities. The first plan was signed with one of our DRC partners, Centre Résolution Conflits, and we hope to complete the rest by the end of March 2012.

In terms of funding, we fell slightly short of our target of raising £375,000 in international project grants, and sending 80% - £300,000 to our partners. However, as a result of running down our restricted balances, we were able to transfer a total of £266,394 to our international partners. In July we began to enlarge our fundraising capacity, with the long term aim of accessing EU and government funding, which can be put alongside trust funding and individual giving from the UK, Europe and USA.

In addition to funds, we provide non-financial support to partners which is highly valued by them. This includes assistance with writing grant applications, building their financial systems and reporting abilities, monitoring and evaluation, and representation at regional and international forums. It also includes gathering them at our series of Peace Exchanges to share insights with fellow peacebuilders from around the world. We also provide promotional assistance – see below.

#### Where we worked in the period



## AFRICA

### D R Congo: £45,345 grants made

In DRC, both our partners scaled up their work. In South Kivu, the Fondation Chirezi created 5 peace courts, delivering rapid and affordable justice, and thereby preventing conflicts developing, to a community totalling 200,000 people, who would never be able to use the formal justice system. The focus on land justice was shared by the Centre Résolution Conflits, in North Kivu, who are continuing their work resettling internally displaced people coming home, and demobilising militia members. With a new grant sourced via Peace Direct from a US funder, they are exploring the possibility of using the same approach, profiled in 'Coming Home' ([www.peacedirect.org/coming-home](http://www.peacedirect.org/coming-home)), with members of the Lord's Resistance Army in the extreme north of the country.

## **Sudan and South Sudan: £135,634 grants made**

In South Kordofan, conflict between the armies of Sudan and South Sudan increased after South Sudan gained independence in July 2011. The Peace Committees nurtured by the Collaborative for Peace have continued to work throughout the conflict, often under extreme duress, dealing with tensions that have every potential to erupt into large-scale killing.

### **DILLING PEACE COMMITTEE IN SUDAN**

*Traditionally young people have been targeted by politicians who can play on the lack of employment and education with promises of a better life and jobs if they join in a war. This syndrome is common to many conflicts such as Sierra Leone. In Dilling in September, increasing numbers of young people were starting to copy the politicians' rhetoric and talk about joining in the violence. The Dilling Peace Committee were concerned that if young people joined in the fighting in large numbers, the fighting could become a full scale civil war.*

*They responded by choosing 30 young people from different tribes to attend a three day training session, where they alerted them to the possibility of deliberate provocations to violence, and trained them in non-violent ways of dealing with conflict. The young people gave their reasons for why they wanted to join the war – typically a lack of economic development and a feeling that others were getting a better deal – but at the end they agreed to travel around the area dispelling rumours and sharing what they had learned with friends and relatives who had already joined the armed groups. There were significant challenges in mounting this event, which took place to the sound of gunfire from the South Sudan army – the main one being the time taken to get permission to hold it from the Sudanese authorities in Khartoum and locally. The cost was £2,500. It is too early to judge the effect but the Dilling Peace Committee will monitor its effects.*

## **Zimbabwe: £23,971 grants made**

In Zimbabwe, Envision Zimbabwe maintained the police 'professionalisation' programme, training members of the police in non-violent conflict transformation and extending the same approach to members of the Council of Traditional Chiefs. We have found it particularly hard to raise funds for Zimbabwe.

### **Minor support: £429 grants made**

In addition, a small grant was made to FOMICRES in Mozambique for community policing, and non-financial support was provided to the Amahoro Youth Club in Burundi for peace education for young people.

## **ASIA**

### **Kashmir: £2,150 grants made**

In Kashmir, we made a last payment to support the Samanbals programme of women's havens and networks. Non-financial support was also provided to Yakjar to assist with their training of university students in tolerance across the religious divide.

### **Nepal: £5,698 grants made**

Nepal has moved decisively away from outright conflict, but a political stalemate means that local conflicts are easily politicised. Frontline Solutions, the new name chosen by our Nepali partner (formerly YAPE), have set up a telephone hotline which means that people across Khavre district (population 400,000) can call for help in dealing with conflicts before they escalate. About 30 calls per day are being received. In some cases Frontline give advice over the phone about how to deal with a conflict, or verify, because of their excellent record keeping, claims for compensation for injuries during the conflict. Where necessary, they will travel to the area and mediate in person.

#### **A HOTLINE CALL IN NEPAL**

*In October 2011 Hindu and Christian communities in the remote region of Nangregagarche, Kavre, celebrated the occasion of Dashain Festival by playing musical instruments. The Christian community had brought their instruments and were enjoying themselves by singing and dancing together in the church. When the Hindus arrived, they also wanted to play their instruments in the town but the noise was too great for both to do so. When they reached the Church a provocation started, and four men were beaten and badly injured.*

*Immediately after the incident, one of victims, Lal Bahadur Pradhan called the toll-free hotline and informed Frontline Solutions (FS) about the incident. FS took the contact numbers of all the main actors in the conflict from Mr. Pradhan, then called and requested all of them not to continue with the dispute because it risks diverting into a larger religious conflict between Christian and Hindu. FS also called all the local political leaders in order to create harmony between them, as well as informing the local and district police headquarters. The local police proceeded to bring the groups into their office and got agreements between them in the presence of local political leaders.*

*These efforts created harmony between two religious groups and minimized the possibility of religious conflict. This was done at in zero cost, using only the phoneline.*

#### **Pakistan: £16,280 grants made**

In Pakistan, Aware Girls intensified their work in persuading young people to turn away from extremism, reaching 900 young people. They also began their trauma healing programme with vulnerable women, funded through the Network for Social Change.

#### **YOUTH FOR PEACE IN PAKISTAN**

*One of the achievements of the recent Seeds for Peace training sessions is the case of the participant Mian Ihsan ud Din. Mian was one of the young people approached through study circles by Taufique. Mian's father had died in sectarian violence, and he wanted to take revenge of his father. Now he has successfully broken his cycle of revenge by talking together with other young people about the conflict and use of violence to solve his problems. Mian has now joined Seeds of Peace Network, and has been elected as the Coordinator of new Seeds of Peace.*

#### **Sri Lanka: £37,317 grants made**

In Sri Lanka, the Centre for Peacebuilding and Reconciliation (founded by Dishani Jawalyeera) began the process of integrating its work with religious clergy and with the Young Visionaries, to build bridges between the different religious and ethnic communities. Their work paid off during the floods.

#### **INTER-COMMUNAL HARMONY IN SRI LANKA**

*When the recent floods hit Sri Lanka, more than one million people were affected. The region most badly hit was Batticaloa – a largely Tamil area that had been at the centre of fighting in the last years of the civil war. The strength of the personal relationships that had been created was expressed many times by participants in the programme. One participant, a religious member from Batticaloa called Sivapalan, recalls*

*'I got a call from a Buddhist monk. He said "In the days of the war we were able to sleep without any problem even after seeing what the war had done to you, but now after getting to know you personally, we cannot even close our eyes when we heard about the floods."'- Fawmiya, Kathankudy*

*'We were displaced and had to move to a nearby school. There were many people and children there, and we didn't have food or drinking water. No one came to our help, not even the Government officials. As a*

*desperate attempt, I called a friend I met through Dishani's programme. He told me not to worry, only to tell him how many of us were there, and he will make arrangements to send food as soon as possible.*

*Many times he contacted me, till the food reached us, even checking if there were any special preparations to be done when cooking food for Hindus. It broke the barrier between our two communities. I am ashamed to say that when Kathankudy and Kalladi Muslims of the border village faced the same situation during the year 1990, our people robbed them instead of helping them.'*

Peace Direct sent a volunteer fundraiser to CPBR for two months. His work resulted in Dishani being runner up for the Coexist 2012 award.

## **UNITED KINGDOM**

### **Truce 20/20: £38,343 grants made**

The Truce 20/20 project delivered two 10-week conflict resolution programmes to 40 young people from Newham, one of the most diverse and deprived boroughs in the UK. Both programmes achieved an impressive retention rate of 98%, from which all the young people achieved at least one nationally recognised accreditation. Once trained, the Truce graduates took part in volunteering opportunities on local, national and even international levels, further reaching over 1,200 young people and adults. The volunteering opportunities included 30 workshops on how to deal with conflict in local schools and youth centres, facilitated 14 inter-faith and generational events addressing the issues of community cohesion and given presentations about the importance of locally led peacebuilding at three international events.

The Truce steering group consisting of young people has made an impact on policy through sitting on the Newham Youth Council panel, Independent Youth Advisory Group for Metropolitan Police on Stop and Search, sitting on various interviewing panels and a Management Committee of Conflict and Change.

### **ONLINE TRAINING IN LONDON**

*In order to address the 'live' issues of young people in the community, the Truce graduates developed an interactive conflict resolution tool that enables the viewers to identify the responses they use in daily conflict situations and how to deal with them in a constructive way. The fun educational tool 'Listen Up, Listen Hard' was scripted and performed by the Truce young people themselves, who have had a very positive feedback from the local schools and youth centres.*

### **Evaluation of our partners' work**

During this nine month period, as a result of the increasing scale of our funding for partners, we received more evaluations of our partners' work than in the whole of Peace Direct's previous life. The DfID grant, which came to an end on March 31, 2011 allowed us to commission independent evaluations of our partner's work in Zimbabwe, DRC, Sri Lanka and Sudan. The Baring Foundation with John Ellerman funded a separate but linked evaluation of DRC, and in November 2011, against considerable odds in terms of logistics and security, Integrity Research conducted surveys in S Kordofan reflecting the work of the Collaborative for Peace's Peace Committees. We publish summaries of all evaluations on our website. Due to the sensitive nature of some of our work, full copies of these reports are released on request from bona fide enquiries made to our Head of Communications on [jonathan@peacedirect.org](mailto:jonathan@peacedirect.org).

The evaluations concluded generally that our partners are able to achieve significant results in very hard conditions and can often operate in areas and in ways that many other organisations - especially the international community and governments - cannot. The theories of change that our partners choose have proved to be good and achievable in practice. Significantly, our partners have proved to be very



good at mobilising communities and other activists. By looking beyond established NGOs, our partners have utilised and strengthened an often overlooked part of civil society. Of course, there is always more work to be done and many lessons have come from the evaluations, and we continue to support our partners to work these lessons into their future planning.

We see evaluation as part of a process that begins with a conflict analysis (of the large scale changes that need to happen for a lasting and just peace to be established). Then, via a theory of change, we link this to an organisation's planned activities, the effect of which is assessed in terms of indicators nominated by those who will be most directly affected by the changes.

This represents quite a considerable intellectual superstructure for partners who may have begun their work driven by a more instinctive appreciation of the urgent needs in a particular conflict situation. We are working with each of our partners at a pace that is manageable, but with the ultimate aim of having all these components in place.

### 3. Promoting local peacebuilding

#### Insight on Conflict

In 2011 we aimed to strengthen Insight on Conflict's position as the leading authority on locally led peacebuilding by launching the renamed Ashoka blog, building traffic on both IoC and the monthly Newsletter, and conducting a proactive marketing pilot in three countries. Subject to resources, we also planned to expand the number of local correspondents. We achieved:

- 95 blog posts from both local and international experts on conflict. This proved to be an excellent way to build relationships with academics, journalists, politicians and policy makers
- 2,699 Monthly Newsletter subscribers at end 2011
- Traffic on IoC up by 98% to monthly visitors of 42,000.
- Sudan e-newsletter received by 412 individual subscribers, 100 MPs and 144 media contacts
- 154 targeted emails sent out to key people in three countries (13 responses received)

In 2011 Insight on Conflict played a large part in putting Peace Direct on the map for people working in the field of peacebuilding. For example, the Head of Conflict Department in the FCO circulated information about it to all of the FCO posts in conflict areas. Other tangible ways that Peace Direct has derived benefit from IoC include:

A meeting with a member of FCO Pakistan, requesting that Peace Direct bring local peacebuilding organisations to Islamabad to meet donors, as donors are unable to travel. This was the seed that has grown into the Islamabad Peace Exchange which took place in April 2012.

An invitation for Peace Direct's Chief Executive to be interviewed on BBC World (audience 72m) about the award of the Nobel Peace Prize to Liberian activist Leymah Gbowee.

We received positive feedback from a wide range of users, including a practitioner who wrote in response to a blog post:

#### ONLINE SHOWCASE WORLDWIDE

*'This is great the Darfur stories on local conflict resolution are of great help to my organization this day. This is because we have series of such local conflicts here right now in the Northwest region of Cameroon.... Our Organization, A Common Future, is planning a conflict resolution mission there and we would love to exploit the Darfur local examples as we plan to mobilize women there as peacebuilders.'* - Colbert Gwain, Our Common Future

#### Through the media

A full-length documentary, 'The Children Who Came Back from the Dead', focusing on the work of CRC with child soldiers, was shown in April on Channel 4, and we have been able to use it in a number of events subsequently. In terms of radio, our Pakistan partner Gulalai Ismail was interviewed

on Today, and our chief executive Carolyn Hayman on R4 ('Last Words on Dekha'), as well as on BBC World in connection with the Nobel Peace Prize. In the newspapers, patron Mark Rylance wrote a column in the Saturday Financial Times on why he supports us, and Congolese partner Henri Lady had a news feature in the Observer. In cyberspace, the Telegraph website published a film about Gulalai's visit to our east End project Truce 20/20, the Guardian website published a filmed interview with Henri and a written profile of Gulalai, and Prospect magazine's website published an opinion piece we commissioned from Lord Jack McConnell. Our DRC Local Correspondent, Floribert Kazingufu, was commissioned to write a piece for Open Democracy.

### **Influencing the aid process**

We worked with Peace Nexus, a Swiss not for profit organisation, on a pro bono study of opportunities to influence policy. This was originally conceived as an assessment of whether involving our local partners in donors' conflict assessment would provide a good entry point for them to build relationships. Its scope was in fact considerably wider, and gave us very useful feedback on our approach to influencing, as well as helping us to see how our world view differs from that of the major players. A key recommendation - that we work with others to build a body of evidence for the effectiveness of locally led peacebuilding - will be implemented in 2012.

Our German and US affiliates have both helped to build contacts for our influencing work, with the German affiliate initiating the first strategic relationship of the German Council on Foreign Relations (Germany's national foreign policy network), as well as a strong relationship with the Viridiana School of Government.

We published the case study of community-based DDR in the DRC, 'Coming Home' ([www.peacedirect.org/coming-home](http://www.peacedirect.org/coming-home)). Thanks to IKV Pax Christi, this was profiled in a series of meetings in the Hague and with the UN in New York. A recent World Bank meeting on DDR, in which Peace Direct participated from Kampala and Washington, suggests that this model of community-based DDR is increasingly being seen as an essential component of the reintegration phase of DDR.

We continued to brief UK Parliamentarians and policy-makers.

We submitted evidence to the International Development Committee for their work on Fragile States, including the recommendation that 'a proportion of funding to fragile states is given specifically to support genuinely locally led initiatives. The amount may be specific to each country, but might comprise for example 10%'. The Committee's report endorsed this. 'We recommend that DFID continue to invest at least 10% of its budget in the DRC on bottom-up community building programmes' (paragraph 81 of the report).

## **SUMMARY OF PROGRESS AGAINST PLAN**

We changed our year end to December to align with our new affiliates in Germany and the USA, so these results are for a nine-month period. This means our original annual plans are still running into our next year.

It was a period of significant overachievement and underachievement against the goals for the year, reflecting the current harsh financial realities but also the power of working with local peacebuilders, who can make things happen on the ground and react swiftly to stop conflict.

### **Supporting local peacebuilding**

#### **Six partners have strategic plans - partially achieved**

We ended the period with only one strategic plan, but intend to complete the rest by the end of March, our original year end. The plans are intended to make our fundraising, influencing and promotion for our partners more effective, by giving us a forward view of their plans. However, for many of our partners, it is a new way of working, and they need time to complete their planning processes.

#### **Development of a model of locally led monitoring and evaluation - achieved**

This is in use in Sudan, South Sudan and DRC. Local community provide the indicators that they believe show whether a project has succeeded, thus ensuring that projects are rooted locally.

### **Long term tracking of a partner - achieved**

We published Coming Home ([www.peacedirect.org/coming-home](http://www.peacedirect.org/coming-home)), a case study of our partner CRC's work on community based disarmament, demobilisation and reintegration, which covers the first three years of their work in this field

### **Effective working with US and German fundraising offices – achieved**

The long term goal of Peace Direct is to raise funds for locally led peacebuilding in the UK, USA and Germany, with a single coordinated plan for which projects to fund and to what extent. We instituted a monthly fundraising coordination meeting, which our German colleague can join via skype. We do not yet have a staff member in the US.

### **Anticipating and preventing future conflict**

#### **Build relationships with PAX, International Crisis Group – limited success**

We wanted to explore ways to integrate the perspectives of local peacebuilders into internationally focused advocacy from organisations such as the International Crisis Group and the start-up PAX. Relations with PAX are good but ICG have shown little interest in partnership. We accordingly developed a proposal based on bringing together local organisations in Burundi and S Kivu, featured on Insight on Conflict, to explore what kind of response they could mount if conflict suddenly escalated. We are waiting to hear from a potential funder. Meanwhile we have taken a lead in NGO consultation with the UK government for their review of the conflict analysis systems used by MOD, FCO and DFID, and prompted a focus on including local perspectives.

#### **Promoting locally led peacebuilding – Insight on Conflict**

##### **Launch blog – mostly achieved**

We launched a blog on Insight on Conflict, taking over from the Ashoka blog on peacebuilding. We have posted blogs from a wide variety of authors – local peacebuilding practitioners to senior politicians – meeting our target of 2-3 blog posts each week, but falling slightly short of the additional target of an average of one comment per blog.

##### **Grow traffic – overachieved**

We aimed to grow the traffic on Insight on Conflict to an annual total of 200,000 visits, and 1,500 signups to our monthly newsletter. Traffic for the nine months totalled 350,000 visits from 285,000 unique visitors. By the year end it was running at an annual equivalent of over 500,000. 2,699 people had signed up for the newsletter.

##### **Test marketing strategy – achieved**

We wanted to persuade particular groups to use Insight on Conflict, and test marketed this in three countries, receiving a 10% response. The UK Foreign Office forwarded information about Insight on Conflict to all of their posts in conflict areas, helping us to reach an important audience.

#### **Promoting locally led peacebuilding – influencing**

##### **Map influencing contacts and recruit and convene an advisory group – not achieved**

This was put on hold while we developed our strategy for influencing. We now believe we will be more effective doing this in partnership with other organisations, and are putting energy into a consortium publication on the theme of Local First.

##### **Support partners' influencing – limited success**

This is dependent on partners defining, in their partnership plans, who they want to influence. So we await their plans.

##### **Study of conflict analysis as an entry point for local peacebuilders – achieved**

We benefited hugely from a pro bono study carried out by Peace Nexus, which has helped to shape the way that we approach and interact with donors and multilateral organisations.

**Initiate research on the cost effectiveness of locally led peacebuilding – achieved**

We included comparative costs of local and international DDR programmes in our case study Coming Home, and this will be a feature of all the case studies in the Local First project

**Promoting locally led peacebuilding – media**

One full length documentary, one R4 piece, one press item – significantly overachieved

We achieved all of these, and significant additional coverage.

**Fundraising**

**Individual giving - partially achieved**

Fundraising targets were for the whole year, and therefore it is impossible to make a direct comparison Individual giving core income was ahead of an adjusted nine month forecast (£144,825 compared with £138,487) but restricted income was behind (£42,979 compared with £53,250).

**Trusts and foundations - partially achieved**

Core income from trusts and foundations at £35,000 fell slightly short of the target of £37,500. Project income for our peacebuilding partners fell considerably short, with £167,844 being raised compared with a target of £375,000 This was partly due to a large balance of restricted funds at the end of the previous financial year, which prevented us from raising more funds until these had been used coupled with the impact of conflict, particularly in S Kordofan, Sudan, on our partners' ability to absorb further funds. Use of restricted balances meant that we were able to meet the majority of our partners' funding needs, although raising funds sufficient to meet partners' aspirations in Sri Lanka and Zimbabwe has been challenging

**Reserves – not achieved**

Our target was to end the year with a very small increase in reserves In fact our unrestricted reserves fell by £50,000, but we ended the year still able to cover costs of closure on a minimal basis (which was calculated as actual cost of closure and was a lower figure than previously anticipated) Our three largest sources of unrestricted income all ended in March 2011 and although we had anticipated that this would cause problems, we were not able to replace them fully In addition we had unanticipated recruitment and other costs

**International expansion**

**USA – partially achieved**

We succeeded in getting our 501(c)3 charitable status approved for our US affiliate in December 2011, and gained project funding from three new US sources: Compton Foundation, Rockefeller Brothers, and an anonymous philanthropic intermediary.

**Germany – achieved**

Our German affiliate held its official launch in August 2011 and now has a locally funded part-time employee who is actively supporting both fundraising and Peace Direct's influencing strategy

Both affiliates are now self-financing after a small support grant was provided to the US affiliate.

**Governance and staffing**

**Recruit new UK Board members and replace Head of Finance – achieved**

We have a strong, diverse and committed UK Board of nine people, and a new part-time Head of Finance and Operations. In addition, we have enlarged our fundraising team, including a part-time post focusing on EU fundraising

## **PRIORITIES FOR 2012**

### **Overview of the operational plan for 2012**

This is the year when we need to demonstrate that we have a viable business model that can generate the income that we and our partners need at an affordable cost.

### **Finding and funding**

We will be working with our partners to tighten up communications between us, and continue to support the development of stronger monitoring and evaluation. We intend to assist at least one partner to significantly scale up their work, and to run at least one Peace Exchange in Pakistan, and if possible a second in Eastern DRC.

We hope that Truce 2020 will begin mapping conflict in Newham and proposing ways to address it.

Our new partnership with FOMICRES in Mozambique, on community policing, is an experiment in working in a country that is well beyond the '10 years post-conflict' danger zone, as is the inclusion of Guatemala into Insight on Conflict. In doing this, we are mindful of the fact that 90% of violent deaths now occur outside conflict countries as defined by conventional indicators.<sup>1</sup> Our learning from these experiments will feed into our consideration of options for new partnerships, one of which may be to support a new network in Pakistan, or to identify potential new partners in Africa, including a new project from our Local Correspondent in Burundi.

### **Influencing**

In terms of influencing, we will continue lobbying Parliament and the UK Government, commission an independent evaluation of Insight on Conflict as a tool for influencing beyond the UK, and will publish a set of case studies of locally led peacebuilding, broadly defined, which can act as a launch pad and evidence base for a 'Local First' campaign.

Full details of our operational plan for 2012 can be obtained from our Head of Operations.

## **RECOGNITION AND THANKS**

Once again we have been amazed at what our partners have been able to achieve, and it has been a source of satisfaction to be able to demonstrate to sceptical outsiders that local peacebuilders can and do continue to press for peace in the midst of violent conflict. The evaluations have revealed aspects of our partners' work that have developed organically – for example the 115 radio clubs in DRC which began as a means of contacting militia members still in the bush, but have developed into clubs for self-help and development.

The other half of the Peace Direct equation is our supporters. They responded to our slightly intense requests for funding towards the end of the year with unprecedented generosity. Our new Sustainers group have committed a total of almost £30,000 annually for three years, which enabled us to maintain all aspects of our work through a difficult six month period. Many of our supporters have raised funds for us, by running, partying or cooking. We'd particularly like to remember Andrew Soares who cooked curries for his colleagues at the FCO and gave Peace Direct the proceeds. After his sudden and tragic death, his father told us that his relationship with Peace Direct was one of the most important things in his life. Supporters like this encourage us when facing challenges, and give us the flexibility to respond to the needs of the work on the ground, as conflicts unfold in unpredictable ways.

We also thank the trusts and foundations who have funded us. Two thirds of them do not have peace or conflict resolution as an explicit focus, so we and they are extending the funds available to this field. And a special thanks to Google, whose generous donation of ads was one of the factors behind the rapid expansion of traffic to our Insight on Conflict website.

And finally, we thank all of those who work for Peace Direct, whether paid or unpaid, giving time and talents, ideas and resources. Peace Direct is all of the above. As much as we are proud of our

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<sup>1</sup> Geneva Declaration on Armed Violence 2011 report.

achievements, seeing what locally led peacebuilding can achieve makes us all the more determined to work for a world where it is truly central, large scale and transformative

## **PUBLIC BENEFIT STATEMENT**

The Trustees have had regard to Charity Commission guidance on public benefit. It goes without saying that the public benefit of peaceful and stable communities is well recognised and can be measured in a number of ways that include infant mortality, health, education, employment and economic prosperity. Reduced conflict overseas also benefits the UK in terms of enabling development funding to have a positive impact and creates greater stability worldwide. We are confident that the work that local peacebuilders do in conflict areas can only be of public benefit. The effect of this work is summarised in the table under 'Progress against Plan'.

The cost of conflict is high – in both human and financial terms. As public spending comes under growing scrutiny, policy makers know that prevention is nearly always better – and more cost effective – than cure. We aim to demonstrate that local is almost always more cost effective – sometimes by an order of magnitude – than bringing in outside help. Forty per cent of conflicts reignite within 10 years of a ceasefire, but there is a growing body of evidence that conflict prevention and resolution strategies that embrace local people have a greater chance of lasting. So, the UK public benefits will be realised initially in reduced public spending, and in the longer term by building civil societies where conflict can be resolved without violence.

Therefore, the Trustees consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The Charity's operations are governed by its Memorandum and Articles of Association dated 20 December 2007 (as amended December 2008). Peace Direct is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares. The company was registered as a charity on 18 March 2009 under registration number 1123241.

### **Recruitment and appointment of Trustees**

The Trustees in office during the year are set out on page 2. We actively seek out Trustees with specific skill sets through advertising, recommendations and on occasion recruitment agencies. New Trustees are approved by the whole Board. Trustees must be at least 18 years of age. The Trustees may from time to time appoint a person to fill a vacancy or to act as an additional Trustee. This appointment will be subject to approval of the Trustees at the next annual general meeting.

### **Organisation**

The Board meets 6 times a year. Its role is one of strategic oversight. It approves the budget, operational and strategic plans, appoints the Chair and Chief Executive and approves overall policy in relation to staff employment. Board Trustees contribute in many ways to particular aspects of Peace Direct's work, for example through sub-committees, mentoring staff, and advising on fundraising.

The Board also determines major issues that affect Peace Direct's public image – for example whether to endorse campaigns promoted by other organisations, whether to engage in forms of fundraising that might be deemed sensitive, and any issues with a legal dimension. It authorises expansion into other territories. All other decisions are delegated to the Chief Executive, who consults the Board collectively, or individually where they have expertise to contribute or where they are thought likely to have strong views on a particular issue.

### **Trustee induction and training**

Induction is tailored to the individual requirements of Trustees, but in all cases involves introduction to the whole staff team, review of the operating and strategic plan and review of the minutes of previous Board meetings

Trustees receive training through attendance at charity seminars put on by their professional advisors and through their technical briefings and newsletters. Our normal practice is to hold a strategic awayday with all staff and Trustees once a year

### **Related parties**

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

No Trustee received any remuneration from the Charity (2011 - £NIL) and none of the Trustees were reimbursed expenses incurred in the performance of their duties

### **Risk management**

The Trustees discussed and approved a full risk assessment at the May 2011 Board Meeting in line with the annual review of risk management

The Trustees confirm that they are satisfied that adequate control actions and monitoring processes are in place to mitigate the charity's exposure to major risks

- Operational – overseas and in UK
- Reputational
- Financial
- HR
- Governance

### **Internal controls**

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

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

### **Change of financial year end**

The Trustees elected to adjust the financial year end from 31 March to 31 December. This was taken to align the accounting periods of Peace Direct in the UK with Peace Direct affiliates in other countries

## **FINANCIAL REVIEW**

The change in financial year end has negatively affected income, as some grants only came through in what would have been Q4 of a 12-month year. In addition, Peace Direct's financial position was affected by the simultaneous ending of three main sources of core funding, from DfID, Joseph Rowntree Charitable Trust and the Network for Social Change. While this situation had been anticipated, it took longer than hoped to develop an alternative financial model not dependent on these sources of funds. A new fundraising strategy was put in place in July 2011, and the reforecast for financial year 2012 indicates that unrestricted reserves will increase by the end of the year.

Peace Direct's income decreased from £1,448,252 in the year ended March 2011 to £702,425 in the nine-month period ended 31 March 2011. Of this income, £297,443 was given for specific projects and the balance was unrestricted. Peace Direct made a deficit on unrestricted balances of £48,550 leaving reserves at £61,540. Our restricted reserves balance decreased by £163,137 as we were able to send funds out to partners that has been held over due to operational difficulties particularly in Sudan.

Despite all this, we achieved 89% of our target for funds sent to partners in the field.

Peace Direct currently holds £40,000 in interest free loans from individuals with a strong commitment to Peace Direct. These loans are repayable at the end of the period of the loans, unless so doing would mean that Peace Direct was unable to meet all its obligations in the course of closure. Thus lenders are accepting a degree of risk (see also note 11).

### **Principal funding sources**

Funding was split between personal donations from individuals and small grants (26.7%), grants from trusts and foundations, including those linked with companies (41.7%) and donated services (31.6%). For this period we did not receive any governmental funding.

As part of our risk management strategy moving forward we are striving to increase the fundraising from individuals as a percentage of the total as this provides a large part of the unrestricted funds which trustees are able to allocate where the need most arises. In addition we are investing in capacity to access EU funding, and government funding, which if successful will increase the grants we can make to partners.

The services donated included a strategic review of Peace Direct's influencing activities, and support in website advertising for both our websites.

### **Investment powers and policy**

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the charity. The Trustees have the power to invest in any way that they see fit. The Trustees have considered the most appropriate policy for investing funds. The funds not immediately required are held in an interest bearing bank account in a bank designed for the charity sector.

### **Reserves policy**

The Trustees have reviewed the reserves of the charity. This review covered the nature of the income and expenditure streams of the charity and the need to match variable income with fixed costs.

It is recognised that the charity needs to have sufficient cash and reserves to absorb short term fluctuations and larger setbacks in income receipts. In the course of the period, Trustees reviewed the policy on reserves, which aspires to have unrestricted reserves sufficient to cover cost of closure calculated plus two months' operating costs. Currently, however, reserves are sufficient to cover a minimum cost of closure, estimated by Trustees at December 2011 at £60,000 compared with actual unrestricted reserves of £61,540. Peace Direct loans of £40,000 are non-repayable on closure and are available to support reserves as necessary.

Trustees regularly review the adequacy of unrestricted reserves, having regard to the plans of the Charity and the wider economic climate. As usual, we will be reviewing our reserves policy this year with a view to trying to increase unrestricted reserves if and when possible.

### **Policy on grant making**

Peace Direct seeks to identify initiatives which have an established track record, a vision of how they could do more with greater resources, a commitment to non-violence and a willingness and ability to communicate about their work. In most cases, Peace Direct seeks out groups that meet these criteria, using a range of networks and contacts, and does not respond to unsolicited requests for funding. Grants made overseas are monitored to ensure that funds are spent on charitable purposes.



## **STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also Directors of Peace Direct for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **STATEMENT OF DISCLOSURE TO AUDITORS**

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



**Roland Ward, Chair**

**21 June 2012**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PEACE DIRECT**

We have audited the financial statements of Peace Direct for the period ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company and charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and its incoming/outgoing resources and application of resources, including its income and expenditure, for the period then ended, and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

- The charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The charitable company's financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures or trustees' remunerations specified by law are not made; or
- We have not received all the information and explanations we require for our audit

KT - SW LLP

Neil Finlayson, Senior Statutory Auditor

Date 25/6/2012

for and on behalf of Kingston Smith LLP,  
Statutory Auditor, Devonshire House, 60 Goswell Road, London EC1M 7AD

# STATEMENT OF FINANCIAL ACTIVITIES FOR THE NINE MONTHS ENDING 31 DECEMBER 2011

	Notes	Unrestricted funds £	Restricted funds £	9 months to 31 12.2011 £	12 months to 31.03.2011 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
<i>Voluntary income</i>					
Donations and grants	2	402,062	-	402,062	744,759
<i>Activities for generating funds</i>					
Other income		2,919	-	2,919	1,612
<i>Incoming resources from charitable activities</i>					
Donations and grants	3	-	297,443	297,443	701,881
<b>TOTAL INCOMING RESOURCES</b>		<b>404,982</b>	<b>297,443</b>	<b>702,425</b>	<b>1,448,252</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds	4	104,813	-	104,813	118,069
Charitable activities	5	328,198	461,580	789,778	1,130,560
Governance costs	6	19,521	-	19,521	18,524
<b>TOTAL RESOURCES EXPENDED</b>		<b>452,532</b>	<b>461,580</b>	<b>914,112</b>	<b>1,267,153</b>
Net (outgoing)/incoming resources		(47,550)	(164,137)	(211,687)	181,099
Transfers between funds		(1,000)	1,000	-	-
<b>Net movement in funds after transfers</b>		<b>(48,550)</b>	<b>(163,137)</b>	<b>(211,687)</b>	<b>181,099</b>
Funds brought forward		110,090	288,220	398,310	217,211
<b>Funds carried forward</b>		<b>61,540</b>	<b>125,083</b>	<b>186,623</b>	<b>398,310</b>

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

All movements derive from continuing activities.

The notes on pages 22 to 32 form part of these accounts

## BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	31.12.11 £	31.03.11 £
<b>FIXED ASSETS</b>	<b>8</b>	<b>10,699</b>	<b>3,434</b>
<b>CURRENT ASSETS</b>	<b>9</b>		
Debtors		49,309	10,565
Cash at bank and in hand		<u>204,552</u>	<u>482,483</u>
		<u>253,861</u>	<u>493,048</u>
<b>CREDITORS</b>			
Amounts falling due within one year	<b>10</b>	<u>37,937</u>	<u>58,172</u>
		<u>37,937</u>	<u>58,172</u>
<b>NET CURRENT ASSETS</b>		<b>215,924</b>	<b>434,876</b>
Total assets less current liabilities		<b>226,623</b>	<b>438,310</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	<b>11</b>	<b>(40,000)</b>	<b>(40,000)</b>
<b>NET ASSETS</b>		<u><b>186,623</b></u>	<u><b>398,310</b></u>
<b>Represented by:</b>			
Unrestricted funds	<b>12</b>	<b>61,540</b>	<b>110,090</b>
Restricted funds	<b>12</b>	<b>125,083</b>	<b>288,220</b>
		<u><b>186,623</b></u>	<u><b>398,310</b></u>

Approved and signed on behalf of the Board of Trustees on 21 June 2012



**Roland Ward, Chair**



**Michelle Tighe, Treasurer**

Company number 06458464

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of accounts

These financial statements have been prepared in accordance with applicable accounting standards and the statement of recommended practice; Accounting and Reporting by Charities, Statement of Recommended Practice, 2005

The financial statements have been prepared on an historic cost basis

#### 1.2 Income

Voluntary income including donations, legacies and grants that provide core funding or are of general nature are recognised when entitlement, certainty of receipt and the amount can be measured with reasonable reliability. Such income is only deferred when:

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

Income from charitable activities includes income received where the funds must be applied for specific purposes stipulated by the donor. Grant income included in this category provides funding to support performance activities and is recognised when entitlement, certainty of receipt and the amount can be measured with reasonable reliability. Income is deferred when

- Performance related grants are received in advance of the performance or event to which they relate
- Bank interest and investment income are included on a receipts basis
- Income Tax recoverable (Gift Aid), on donations received is included on an accruals basis

#### 1.3 Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimated sum based on the value of the contribution to the charity. The income equivalent is recognised within incoming resources as a donation, and equivalent costs included within resources expended under the relevant cost categories.

#### 1.4 Resources expended

Expenditure is recognised when a liability is incurred.

#### 1.5 Costs of generating funds

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

#### 1.6 Charitable activities

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

#### 1.7 Governance costs

Governance costs include costs associated with meeting regulatory and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**1.8 Support costs**

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

**1.9 Pension**

The pension costs charged in the accounts represent the contributions payable by the charity during the period in accordance with FRS 17.

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

Tangible fixed assets for use by the charity are stated at cost less depreciation.

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

- Computer equipment 3 years
- Fixtures and fittings: 4 years

Equipment is capitalised where the purchase price exceeds £500

**1.11 Funds structure**

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

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

**1.12 Grants**

Grants are written off in the period in which they are paid

**1.13 Operating leases**

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

**1.14 Irrecoverable VAT**

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

**1.15 Taxation**

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

## 2. VOLUNTARY INCOME – UNRESTRICTED FUNDS

	9 months to 31.12.2011 £	12 months to 31.03.2011 £
Donated services	222,149	81,102
Small grants and donations from individuals	136,913	116,051
HCD Memorial Fund	20,000	-
Gatsby Charitable Foundation	10,000	-
Rowan Charitable Trust	5,000	-
J&M Moody Stuart	3,000	2,000
CJM Charitable Trust	3,000	-
JA Trust	2,000	-
Network for Social Change	-	86,543
Department for International Development	-	402,000
Roger Ross - The Serve All Trust	-	18,789
Joseph Rowntree Charitable Trust	-	15,000
Richard Ferneyhough	-	10,000
Wychwood Trust	-	7,228
Stuart McLaughlin	-	6,046
	<u>402,062</u>	<u>744,759</u>

Peace Direct is very grateful to Google and Peace Nexus for providing Adwords and consultancy as pro bono services. The value placed on these contributions by the donors are £187,794 and £34,355 respectively. The income equivalents have been recognised within incoming resources as donations and corresponding expenses have been included within charitable activities expenditure.



### 3. INCOMING RESOURCES FROM ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	9 months to 31.12.2011 £	12 months to 31.03.2011 £
Rockefeller Foundation	43,062	-
Baring Foundation	39,994	65,180
Small grants and donations from individuals	25,429	47,104
Anonymous donor	25,249	7,000
Tudor Trust	24,000	24,000
Allan and Nesta Ferguson Trust	20,000	-
Stanley Thomas Johnson Trust	19,989	-
Compton Foundation	15,903	-
Newham Council	14,905	25,000
Network for Social Change	10,598	11,586
Amberstone Trust	5,993	20,000
Peace Direct Germany	5,028	-
Harold Hyam Wingate Foundation	5,000	-
Evan Cornish Foundation	5,000	-
Rowan Charitable Trust	5,000	-
Cyril Corden Trust	5,000	-
Bryan Guinness Charitable Trust	5,000	-
Richard Ferneyhough	5,000	-
Trusthouse Charitable Foundation	4,050	-
Roger Ross - The Serve All Trust	3,333	22,500
Southall Trust	3,000	-
Rathbone Charitable Trust	2,000	-
V Volunteering	1,910	11,884
Wychwood Trust	1,500	2,772
Cadbury Charitable Trust	1,500	-
Humanity United	-	194,063
Department for International Development	-	98,000
SES Foundation	-	61,922
US Institute for Peace	-	35,948
PACT	-	34,686
Dulverton Trust	-	15,000
Brillig Charitable Trust	-	10,000
London Funding Network	-	6,736
Rayne Foundation	-	5,000
Gibbs Charitable Trust	-	2,000
Open Gate	-	1,500
	<u>297,443</u>	<u>701,881</u>

#### 4. COST OF GENERATING FUNDS

	2011 unrestricted funds £	2011 restricted funds £	9 months to 31.12.2011 total costs £	12 months to 31.03.2011 total costs £
Direct staff costs	68,953	-	68,953	66,421
Other direct costs	17,072	-	17,072	34,838
Support costs	18,788	-	18,788	16,810
	<u>104,813</u>	<u>-</u>	<u>104,813</u>	<u>118,069</u>

#### 5a. COST OF CHARITABLE ACTIVITIES

	2011 unrestricted funds £	2011 restricted funds £	9 months to 31.12.2011 total costs £	12 months to 31.03.2011 total costs £
Grants awarded (Funding object)*	5,270	311,268	316,538	724,967
Influencing (Promotion object)	225,263	-	225,263	137,382
Direct staff costs	2,489	90,542	93,030	231,431
Other direct costs	4,706	59,770	64,477	-
Support costs	90,469	-	90,469	36,780
	<u>328,197</u>	<u>461,580</u>	<u>789,777</u>	<u>1,130,560</u>

\*(See note 5b)

## 5b. GRANTS AWARDED

	9 months to 31.12.2011 £	12 months to 31.03.2011 £
<b><i>Restricted fund grants</i></b>		
Collaborative for Peace in Sudan - Sudan	135,634	97,995
Centre for Peacebuilding and Reconciliation - Sri Lanka	37,317	58,869
Centre Resolution Conflicts - Congo	35,831	146,318
Envision - Zimbabwe	23,971	80,849
Aware Girls - Pakistan	16,280	21,306
Youth Alliance for Peace and Environments - Nepal	5,698	13,766
Foundation Chirezi - Congo	6,485	16,724
Goma Network - Congo	3,029	-
Athwaas/WISCOMP - Kashmir	2,150	8,000
Fomicres - Mozambique	429	373
Newham Conflict and Change - UK	38,343	66,314
SWIDAP - Sudan	-	47,438
Yakjar Reconciliation and Development Network - Kashmir	-	11,304
MAD - UK	-	10,000
Amohoro Youth Club - Burundi	-	5,730
Ita Ba Paz - East Timor	-	5,000
Partners for Democratic Change - Yemen	-	4,918
Co-operation for Peace and Unity - Afghanistan	-	2,000
Insight on Conflict	6,101	-
	<u>311,268</u>	<u>596,904</u>
<b><i>Unrestricted fund grants</i></b>		
Peace Direct USA	5,270	-
Other grants	-	128,063
	<u>316,538</u>	<u>724,967</u>

## 6. GOVERNANCE AND SUPPORT COSTS

GOVERNANCE COSTS	Unrestricted funds	Restricted funds	9 months to 31.12.2011 total costs	12 months to 31.03.2011 total costs
	£	£	£	
Audit costs	7,813	-	7,813	7,140
Other direct costs	3,250	-	3,250	920
Support costs	8,457	-	8,457	10,464
	<u>19,521</u>	<u>-</u>	<u>19,521</u>	<u>18,524</u>

SUPPORT COSTS	Cost of generating funds	Charitable activities	Governance	9 months to 31.12.2011 total costs	12 months to 31.03.2011 total costs
	£	£	£	£	£
Total costs	18,788	90,469	8,457	117,714	54,851
	<u>18,788</u>	<u>90,469</u>	<u>8,457</u>	<u>117,714</u>	<u>54,851</u>

NET INCOMING RESOURCES	9 months to 31.12.2011 total costs	12 months to 31.03.2011 total costs
	£	£
This is stated after charging:		
Audit fees - current year	7,200	7,140
Audit fees - prior year underprovision	613	-
Depreciation	3,805	2,723
Operating lease rentals	10,887	10,887

## 7. STAFF COSTS

	9 months to 31.12.2011 total	12 months to 31.03.2011 total
	£	£
Salary costs	196,599	263,286
National Insurance costs	18,776	25,908
Pension costs	5,184	12,574
	<u>220,559</u>	<u>301,768</u>

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

There were no employees whose annual emoluments were £60,000 or more (31 March 2011 - nil)

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

	9 months to 31.12.2011 total	12 months to 31.03.2011 total
Cost of generating funds	3.7	1.6
Charitable activities	5.8	5.3
Governance	0.3	1.6
	<u>9.8</u>	<u>8.5</u>

## **8. FIXED ASSETS**

	Computer equipment £	Fixtures & fittings £	Total £
<b>COST</b>			
As at 1st April 2011	30,478	4,385	34,863
Additions during period	11,071	-	11,071
Disposals during period	-	-	-
As at 31 December 2011	<u>41,549</u>	<u>4,385</u>	<u>45,934</u>
<b>DEPRECIATION</b>			
As at 1st April 2011	27,720	3,709	31,429
Charge for period	3,619	187	3,805
Disposals during period	-	-	-
As at 31 December 2011	<u>31,339</u>	<u>3,896</u>	<u>35,234</u>
<b>NET BOOK VALUES</b>			
As at 31 December 2011	<u>10,210</u>	<u>489</u>	<u>10,699</u>
As at 31 March 2011	<u>2,758</u>	<u>676</u>	<u>3,434</u>

## 9. DEBTORS

	31.12.2011	31.03.2011
	£	£
Grant debtors	32,535	-
Prepayments and other debtors	16,774	10,565
	<u>49,309</u>	<u>10,565</u>

## 10. CREDITORS: Amounts falling due within one year

	31.12.2011	31.03.2011
	£	£
Creditors and accruals	37,937	58,172
	<u>37,937</u>	<u>58,172</u>

## 11. CREDITORS: Amounts falling due after more than one year

	31.12.2011	31.03.2011
	£	£
Loans due after more than one year		
Repayable in five years or more	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

These are interest free loans to provide cashflow and longer term security for the charity (see Financial Review)

## 12. MOVEMENT IN FUNDS

	Balance 31.03.11	Incoming resources	Resources expended	Transfers between funds	Balance 31.12.11
	£	£	£	£	£
<i>Restricted funds</i>					
Network for Social Change	5,452	10,598	14,565		1,485
Wychwood Trust	-	1,500	300		1,200
PD Germany	-	5,028	5,028		-
Rowan Charitable Trust	-	5,000	5,000		-
Bryan Guinness Trust	-	5,000	1,000		4,000
Baring Foundation	22,403	39,994	40,148		22,249
Cadbury Trust	-	1,500	300		1,200
Rathbone Charitable Trust	-	2,000	2,000		-
Anonymous Donor Fund	-	25,249	5,050		20,199
Fetzer Institute	15,194	-	15,194		-
Compton Foundation	-	15,903	15,903		-
Evan Cornish Foundation	-	5,000	1,000		4,000
TrustHouse Charitable Trust	-	4,050	4,050		-
Rockefeller Foundation	-	43,062	5,223		37,839
Stanley Thomas Johnson Trust	-	19,989	19,989		-
Allan & Nesta Ferguson Trust	-	20,000	20,000		-
Amberstone Trust	13,586	5,993	19,579		-
Humanity United	123,647	-	120,542		3,105
United States Institute for Peace	35,948	-	34,665		1,283
Newham Council	11,985	14,905	26,890		-
The Tudor Trust	10,000	24,000	23,457		10,543
Southall Trust	-	3,000	3,000		-
The Serve All Trust	-	3,333	3,333		-
Dulverton Trust	15,000	-	15,000		-
HH Wingate Foundation	-	5,000	1,000		4,000
SES Foundation	10,785		10,785		-
R. Ferneyhough	-	5,000	5,000		-
Cyril Corden Trust	-	5,000	5,000		-
V Volunteering	-	1,910	1,910		-
Small grants & individual donations	24,220	25,429	36,670	1,000	13,979
Sub-total restricted funds	288,220	297,443	461,580	1,000	125,083
Unrestricted funds	110,090	404,982	452,532	(1,000)	61,540
Total funds	398,310	702,425	914,112	-	186,623

### 13. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	2011 Unrestricted funds £	2011 Restricted funds £	9 months to 31.12.2011 total costs £
Tangible fixed assets	10,699	-	10,699
Net current assets	90,841	125,083	215,924
Long term loans	(40,000)	-	(40,000)
	<u>61,540</u>	<u>125,083</u>	<u>186,623</u>

### 14. RELATED PARTY TRANSACTIONS

For the whole of the period, the charity was under the control of the Trustees as shown on page 3

No trustees were reimbursed for expenses during the period (2010-11 £nil) and no trustees received any remuneration from the charity (2010-11 £nil).

### 15. FINANCIAL COMMITMENTS

At 31 December 2011, the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	9 months to 31.12.2011 total £	12 months to 31.03.2011 total £
<b>LAND AND BUILDINGS</b>		
Operating leases which expire between two and five years	<u>8,379</u>	<u>8,379</u>