



Annual Report 2021

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Peace Direct Annual Report 2021

Trustees' report for 1 January-31 December 2021

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Officers and financial advisers

Trustees

Anthony Smith (*Chair*)
Nick Whitaker (*Treasurer*)
Belinda Bell
David Cutler
David Loyn
Niamh Neville
Stacey Haefele
Jennifer Larbie
Martine Kessy Ekomo Soignet (*appointed April 2021*)

Patrons

HRH Hassan bin Talal of Jordan
Baroness Helena Kennedy QC
Dame Emma Kirkby
Sir Mark Rylance
Scilla Elworthy

Company Secretary

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

Senior management team

Dylan Mathews (*Chief Executive*)
Charlotte Melly (*Head of International Programmes*) until June 2021
Harriet Knox Brown (*Head of Programmes and Research / Deputy CEO*) from June 2021
Neil Jarman (*Head of Policy and Research* until April 2021)
Gemma Britton (*Joint Head of Fundraising and Communications*)
Ryan Boyce (*Joint Head of Fundraising and Communications*) from August 2021
Katarzyna Khider (*Head of Finance and Operations*) to February 2022
Valerie Bloomfield (*Head of Finance and Operations*) from February 2022

Charity number

1123241

Company number

06458464

Registered office

Peace Direct, Second Floor, 72-74
Mare Street, London E8 4RT

Registered name

Peace Direct

Bankers

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

Ebury Bank,

42-44 Grosvenor Gardens,
London SW1W 0EB

Statutory Auditors

Moore Kingston Smith LLP
6th Floor,
9 Appold Street
London
EC2A 2AP

Solicitor

John Byrne & Co,
Sheraton House, Castle Park,
Cambridge CB3 0AX

Executive summary

The future for Ukraine, Afghanistan and many other places currently experiencing violent conflict and instability remains uncertain. What we do know is that it is ordinary people who will pay the highest price. While many of these countries experienced harrowing scenes of violence, in 2021, we were proud to have supported over 180 local organisations committed to building peace in their communities.

We were inspired by the remarkable bravery shown by people and communities who resisted oppression non-violently and dared to hope for peace in their country. People stood up against clampdowns on civil society in Myanmar, Sudan and elsewhere, and long overdue conversations took place on how to transform the humanitarian, development and peacebuilding sector from the shadows of colonialism. All this happened amid the ongoing global COVID-19 pandemic, violent takeovers, and economic uncertainty, where funding for local organisations remains a persistent challenge. To support local efforts around the world, we deepened our commitment to provide flexible funding for grassroots organisations through our small grant making programmes.

We supported these efforts; championing local leadership, equitable partnerships, and sustainability across our work.

Peace Direct continues to work in challenging contexts, and we expect the years ahead to be tough. Yet, we remain encouraged by and grateful for the continued support and generosity of our donors, who worked with us this year who have helped us to keep our work going.

Highlights of the year included:

- Directly supporting over 19,000 people in 15 countries through the work we have supported with local peacebuilders. We reached an estimated one million people through our programmes and projects in 2021.
- Developing and expanding our Local Action Fund and Youth Action for Peace programmes, providing 221 small grants to local initiatives tackling the root causes of violence in seven countries.
- Publishing our groundbreaking report 'Time to Decolonise Aid' which focused on the problem of structural racism in the humanitarian, development and peacebuilding sectors. The report was translated into over ten languages and over 30,000 people downloaded the report from 170 countries.

Executive summary

- Continuing our support for communities affected by violent conflict in the DRC. The Beni Peace Forum, our partner in eastern Congo, recorded 1,421 cases of security incidents and human rights violations through their violence monitoring network last year. These alerts helped keep communities safe, and vigilant to danger and imminent attacks.
- Launching our Afghan Solidarity Fund to support peacebuilding and women's rights organisations in response to the growing crisis in the country. In the first month of the Fund's launch in December, we raised £18,000.
- Securing multi-year grant funding from institutions and private foundations to support the scaling up of our Local Action Fund work in Myanmar, Mali and Afghanistan.

Peace Direct's Vision and Mission

Our vision

A just world, free from violent conflict

Our mission

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

Our values

We believe in:

Non-violence
Dignity and respect
Inclusion
Trust
Courage

We are:

Non-partisan
Entrepreneurial

Progress against our strategic plan

We made some encouraging progress towards our goals, despite the difficult funding environment. These are reported on below under our strategic objectives.

Strategic Goal 1

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

Highlights of our work include:

- **Supporting Local Action for peace:** We continued to refine our flexible funding model for peacebuilders in 2021, providing support through small grants. We delivered two flagship programmes, our Local Action Fund and Youth Action for Peace Programme, in seven countries. Working with 10 hub organisations, we supported 221 peacebuilding initiatives last year, a tenfold increase compared to five years ago. This work made it possible for many more youth and community peacebuilding groups to access much needed flexible and rapid funding, combined with mentoring and support to extend their networks. These programmes also supported organisations to adapt their approaches in volatile environments, notably in post-coup contexts in Myanmar and Sudan. Through the two programmes combined, we distributed approximately \$800,000 in small grants. This work supported diverse activities in multiple locations – tackling hate speech in Myanmar, responding to inter-communal conflicts in Sudan, and supporting youth violence monitoring groups in Mali.

- **Responding to Emergencies:** Since the Taliban takeover of Afghanistan in August 2021, civil society organisations have faced increased challenges to continue their work. We acted quickly to establish a partnership with a local organisation, Equality for Peace and Democracy (EPD), delivering projects to support and empower women and young people. In less than three months, we established our Afghanistan Solidarity Fund, set up initially to support local groups and civil society activists in five provinces in the country. In the first month since the Fund's launch in December, we raised £18,000 through public donations, and continue to actively fundraise among foundations and donors. This work has created a framework enabling support for civil society in Afghanistan in 2022 and beyond. Throughout the year, we mobilised support to respond to other urgent situations faced by our partners. We used our emergency grant mechanism under the Local Action Fund, as well as our own partner emergency support funds, to respond to specific outbreaks of violence and unrest. We mobilised over \$120,000 to help protect and relocate peacebuilders in Myanmar immediately post-coup, and to respond to violence in eastern Congo.
- **Forming New Partnerships:** This year, we began working with five new organisations in Syria, Nigeria, Afghanistan and Myanmar. Our partner in Syria, Sawaad'na, supports young people to recover from conflict and go back to school. LEGASI, our new partner in Nigeria, promotes the rights of women and girls affected by conflict. As part of our Local Action Fund in Myanmar, we developed partnerships with two new grantees in Rakhine state working with Rohingya and non-Rohingya communities on issues of women, peace and security, and social cohesion. We are excited about supporting these organisations in the year ahead.
- **Strengthening Partnerships:** In 2021, we continued our work with local partners around the world, working directly with 25 organisations.
 - The Beni Peace Forum, our partner in eastern Congo, continued strengthening their early warning early response network in DRC. 1,421 cases of security incidents and human rights violations were documented by the network last year, including violence, abduction and explosions. These alerts helped keep communities safe, and increase vigilance to danger and imminent attacks. To complement this work, we undertook further research into identity-based violence in eastern DRC (reported under goal 2).
 - In Eastern DRC, we continued working with Centre Résolution Conflits (CRC) on their 'Peace Gold' initiative. Peace Gold is supporting two mining cooperatives to produce ethical and environmentally friendly gold as a pathway to peace. Many of the workers and members of the co-operatives are ex-combatants. In 2021, CRC gave training to 40 people on identity-based violence; and another session on health and safety in mining, attended by 62 people.
 - Our Local Action Fund partner in Nigeria, Ladies Empowerment Goals and Support Initiative (LEGASI), supported initiatives focused on reducing communal violence and interethnic conflict. In one activity, they brought together 120 people from the Atyap, Hausa and Fulani communities to support dialogue and reconciliation.

Beyond supporting specific peacebuilding projects, we also provided accompaniment and mentorship to the organisations we worked with. We supported partners to strengthen their financial sustainability, for example through investing in social enterprise ideas for partners in DRC and Zimbabwe. We supported our partner in eastern DRC, the National Partnership of Children and Youth in Peacebuilding (NPCYP), to establish a vocational training initiative for young people in Goma. In Zimbabwe, we supported our partner Envision to set up and market a training programme on the Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) in Organizations. We also supported partners to access specialist services to respond to needs in wellbeing and physical and digital security. This included support for emergency protection and relocation support for human rights defenders facing risks to their lives.

Plans for 2022:

- Expand our Local Action Fund model to new countries and regions, including in further locations across Afghanistan
- Evaluate, refine and strengthen our small grant making model, to continue to provide flexible funding to local peacebuilders
- Launch pilot initiatives to support peacebuilding efforts in Colombia and the US
- Re-start international travel to partners. We plan to undertake accompaniment and support visits and facilitate international advocacy visits for partners to the US, UK and Europe. This will also include an update to our security and travel management procedures.

Strategic Goal 2

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

Highlights of our work include:

- **Decolonising Aid:** In May 2021 we launched 'Time to Decolonise Aid', our groundbreaking research report, sharing the findings from a global consultation examining racism in the aid sector. The report was translated into over ten languages and distributed to key contacts and stakeholders across the aid, development and peacebuilding sectors. We presented the findings to over 150 organisations including the Foreign Affairs departments of five countries, as well as to multilateral organisations such as the UN and the OECD. More importantly, the report has sparked a global conversation on the need to reform and transform the international humanitarian, development and peacebuilding system.
- **Stopping As Success (SAS+):** We delivered the second phase of the Stopping as Success project, funded by USAID. SAS+ involves piloting the tools developed in the first three years of research to accompany organisations through live transitions to local leadership. Last year, we undertook needs assessment workshops with seven partners who will likely receive accompaniment support through partnerships. We also set up a helpdesk transition service for organisations to receive quick, short-term support from the team, and established an advisory group of experts to support the process.
- **Locally-led Research:** As part of our work on tackling identity-based violence in the DRC, we released a research report exploring the role of political actors in identity-based violence in Beni territory, eastern DRC. The report is the first piece of research we have conducted that was locally-led at each stage, and fully informed by the work of our research partner, Research Initiatives for Social Development (RiSD).
- **Strengthening our Global Advocacy efforts:** To ensure that we are able to advocate effectively to the key holders of power across the peacebuilding system, we hired two new members of staff: a UK Advocacy Manager and a EU Representative, based in Brussels. We also developed our first global integrated advocacy strategy in 2021, which focuses on strengthening political will, commitment and policies to shift power and resources towards local peacebuilders. Our global advocacy strategy focuses on major themes including Youth, Peace and Security, Decolonising International Aid and Peacebuilding Practice, Shifting Funding Models, De-militarizing Foreign Policy, and Forced Migration. Our collective efforts with partners in the US and around the world contributed to a recent announcement by USAID Administrator Samantha Power that 25% of funding will go to local organisations.

- **Youth, Peace and Security:** We collaborated with our partners to highlight the potential of young people and the importance of supporting their work among key stakeholders. Our efforts resulted in the UN Secretary-General António Guterres citing Peace Direct and our Local Action Fund model as one of the ways organizations are addressing the funding gap in his forthcoming report. We were also able to work with our partners to mobilize support in the US Congress to introduce a bipartisan legislation in the US House of Representatives to recognise, empower, and resource young peacebuilders globally. At the United Nations, we worked with the Canadian, Nigerian, and Dominican Permanent Missions to the UN, and our partners, to facilitate a dialogue regarding funding models which would centre local peacebuilders.
- **Mapping Peace in the Sahel:** We continued our research and mapping of local peacebuilding groups in the Sahel region for the UN Peacebuilding Fund in 2021. We mapped over 360 organisations in Niger, Mali, and Burkina Faso through this project, adding new initiatives and updating information on existing work. We also produced a number of region-specific reports highlighting key information on peacebuilding and conflict across the Sahel. Finally, we submitted a synthesis report to the UN on this work, providing an overview of conflict dynamics and peacebuilding activities in the Liptako-Gourma region.
- **Supporting dialogue on local ownership:** We partnered with Interpeace on their 'Principles for Peace' Initiative to support three online consultations on local ownership in peace processes. The consultations looked at the role of local leadership in relation to peace structures. We supported Principles for Peace to develop a report sharing the findings of the first consultation, published in November.

Plans for 2022

- Pilot the SAS+ transition tools in deeper accompaniment with local partners, focusing on YAPP partners as a case study
- Publish our second 'decolonising' report, looking into peacebuilding practice
- Deepen our advocacy globally on how to shift power and resources within the peacebuilding system
- Produce the second and third summary reports on our series of consultations on local ownership in peace processes.

Strategic Goal 3

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

Highlights of our work include:

- **Successes in Public Fundraising:** We took part in the Big Give's Christmas Challenge, raising over £15,000 over the festive season. We also delivered four unrestricted fundraising appeals throughout the year, raising more than £20,000. In February, we organized an online yoga, fundraising challenge that raised £8,000, as well as an end-of-year virtual fundraiser featuring a partner in Nigeria that attracted more than £1,000 worth of unrestricted donations.
- **Growing Our Audience:** We continued our digital engagement programme to build our supporter base. Our email audience grew by over 11,000 subscribers, an increase of 87% since 2020, and we raised £5,500 through email fundraising. We recorded a 16% increase in website traffic in 2021 compared to 2020, with over 200,000 visitors this year.
- **Peace Insight:** We continued to share the latest news and analysis on local peacebuilding on our Peace Insight platform. Over the course of the year, we shared over 40 articles and resources from Colombia, Lebanon, India, Venezuela and Ukraine. The site was visited over 564,000 times last year, an increase from 2020.
- **Enhancing Public Engagement:** We continued our Peace Talks events programme in 2021, with three virtual events with activists from Afghanistan, Zimbabwe and the U.S. We engaged an average of 60 people per event, and the recordings were watched over 100 times each.
- **Building a Community of Ambassadors:** We made progress in our community outreach activities in 2021. We continued to cultivate our supporter group for US-based major donors called the Leadership Alliance, managed by our US team. Ten members are currently signed up since the launch of the group in 2020, and income from major gifts continues to see an uptick since 2018.
- **Platform 4 Dialogue:** In 2021, we continued to support organisations around the world to host consultations with researchers, practitioners, communities and activists on a range of topics and contexts using our bespoke discussion platform, Platform4Dialogue. We held 10 consultations, last year, raising over £16,569 and involving 1,000 people.
- **Securing new funding:** Securing multi-year grant funding from institutions and private foundations to support the scaling up of our Local Action Fund work in Myanmar, Mali and Afghanistan.

Plans for 2022

- Redevelop the Peace Direct website to attract new audiences, deepen engagement and increase donations.
- Launch a new communications strategy to inform our work.
- Continue our student engagement, #PeaceTalks and Leadership Alliance programmes to grow our community of supporters.

Strategic Goal 4

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

Highlights of our work include:

- **Diversity, Equity, and Inclusion (DEI):** We finalised our DEI action plan, developing Terms of References for the working group, and establishing plans for the year ahead. The group works to a five-year strategy for DEI, established in 2020, in which we set out commitments to make our programmes, research, fundraising and communications work as diverse, equitable and inclusive as possible. In April, we undertook a diversity, equity, and inclusion audit of our communications, working with an external consultant. Together, we have identified a range of recommendations to improve our communications outputs. We have now started the process of transforming our content development practise to be truly ethical and considerate of local communities. We look forward to continuing this work in 2022.
- **Global Advisory Council:** In 2021 we convened the first meeting of our Global Advisory Council (GAC), formed in 2020 to provide strategic oversight to the organisation. The 12 member Council, all local peacebuilders, provide advice and guidance to our leadership, and act as Ambassadors for us. In the first meeting, the group discussed how to decolonise the organisation.
- **Improving monitoring, learning and evaluation:** In 2021 we designed a monitoring, learning and evaluation (MEL) framework. This work will operate across three streams: organisational, local, and collaborative. Through close work with our partners, the framework focusses on exploring a locally-led, decolonised approach to MEL based on equality and co-production. It has been designed alongside core learning questions around how we deliver our programmes, communications and advocacy work. We are also exploring how to mainstream indigenous methodologies in our work.
- **Building our team:** We welcomed new staff members in 2021 to grow our impact and strengthen our systems. We created five new roles in the organization: Head of Programmes and Research/ Deputy CEO, Advocacy Manager, HR Manager, Decolonising the System Research Officer, and Content and Storytelling Officer. We also welcomed a new EU Representative to deepen our coordination with peacebuilding organisations and officials in Brussels.

- **Returning to the office:** Staff were able to return to the office for part of 2021, in line with government guidance. We trialled hybrid working between home and our London office to support team cohesion. We reviewed our flexible work policy, offering colleagues the opportunity to request different working arrangements, dependent on personal circumstances. We accommodated our first job-share role for the organisation, in order to meet the needs of our team.
- **Promoting wellbeing and learning:** Following our participation in the COVID-19 furlough scheme, we maintained protected time in the week for staff wellbeing. All full-time staff now work to 90% hours, with no change to salaries. This is to allow staff to dedicate Friday afternoons to personal wellbeing and self-care. We are also preparing to roll out protected space for learning and development in early 2022, for staff to develop their skills.

Plans for 2022

- Finalising our Diversity, Equity and Inclusion action plan.
- Developing new Finance and HR policies, including a Wellbeing policy.
- Reviewing our governance structure so that it supports greater integration, innovation and impact across the two Peace Direct entities.
- Roll out protected learning and development time for all staff.

Recognition and thanks

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

We are grateful for the continued financial support of the Department for International Development, Foreign and Commonwealth Office, the Swedish International Development Agency, and the UN Peacebuilding Fund; for our work in Burundi, Central African Republic, DR Congo, Mali, and Pakistan, as well as our peace mapping work. We thank USAID for the continued support to the Stopping As Success+ initiative.

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

We are also grateful to the Trusts, Foundations and other bodies that provided project funding of more than £10,000 per year, including the Alan & Babette Sainsbury Trust, European Partnership for Responsible Minerals, Commonwealth Foundation, Network for Social Change, Pax Sapiens, Ploughshares, PRBB, Principles for Peace, the Sir James Reckitt Charitable Trust, and the Sulney Fields Trust. Many other trusts and foundations provided us with grants of up to £10,000 and we are grateful for their support.

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

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

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

Structure, governance and management

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

Recruitment and appointment of Trustees

The Trustees in office in 2021 are set out on page 4. We actively seek out Trustees with specific skill sets through advertising, recommendations and other sources. New Trustees are approved by the whole Board. Trustees must be at least 18 years of age. The Trustees may from time to time appoint a person to fill a vacancy or act as an additional Trustee. This appointment is subject to approval of the Trustees at the next quorate Trustee meeting.

Organisation

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

Trustee induction and training

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

Related parties

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

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

No Trustee received any remuneration from the Charity (2020 – £nil) and none of the Trustees were reimbursed expenses incurred in the performance of their duties.

Risk management

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

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

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

They are summarised as follows:

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

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

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

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

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

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

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

Internal controls

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

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

Financial review

Peace Direct's income in 2021 was £3,927,942, which represents a 3.5% decrease compared to 2020 (£4,072,490). Given the tough funding environment, a 3.5% drop in income was not unexpected.

Institutional income received was £1,323,395 compared to £1,652,380 the previous year, a drop of 18%. This is largely due to the delay in completing activities for several large projects as a result of Covid, thereby pushing expenditure and corresponding income into 2022. Income from Trusts and Foundations, in contrast, saw an increase of almost 7% to £2,274,849 from compared to £2,130,306 in 2020. This is due to Peace Direct securing additional funding from the People's Postcode Lottery and new grant funding from Robert Bosch Stiftung. Donations from individuals stood at £214,964, down from £227,683 in 2020, a reduction of 5.6%. This included £33,782 of legacy income (2020: nil). We also received corporate donations totalling £4,200, against £6,018 in 2020, a drop of 30% due to not receiving income from The Good Gift Catalogue in 2021.

Expenditure on fundraising activities (including communications) fell by 13% in 2021 from £258,388 to £224,840. This is due to the difficulty in fundraising in 2021 due to the continued effects of the pandemic.

Expenditure on charitable activities fell by 10% from £3,518,976 to £3,154,556. This was due to various delays in project activities caused in large part by Covid restrictions.

Unrestricted funds showed a surplus after transfers of £183,109 compared to a surplus of £30,887 in 2020. This is due to the receipt of £93,349 from the CJRS Government Furlough grants, which helped cover staff costs during lockdown, and a sustained effort to cut costs in response to the challenging economic outlook caused by covid-19. This leaves the organisation with unrestricted reserves of £607,931 at the year end, compared to £424,822 at the end of 2020.

Restricted reserves increased to £1,234,548 compared to £936,640 in the previous year. This was largely a result of the delay in implementing some activities as a result of Covid-19, which are now being carried over into 2022.

Staffing costs and levels decreased during the year, from £969,157 in 2020 to £862,473. This was largely a result of all staff being on Furlough for 20% of their time for several months.

Average actual staff numbers decreased from 24 to 21.

Principal funding sources

Our income was split between individual donations (£214,948 = 5.5%), trust and foundation grants (£2,274,849 = 57.9%), institutional income (£1,323,395 = 33.7%), Furlough grant income (£93,349 = 2.4%), Platform 4 Dialogue and other income (£17,201 = 0.4%), and corporate income (£4,200 = 0.1%).

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

Investment powers and policy

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

Reserves policy

The Charity requires free reserves in order to:

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

The Trustees consider three month's unrestricted reserves as the minimum level that should be maintained. However in the medium to long term it is desirable to achieve a level of unrestricted reserves equivalent to six months' core expenditure, particularly in light of the volatility that is likely in the coming years as a result of Brexit, the economic effects of Covid-19 and the war in Ukraine. At 31 December 2021 this was calculated to be £555,000.

During the year ended 31 December 2021 free reserves stood at £607,931. Therefore the target of holding six months' core expenditure has been achieved.

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

Policy on grant making

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

Fundraising policy

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

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

We adhere to the guidance as provided by the Institute of Fundraising, and we are paid members of the Fundraising Regulator. In 2021 we received no complaints about our fundraising activity, either directly or via a third party, nor any reports on the Fundraising Preference Service.

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

Statement of Directors' and Trustees' responsibilities

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

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

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

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

Statement of disclosure to auditors

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

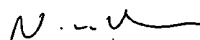
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

For and on behalf of the Trustees



Anthony Smith
Chair of Trustees

Date 18th July 2022



Nick Whitaker
Treasurer

Date 18th July 2022

Report of the independent auditors to the members of Peace Direct

Opinion

We have audited the financial statements of Peace Direct ('the company' for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
6th Floor,
9 Appold Street
London
EC2A 2AP

Date 7 September 2022



Financial statements
for 12 months ended
31 December 2021

Statement of financial activities for 12 months ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total 2020 £
INCOME FROM									
Donations	2	300,936	7,078	108,452	416,466	265,773	12,772	52,938	331,484
Charitable Activities	3								
International Programmes		-	2,482,777	123,623	2,606,400	-	2,640,336	117,607	2,757,943
Policy & Research		17,150	522,530	272,047	811,727	30,351	512,259	414,701	957,311
Other Income		-	93,349	-	93,349	87	25,666	-	25,753
TOTAL INCOME		318,087	3,105,734	504,122	3,927,942	296,211	3,191,034	585,246	4,072,490
EXPENDITURE ON									
Raising Funds	4	86,735	37,340	100,766	224,840	196,818	8,632	52,938	258,388
Charitable Activities	4								
International Programmes		34,123	2,467,840	106,516	2,608,478	13,060	2,447,940	99,679	2,560,679
Policy & Research		9,337	281,984	254,757	546,077	21,605	565,206	371,486	958,297
TOTAL EXPENDITURE		130,195	2,787,163	462,038	3,379,396	231,483	3,021,778	524,103	3,777,364
Net Surplus/(Deficit) From Operations		187,892	318,570	42,084	548,546	64,728	169,256	61,143	295,125
Net Unrealised Exchange gains/ (losses)		(9,148)	-	-	(9,148)	24,086	-	-	24,086
Net Surplus/(Deficit) Before Transfers		178,745	318,570	42,084	539,399	88,813	169,256	61,143	319,212
Transfers Between Funds	12	4,364	(20,663)	16,298	-	(57,926)	39,097	18,829	-
Net Surplus/(Deficit)		183,109	297,908	58,382	539,399	30,887	208,353	79,972	319,212
RECONCILIATION OF FUNDS									
Funds Brought Forward		424,822	936,640	283,242	1,644,704	393,935	728,286	203,271	1,325,492
Funds Carried Forward	12	607,931	1,234,548	341,624	2,184,103	424,822	936,640	283,242	1,644,704

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

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

The notes on pages 37 to 53 form part of these accounts.

Balance sheet as at 31 December 2021

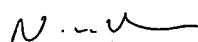
		2021	2020
	Notes	£	£
FIXED ASSETS	8	2,003	5,169
CURRENT ASSETS			
Debtors	9	640,522	214,531
Cash at Bank & in Hand		1,884,050	2,237,122
		<u>2,524,572</u>	<u>2,451,653</u>
CREDITORS			
Amounts falling due within one year	10	342,472	812,117
		<u>342,472</u>	<u>812,117</u>
NET CURRENT ASSETS		2,182,100	1,639,536
Total Assets Less Current Liabilities		2,184,103	1,644,704
NET ASSETS		<u>2,184,103</u>	<u>1,644,704</u>
THE FUNDS OF THE CHARITY			
Unrestricted Income Funds	12	607,931	424,822
Designated Income Funds	12	341,624	283,242
Restricted Income Funds	12	1,234,548	936,640
		<u>2,184,103</u>	<u>1,644,704</u>

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

These financial statements were approved by the Board of Trustees and authorises for issue on 12/04/2022



Anthony Smith
Chair of Trustees



Nick Whitaker
Treasurer

Company Number 06458464

Statement of cash flows as at 31 December 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash (used in)/ provided by operating activities	(343,924)	455,220
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by investing activities	-	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(343,924)	455,220
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,237,122	1,757,817
Change in cash and cash equivalents due to exchange rate movements	(9,148)	24,086
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,884,050	2,237,122

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

	2021 £	2020 £
Net income for the year	548,547	295,126
Depreciation	3,165	7,373
(Increase) / decrease in debtors	(425,991)	452,219
Increase / (decrease) in creditors	(469,645)	(299,499)
	(343,924)	455,220

Analysis of cash equivalents and net debt

	2021 £	2020 £
Cash in hand and at bank		
Opening balance	2,237,122	1,757,817
Cash-flows	(353,072)	497,306
Closing balance	1,884,050	2,237,122

Notes to the financial statements

Peace Direct is a public benefit entity, a charity registered in England and Wales (registered charity number 1123241) and a company limited by guarantee (company number 06458464).

The registered office and its principal place of business is 72-74 Mare Street, London, E8 4RT.

1. Accounting policies

1.1 Basis of preparation of accounts

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (issued in October 2019 and effective 1st January 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. After making enquiries the trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements and there are no material uncertainties at the date of signing. Having reviewed forecasts prepared by management the Trustees are confident that the charity will continue to meet its obligations as they fall due and that therefore the going concern basis continues to be appropriate.

1.2 Income recognition

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

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

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

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

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

1.3 Volunteers and donated services and facilities

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

1.4 Resources expended

Expenditure is recognised when a liability is incurred.

1.5 Cost of Generating Funds

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

1.6 Charitable activities

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

1.7 Governance costs

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

1.8 Support costs

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

1.9 Pension costs

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

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

1.10 Funds structure

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

Designated funds are unrestricted funds which are earmarked for a particular purpose.

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

1.11 Grants payable

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

1.12 Operating leases

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

1.13 Irrecoverable VAT

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

1.14 Taxation

The charity is a registered charity and claims exemption from income tax and corporation tax on income and activities arising from its charitable activities under the provisions of Sections 466-493 of the Corporation Tax Act 2010.

1.15 Foreign currency exchange gains and losses

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

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

1.16 Tangible fixed assets for use by the charity and depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives: computer equipment 3 years; fixtures and fittings 4 years. Equipment is capitalised where the purchase price exceeds £1000.

1.17 Debtors

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

1.18 Cash at bank and in hand

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

1.20 Creditors and Provisions

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

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

1.21 Significant Accounting Estimates and Judgements

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:

- (i) Gifts in kind Gifts in kinds are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods. Where possible the value of services/goods are confirmed directly with the supplier however in some instances this information is not available and a best estimated is made of the expected cost of such goods based on what the charity would be willing to pay for similar services or goods at a market rate. Designated funds are unrestricted funds which are earmarked for a particular purpose. under the provisions of Sections 466-493 of the Corporation Taxes Act 2010.

2. Income from donations

	2021				2020			
	Unrestricted £	Restricted £	Designated £	Total £	Unrestricted £	Restricted £	Designated £	Total £
Donations from Individuals	207,886	7,078	-	214,964	214,911	12,772	-	227,683
Sub-total	207,886	7,078	-	214,964	214,911	12,772	-	227,683
Grants								
Small Grants	13,850	-	-	13,850	14,845	-	-	14,845
Blanford Lake Trust	10,000	-	-	10,000	-	-	-	-
Jusaca Trust	20,000	-	-	20,000	2,500	-	-	-
Sir James Reckitt Charitable Trust	15,000	-	-	15,000	15,000	-	-	15,000
Sulney Fields Trust	15,000	-	-	15,000	-	-	-	-
The Alan & Babette Sainsbury Charitable Fund	15,000	-	-	15,000	15,000	-	-	15,000
Wellspring Foundation	-	-	108,452	108,452	-	-	52,938	52,938
Sub-total	88,850	-	108,452	197,302	47,345	-	52,938	97,783
Corporate								
Donated Services	4,200	-	-	4,200	4,200	-	-	4,200
Other	-	-	-	-	1,818	-	-	1,818
Sub-total	6,018	-	-	6,018	456,840	-	-	456,840
TOTAL INCOME FROM DONATIONS	300,936	7,078	108,452	416,466	268,273	12,772	52,938	331,484

3. Income from charitable activities

	2021				2020			
	Unrestricted £	Restricted £	Designated £	Total £	Unrestricted £	Restricted £	Designated £	Total £
INTERNATIONAL PROGRAMMES								
<i>Grants Received</i>								
<i>Institutions</i>								
EPRM		118,131		118,131		-		-
European Union		33,356		33,356		-		-
Guernsey Overseas Aid & Development Commission		-		-		45,329		45,329
Swedish International Development Cooperation Agency		672,966		672,966		853,664		853,664
UK Foreign, Commonwealth and Development Office		349,276		349,276		296,128		296,128
Sub-total	-	1,173,730	-	1,173,730	-	1,195,121	-	1,195,121
<i>Trusts and Foundations</i>								
Arsenault Family Foundation		17,089		17,089		-		-
Blandford Lake Trust		10,000		10,000		10,000		10,000
Commonwealth Foundation		(3,760)		(3,760)		27,000		27,000
GHR Foundation		-		-		38,381		38,381
Humanity United		-	106,271	106,271		80,647	106,793	187,439
Network for Social Change		17,133		17,133		-		-
Peace Nexus Foundation		15,599		15,599		11,930		11,930
People's Postcode Lottery		637,500		637,500		450,000		450,000
Ploughshares Fund		44,242		44,242		45,050		45,050
PRBB Foundation		-		-		20,738		20,738
Robert Bosch Foundation		(139)		(139)		142,162		142,162
Wellspring Foundation		553,382	17,352	570,735		594,098	10,814	604,912
Other small grants		18,000		18,000		25,209		25,209
Sub-total	-	1,309,047	123,623	1,432,670	-	1,445,215	117,607	1,562,822
Sub-total	-	2,482,777	123,623	2,606,400	-	2,640,336	117,607	2,757,943
<i>Policy & Research</i>								
<i>Grants</i>								
Joseph Rowntree Charitable Trust		25,414		25,414		-		-
Humanity United		-	180,947	180,947		-	238,142	238,142
Robert Bosch Stiftung		342,466		342,466		-		-
Serve All Trust		-		-		50,000		50,000
United Nations Peacebuilding Fund		102,852		102,852		252,784		252,784
USAID		46,814		46,814		-		-
Wellspring Foundation		-	91,100	91,100		-	176,560	176,560
Other small grants		4,950		4,950		5,000		5,000
<i>Contracts</i>								
USAID		-		-		204,475		204,475
Other small contracts	17,150	35		17,185	30,351	-		30,351
Sub-total	17,150	522,530	272,047	811,728	30,351	512,259	414,701	957,311
TOTAL INCOME FROM CHARITABLE ACTIVITIES	17,150	3,005,307	395,670	3,418,127	30,351	3,152,595	532,308	3,715,254

4 Analysis of Expenditure

	Basis of Allocation	Cost of Raising Funds £	International Programmes £	Policy & Research Programmes £	2021 Total £
Staff & Office Costs	Direct Costs	94,851	451,266	227,808	773,924
Grants Payable (Note 5)	Direct Costs	-	1,774,679	-	1,774,679
Programme & Direct Costs	Direct Costs	97,545	171,757	254,562	523,865
Support Costs	Staff & Office Costs	32,444	210,777	63,707	306,928
Total expenditure 2021		224,840	2,608,478	546,077	3,379,396
Total expenditure 2020		258,388	2,560,679	958,297	3,777,364

	Basis of Allocation	Cost of Raising Funds £	International Programmes £	Policy & Research Programmes £	2020 Total £
Staff & Office Costs	Direct Costs	149,842	297,536	297,234	744,611
Grants Payable (Note 5)	Direct Costs	-	1,646,755	174,057	1,820,811
Programme & Direct Costs	Direct Costs	67,917	320,738	407,126	795,780
Support Costs	Staff & Office Costs	40,629	295,650	79,881	416,158
Total expenditure 2020		258,388	2,560,679	958,297	3,777,364

5. Grants payable

<i>Restricted Fund Grants – International Programmes</i>	2021	2020
	£	£
HIVE, Pakistan	16,954	18,142
CDA, Pakistan	36,340	-
Social-Life & Agricultural Development Organisation (SADO), Somalia	-	3,686
Hurras, Syria	7,215	-
Envision Zimbabwe Women's Trust, Zimbabwe	4,536	4,845
Other	(2,331)	5,157
<i>Multi-partner International Programmes</i>		
SIDA Youth Action for Peace in DRC, Mali and CAR	621,165	773,499
Local Action Fund – Myanmar, Nigeria and DRC	370,646	131,981
FCDO Jo Cox Fund – Supporting peacebuilding in Burundi and DRC	227,464	204,355
People's Postcode Lottery – Supporting various local peacebuilding projects	361,608	275,112
Digital Inclusion Fund	(42)	115,721
Sub-total	1,646,755	987,496
<i>Restricted Fund Grants – Policy & Research</i>		
Stopping as Success (SaS)	-	116,866
Facilitating Financial Sustainability (FFS) – ALG	-	8,191
Business Plan for Peace	-	49,000
Other Restricted Policy & Research	-	-
Sub-total	-	174,057
<i>Unrestricted Fund Grants – various</i>	6,490	9,674
TOTAL GRANTS PAYABLE	1,774,679	1,835,403

6. Net income / (expenditure) for year

This is stated after charging / (crediting):

	2021 Total £	2020 Total £
Depreciation	3,165	7,373
Auditor's remuneration:		
Audit fees	13,680	12,000
in respect of previous years	(900)	(560)
Foreign exchange (gains) / losses	9,148	(24,086)

7. Staff Costs

	2021 Total £	2020 Total £
Salary Costs	748,758	836,827
National Insurance Costs	71,698	82,780
Employer Pension Costs	42,018	49,549
TOTAL STAFF COSTS	862,473	969,157

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

	2021 Total	2020 Total
£60,000 – £69,999	1	0
£70,000 – £79,999	0	1

The charity's key management personnel are considered to be the senior management team (SMT) comprising at 31 December 2021 the CEO, and the Heads of International Programmes & Research / Deputy CEO, Finance & Operations and Fundraising & Communications.

Their total remuneration including NI and pension contributions amounted to £271,630 (2020 £302,314).

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

	2021 Total	2020 Total
Raising Funds	2	4
Charitable Activities	19	20
	21	24

None of the Trustees received any remuneration during the year (2020: none).

No Trustees claimed for any expenses during the year (2020: none).

8. Fixed Assets

	Computer equipment £	Fixture & fittings £	Total £
COST			
As at 1st January 2021	32,491	11,304	43,795
Additions during period	-	-	-
Disposals during period	(6,992)	(5,961)	(12,953)
As at 31 December 2021	25,499	5,343	30,842
DEPRECIATION			
As at 1st January 2021	28,879	9,748	38,627
Charge for period	2,750	415	3,165
Disposals during period	(7,555)	(5,398)	(12,953)
As at 31 December 2021	24,074	4,765	28,839
NET BOOK VALUES			
As at 31 December 2021	1,425	578	2,003
As at 31 December 2020	3,612	1,557	5,169

9. Debtors

	2021 £	2020 £
Grant Debtors	382,274	70,011
Prepayments & Other Debtors	258,248	144,519
	<u>640,522</u>	<u>214,531</u>

10a. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other Creditors	129,972	52,814
Taxation & Social Security	-	(166)
Deferred Income (Note 10b)	212,500	759,470
	<u>342,472</u>	<u>812,117</u>

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

10b. Deferred income

	2021 £	2020 £
Deferred income brought forward	759,470	979,605
Released to income in year	(759,470)	(979,605)
Income deferred in year	212,500	759,470
Deferred income carried forward (Note 10a)	<u>212,500</u>	<u>759,470</u>

12. Movement in funds

Partner	Purpose	Opening Balance £	Income £	Expenses £	Transfers Between Funds £	Balance 31/12/2021 £	Opening Balance £	Income £	Expenses £	Transfers Between Funds £	Balance 31/12/2020 £
Equality for Peace and Development (EPD) Afghanistan	Urgent Support and Solidarity Programme	-	11,703	(11,063)	163	803	-	-	-	-	-
Centre Resolution Conflicts (CRC), DRC	Peace Gold Project	-	118,131	(128,978)	-	(10,847)	-	-	-	-	-
Centre Resolution Conflicts (CRC), DRC	Supporting conflict affected communities in North Kivu	3,337	4,294	(6,429)	-	1,202	5,628	15,451	(17,742)	-	3,337
Fondation Chirezi (FOCHI), DRC	Supporting conflict affected communities in South Kivu	4,352	18,000	(21,135)	(1,413)	(196)	-	69,705	(65,353)	-	4,352
Aware Girls, Pakistan	Supporting women's empowerment and tackling the causes of violence and extremism in KPK	48,086	(3,322)	46	-	44,810	69,824	27,300	(31,284)	(17,754)	48,086
HIVE, Pakistan	Consultancy services on youth led programming	19,442	-	(18,144)	-	1,298	-	45,050	(25,609)	-	19,442
Centre for Peacebuilding & Reconciliation (CPBR), Sri Lanka	Supporting conflict affected young people in Sri Lanka	22,001	3,061	(306)	(8,386)	16,370	13,656	11,049	(2,063)	(641)	22,001
Social-Life & Agricultural Development Organisation (SADO), Somalia	Supporting livelihoods for young people in Kismayo, Somalia	(29,056)	33,356	-	(4,300)	-	-	4,078	(24,054)	(9,080)	(29,056)
Collaborative for Peace, Sudan	Supporting local peace committees in South Kordofan	7,859	-	4,264	-	12,123	-	-	-	7,859	7,859
Chanan Development Association (CDA), Pakistan		-	44,242	(44,157)	-	85	-	-	-	-	-
Hurras, Syria	NfSC	-	17,133	(9,467)	-	7,666	-	-	-	-	-
Other Single Partner Programmes		13,824	(139)	(5,514)	(8,172)	-	(35,273)	19,854	(20,745)	49,987	13,824
Multi-partner Programmes											
Youth Action for Peace programme	Supporting youth-led peacebuilding	192,088	672,966	(808,393)	-	56,660	304,511	853,664	(966,086)	-	192,088
Local Action Fund	Supporting local peacebuilding in Myanmar, Nigeria and DRC	431,248	576,838	(531,194)	-	476,891	78,799	704,505	(352,055)	-	431,248
Jo Cox Memorial Fund multi partner project	Peacebuilding in Burundi and DRC	(70,164)	349,276	(325,858)	-	(46,745)	-	296,128	(366,293)	-	(70,164)
People's Postcode Lottery funded multi-partner programme	Supporting various local peacebuilding projects	34,660	630,233	(553,515)	(163)	111,215	-	450,000	(415,340)	-	34,660
Digital Inclusion Fund	Small Grants to provide access to internet during COVID-19 pandemic	3,883	-	(3,126)	(757)	-	-	129,903	(126,020)	-	3,883
Peace Nexus Foundation	Strengthening Peace Direct's MEL capacity	6,686	15,599	(5,105)	-	17,179	-	11,930	(5,244)	-	6,686
Other Restricted Programmes		8,102	(1,518)	(1,943)	404	5,046	11,474	14,491	(17,862)	-	8,102
Sub-total International Programmes Restricted Funds		696,348	2,489,854	(2,470,019)	(22,624)	693,560	448,617	2,653,108	(2,435,751)	30,370	696,348

Partner	Purpose	Opening Balance £	Income £	Expenses £	Transfers Between Funds £	Balance 31/12/2021 £	Opening Balance £	Income £	Expenses £	Transfers Between Funds £	Balance 31/12/2020 £
Stopping as Success (SaS) programme	Researching successful INGO transitions	155,436	-	(40,016)	-	115,420	228,931	91,028	(164,523)	-	155,436
Stopping as Success (SaS) 2.0 Programme	Researching successful INGO transitions	-	46,814	(46,778)	-	36	-	-	-	-	-
USAID funded Facilitating Financial Sustainability (FFS) programme	Researching financial sustainability of local organisations	68,255	-	-	-	68,255	3,212	113,447	(48,404)	-	68,255
UN Peacebuilding Fund	Mapping of local peacebuilding capacity in the Sahel	(9,893)	102,852	(94,920)	1,961	-	-	252,784	(262,677)	-	(9,893)
Responding to Conflict (RTC)	Projects inherited from RTC – book and online course	26,493	4,985	(31,266)	-	212	27,527	-	(1,034)	-	26,493
Robert Bosch Stiftung Advocacy Programme	EU peacebuilding advocacy	-	342,466	(30,943)	-	311,522	-	-	-	-	-
JRCT UK Advocacy Programme	UK advocacy	-	25,414	(16,805)	-	8,609	-	-	-	-	-
Various	Supporting various local peacebuilding projects	-	-	-	-	-	20,000	50,000	(70,000)	-	-
Sub-total Policy & Research Restricted Funds		240,290	522,530	(260,728)	1,961	504,054	279,669	507,259	(546,638)	-	240,290
Other Restricted Funds		-	28,005	8,928	-	36,933	-	25,666	(25,666)	-	-
Sub-total Restricted Funds		936,640	3,040,389	(2,721,819)	(20,663)	1,234,548	728,286	3,186,033	(3,008,051)	30,370	936,640
Unrestricted Funds		424,822	318,087	(139,342)	4,364	607,932	393,935	296,211	(207,397)	(57,926)	424,822
Humanity United		93,184	287,218	(244,307)	-	136,095	58,444	344,934	(310,194)	-	93,184
Wellspring General Support		25,295	216,904	(201,531)	-	40,668	-	240,311	(209,759)	(5,257)	25,295
Designated Funds – Future commitments fund		50,000	-	-	-	50,000	50,000	-	-	-	50,000
Designated Funds – Forex Exchange Gain reserve	Arising from net unrealised exchange gains, to be utilised in offsetting any future foreign currency exchange losses	54,086	-	-	(9,148)	44,938	30,000	-	-	24,086	54,086
Advocacy Designated Fund	Supporting Advocacy Projects	23,198	-	-	-	23,198	27,348	-	(4,150)	-	23,198
Research Designated Fund	Supporting Research Projects	37,479	-	(16,201)	-	21,278	37,479	-	-	-	37,479
Partner Core Support Fund	Supporting Partners Core Activities	-	-	-	25,446	25,446	-	-	-	-	-
Sub-total Designated Funds		283,242	504,122	(462,038)	16,298	341,624	203,271	585,246	(524,103)	18,829	283,242
Total Funds		1,644,704	3,862,599	(3,323,199)	-	2,184,103	1,325,492	4,067,490	(3,739,551)	(8,727)	1,644,704

Restricted funds

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

Designated funds

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

13. Analysis of Fund Balances between net assets

	2021 Unrestricted funds £	2021 Restricted Funds £	2021 Designated Funds £	2021 Total Funds £
Tangible Fixed Assets	2,003	-	-	2,003
Net Current Assets	605,928	1,234,548	341,624	2,182,100
As at 31 December 2021	607,931	1,234,548	341,624	2,184,103

	2020 Unrestricted funds £	2020 Restricted Funds £	2020 Designated Funds £	2020 Total Funds £
Tangible Fixed Assets	12,542	-	-	12,542
Net Current Assets	319,640	798,634	194,676	1,312,950
As at 31 December 2020	332,182	798,634	194,676	1,325,492

14. Related party transactions

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

There were no other related parties that required disclosure for the year (2020 £nil).

15. Financial Commitments

At 31 December 2021, the charity's future minimum lease payments under non-cancellable operating leases are as follows:

	2020 Total £	2019 Total £
LAND & BUILDINGS		
Less than one year	57,938	77,250
One to five years	-	57,938
Total commitments	57,938	135,188

16. Legal status of the charity

The charity is limited by guarantee and therefore does not have a share capital. The liability of the members is limited to the sum of £1 per member, and the number of members was 9 (2020:11).

