

CONCILIATION RESOURCES

**DIRECTORS' AND TRUSTEES' REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2012

**Company No: 03196482
Charity No: 1055436**

CONCILIATION RESOURCES

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CONCILIATION RESOURCES

Legal and administrative details

Directors and Trustees	Mr M Bradbury (Chair – resigned 10 th December 2012) Mr R Cooke (Hon. Treasurer) Mr A Carl (Executive Director) Mr J Arnault (appointed 10 th December 2012) Mr G Carey Ms A Kilmurray (appointed 10 th December 2012) Mr F Lyons (appointed 10 th December 2012) Ms L Philipson (resigned 10 th December 2012) Ms M Picken Ms C Sexton Ms C Sriram (retired 11 th June 2012) Ms T Whitfield (Interim Chair)
Secretary	Mr M Waterson
Executive Management Team	Mr A Carl – Executive Director Mr J Cohen – Director of Programmes Mr D Newton – Director of Policy, Practice & Communications Mr M Waterson – Director of Operations
UK Company Number	03196482
UK Charity Number	1055436
Registered Office	173 Upper Street London N1 1RG
Auditors	Ramon Lee & Partners Kemp House 152 - 160 City Road London EC1V 2DW
Bankers	Royal Bank of Scotland 40 Islington High Street London N1 8XJ COIF Charity Deposit Funds 80 Cheapside London EC2V 6DZ Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors and Trustees present their report and audited accounts for the year ended 31 December 2012.

The accounts have been prepared in accordance with the accounting policies set out in note one to the accounts and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Conciliation Resources is a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 9 May 1996 and is a registered charity constituted as a limited company under the Memorandum and Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Conciliation Resources is governed by an international Board of Trustees, which meets four times a year. Financial and management reports are provided quarterly to the Board of Trustees and its Finance Sub-Committee, including statements of individual accounts by restricted and unrestricted funds.

The Executive Director, who is supported by an advisory Executive Management Committee made up of our Director of Programmes, Director of Operations and our Director of Policy, Practice and Communications, provides overall organisational management. Each Programme Director is responsible for the management of his or her area of work and the organisation actively seeks to provide opportunities for mutual support and learning. Programme Directors are assisted by project staff and occasionally by interns or volunteers. In addition to its in-house staff, Conciliation Resources works closely with a pool of external consultants.

Conciliation Resources is based in London.

Recruitment and appointment of Trustees

As set out in the Articles of Association, the Board of Trustees of Conciliation Resources nominates the Chair of the Trustees. The Board of Trustees has power to appoint additional Trustees as it considers fit to do so in-line with a regularly reviewed skills audit and organisational policy on the 'role of the board of Conciliation Resources'.

The Trustees in office in 2012 are set out on page one. The Trustees are also the legal directors and members of the company with their financial responsibilities limited by guarantee. During 2012 our long standing Chair, Mark Bradbury resigned from both the position of Chair and from the Board of Trustees as a result of relocating to Kenya. We would like to thank Mark for his valuable contribution to the development of Conciliation Resources over the years and wish him well in his life and work in Kenya. Also leaving the Board during 2012 were Liz Philipson and Chandra Sriram. We would also like to thank both Liz and Chandra for their valuable contributions during their respective times on the Board of Conciliation Resources.

At the Board Meeting in December three new Trustees were appointed, Jean Arnault, Avila Kilmurray and Frederick Lyons. We are very fortunate to have been able to attract three people with a depth of experience and understanding of our field of work to our Board. We are looking forward to the valuable contributions and insights our new Board Members will make during 2013.

Teresa Whitfield took over as Interim Chair whilst the search for a new permanent Chair continued. It is hoped to have a new Chair identified in time for the Annual General Meeting.

The process of identifying and approaching new Trustees as well as identifying and approaching a new Chair as been jointly carried out by a Nomination Sub-Committee of the Board being supported by the Executive Management Team.

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

Trustee induction and training

The Trustees maintain a good working knowledge of charity and company law and best practice through regular training sessions provided by external consultants. New Trustees are given copies of the Memorandum and Articles of Association, supporting information on Conciliation Resources on its work, organisational policies and a series of meeting with key staff from across the organisation. These meetings are intended to provide access for the new Trustees to staff in order to find out more about Conciliation Resources and at the same time a chance for staff to understand some of the experiences and strengths that are available at Board level.

Related parties

The charity has close working relationships with other charities and organisations (local and international) with which it cooperates in pursuit of its charitable objectives. This includes collaborative project partnerships, consortium initiatives and cooperative networks. These include a partnership with the international NGO Saferworld on the EC-funded "People's Peacemaking Perspectives" project producing locally-informed policy and analysis based on participative processes; and a consortium funded by the EC in support of the European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh with International Alert, the Crisis Management Initiative, Kvinna Til Kvinna and LINKS.

During 2012 three Board members were contracted to provide support to Conciliation Resources in specific areas. Mark Bradbury was contracted to provide support to our nascent Horn of Africa programme and Barney Afako was contracted to provide support to our East and Central Africa programme on the repealing of Uganda's Amnesty Law. Chandra Sriram, a trustee was commissioned to write an article on the Special Tribunal for Lebanon for our Accord 24 publication.

Risk management

Major risks to which the charity is exposed, as identified by the Trustees (governance, operational, financial and external), are compiled in a 'Risk Register' and are reviewed annually and more regularly by the Finance Sub-Committee. As the nature of Conciliation Resources' work is in countries affected by conflict, the security situation in these countries is more frequently reviewed and Conciliation Resources seeks to take all steps to avoid undue risk to staff and project partners. Systems developed to mitigate these risks include staff safety and security policies and guidelines. In addition, Conciliation Resources pays an insurance premium for staff travelling to conflict zones. To mitigate financial risk and insecurity, as well as dependency on any single donor, Conciliation Resources aims to have a broad donor base, both for the organisation as a whole and for each programme. Conciliation Resources is also continuing to seek and secure long-term funding both institutionally and for programmes. Conciliation Resources currently holds its funds across three banks.

Public Benefit statement

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. The paragraphs below demonstrate the public benefit arising through the Charity's activities.

OBJECTIVES AND ACTIVITIES

Conciliation Resources is an independent organisation working with people in conflict to prevent violence and build peace. We do this through providing advice, expertise and practical resources. In addition, we take what we learn to government decision-makers and others working to end conflict, to improve policies and practice worldwide.

Our vision is of a world where people work together to resolve conflicts peacefully.

Our mission is to provide practical support to help people affected by violent conflict achieve lasting peace. We draw on our shared experiences to improve peacebuilding policies and practice worldwide.

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

The Trustees have paid due regard to the Charity Commission's Guidance on Public Benefit when determining the activities of Conciliation Resources which has the purposes of:

'the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity.'

These are for the public benefit as set out in the Charities Act 2006. To this end this year the Conciliation Resources has carried out the activities described below]

Under Conciliation Resources' Strategic Framework 2012 – 2014 we have set out five priority areas, with corresponding strategic objectives:

- 1. Support people to build peace:** Conciliation Resources' partners are supported to strengthen both their organisational and peacebuilding capacities assisting them to be more effective and influential.
- 2. Strengthen peacebuilding policies and practice:** Targeted government and multilateral organisations are influenced to employ more effective peacebuilding policies and practices.
- 3. Promote understanding of peaceful ways to resolve conflicts:** Public awareness of the options for peaceful ways to prevent and resolve conflict raised through media and outreach activities undertaken in the countries where Conciliation Resources works.
- 4. Create opportunities for dialogue between divided communities:** Increased dialogue and improved relations between divided groups due to successful people-to-people facilitated dialogues and exchanges organised by Conciliation Resources and its partners.
- 5. Strengthening the organisation to deliver on our mission:** Conciliation Resources' organisational effectiveness strengthened to enable us to better deliver on our strategic framework

SELECTED ACHIEVEMENTS IN 2012

In 2012 we launched Conciliation Resources' new strategic framework 2012 – 2014. This framework supports us to incorporate an emphasis on results, while staying true to the ideals and conceptual basis of our peacebuilding mission and mandate.

Highlights from each of our priority areas in 2012 include the following:

Support people to build peace

- The Philippines:** On 15 October 2012, the Framework Agreement on the Bangsamoro was signed, ending 40 years of conflict between the Government of the Republic of the Philippines and the Moro Islamic Liberation Front. Conciliation Resources, as part of the International Contact Group played a key role in the negotiations, ensuring the voices of marginalised people, especially women and Muslim minorities, were included in the process. The new head of the Government peace panel stated that Conciliation Resources was instrumental in preventing the talks from collapsing at the time when both panels presented their draft agreements.
- East and Central Africa - Regional Civil Society Task Force:** Our collaboration with civil society partners has helped them to develop their own strategies for resilience and reconciliation, while at the same time helping them to have a voice influencing national and international strategies. The Task Force is growing in influence and confidence to address the cross border nature of the conflict, and increasingly bringing people's voices to the peacebuilding process.

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

- *Fiji*: Our partners undertook a significant programme supporting public debate in Fiji's constitutional reform process despite ongoing assembly restrictions: the Citizens' Constitutional Forum conducted sixty-seven community civic education workshops during the two and a half month public submissions process for the draft constitution, encouraging and helping individuals and groups to provide submissions to the Fiji Constitution Commission, as well as conducting an extensive television and radio media campaign. In addition, the Fiji Women's Rights Movement conducted an extensive media campaign promoting women's participation, mobilising women at the community level to participate in the submissions process.
- *Horn of Africa-Ogaden*: The 1st round of peace talks between the Government of Ethiopia and the Ogaden National Liberation Front reached an initial agreement on the way to move forward. Conciliation Resources has provided technical support to the Kenyan facilitation team, and professional support to the Ogaden National Liberation Front to enable them to constructively participate in the peace talks. To promote public support for and participation in the peace process we have organised a consultation forum in Nairobi bringing together members of the Diaspora community.

Strengthen peacebuilding policies and practice

- *Local level advocacy for increased accountability*: District Dialogue Platforms convened by our partners in Sierra Leone, Liberia and Guinea have created space for local communities to raise issues affecting them and discuss them directly with their district councils, improving local governance. For example, during the November elections in Sierra Leone, District Dialogue Platforms deployed more than 30 election monitors and shared findings with the district offices of the Electoral Commission and the Research and Monitoring Officer at the national office in Freetown.
- *East and Central Africa*: The Regional Civil Society Task Force continues to play a dynamic role to convey peacebuilding messages to key stakeholders. Over 50 civil society leaders from areas affected by the Lord's Resistance Army (LRA) convened in Bangui, Central African Republic to present a set of recommendations to the then Prime Minister of the Central African Republic, the United Nations Special Representative, and the representative of the African Union. They lobbied for improved security guarantees and effective measures to be taken to protect civilians and provide meaningful socio-economic opportunities, especially for women; and to establish discrete channels of communications with senior LRA figures as well as to pursue manes to engage with LRA fighters in the bush to encourage them to return and lay down weapons.
- *Influencing Global Peacebuilding policy*: We have been playing an active role in the political strategy working group of the civil society platform supporting the International Dialogue on Peacebuilding and Statebuilding (IDPS). Our policy staff took a lead role in drafting concrete recommendations to be made to the IDPS on how gender can be integrated into all aspects of New Deal implementation and contributed to indicator development. We continue working with key departments in the United Nations, European Union, and donor governments to feed in policy recommendations concerning peacebuilding approaches, and are increasingly considered as an expert source.

Promote understanding of peaceful ways to resolve conflict

- *South Caucasus*: Our youth dialogue project includes organising meetings between young Georgians and Abkhaz, conferences and discussion clubs led by young people to bring key messages to audiences 'back home', and a virtual dialogue platform that enables joint work between meetings.
- Short films depicting life on either side of the Nagorny Karabakh conflict were viewed more than 70,000 times on YouTube and led to the production of a 'Dialogue through Film' handbook to support future film showings. A key outcome has been the film 'Memories Without Borders' (2012): a unique Turkish-Armenian-Azerbaijani documentary, looking at the impacts of troubled histories on individual lives today. This film has been well received by the various communities in which it has been shown.
- *East and Central Africa*: Three editions of 'The Voice of Peace' newsletter were published in 2012, bringing 'news and views' of people affected by the Lord's Resistance Army. The newsletter is a vehicle for bringing the voices of individuals and communities to policy makers, highlighting key issues such as the role of women in peacebuilding, individual abductees' experiences, and conflict analysis from a peacebuilding perspective.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

- *People's Peacemaking Perspectives*: Learning from this European Union funded project is continuing to feed into multiple policy arenas. We presented lessons of the project to policymakers in Brussels and Washington. Ideas around participation and participatory approaches to conflict analysis were included in our submission to the drafting of the UN Secretary General's Report on Peacebuilding in the Aftermath of Conflict. The report highlights the importance of inclusivity in strengthening peacebuilding processes.
- *Accord*: Two editions were published in 2012: 'Consolidating Peace – Liberia and Sierra Leone' and 'Reconciliation, reform and resilience: Positive Peace for Lebanon.' Both generated interest and traction among policy makers demonstrating our continued ability to add value to peacebuilding analysis and approaches with high quality outputs backed by a targeted outreach campaign.

Create opportunities for dialogue between divided communities

- *Fiji*: Conciliation Resources' partners in Fiji have coordinated dialogues at both the community level, engaging local leaders from across political and ethnic divides; and at the national level between civil society leaders, senior civil servants, senior government officials and representatives of the military. The dialogues have addressed a range of issues, including national reconciliation, land issues, leadership and multiculturalism, and have helped to engender an acceptance of dialogue as a meaningful way forward.
- *South Caucasus*: Conciliation Resources held a dialogue meeting in Belgrade on 'Dealing with the Past' with a cross section of generations, and people new to dialogue from the Georgian/Abkhaz context. A depth of dialogue that, as one participant put it, "we haven't experienced since before the war in 2008" was achieved. In addition, for the first time Georgian youth representatives of six political parties engaged in direct dialogue with Abkhaz peers during a study visit to Scotland and participants from both sides took their learning home and fed it into conferences and discussion clubs led by young people to bring key messages to wider audiences.
- *India and Pakistan (Jammu and Kashmir)*: Twenty women and men from across the line of control in Kashmir took part in a comparative learning visit to Cambodia to examine the transition that Cambodian society has made from war to peace and the approaches used by women peacebuilders in Cambodia. Relationships were further developed when four of the participants were awarded Commonwealth Professional Fellowships to spend a month in the UK where they were able to design joint plans to increase Kashmiri participation in peacebuilding mechanisms.

Strengthen the organisation to deliver on our mission

- *Independent Review of Conciliation Resources*: In June 2012 Conciliation Resources commissioned an independent review of our overall work as part of our Partnership Programme Arrangement with the UK Department for International Development. This has provided important recommendations as to how we can strengthen our organisational effectiveness. These include recommendations for efficiency gains in terms of data collection, reporting and monitoring; sustainability plans for our core work and individual programmes; and enhancing our learning and innovation.
- *Improving Measurement & Evaluation*: We continue to develop a Conciliation Resources-wide monitoring system and continue the move away from a project-based reporting model. This integrated approach uses relevant organisation-wide performance indicators that we can communicate to donor and programmatic partners.
- *Collaboration for learning*: We are engaging in collaborative efforts that contribute to extending our skills and learning to our international and local partners. This initiative will support Conciliation Resources' own systems, and additionally making a significant contribution to learning across the sector.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

Publications and other resources produced in 2012

- Dealing with complexity in peace negotiations: Reflections on the Lord's Resistance Army and the Juba talks, January 2012
- People's Peacemaking Perspectives: West Africa policy brief, February 2012 (also in French)
- Beyond Exclusion: rethinking approaches to status in the Nagorny Karabakh peace process, March 2012 (also in Armenian and Azeri)
- People's Peacemaking Perspectives: Georgian-Abkhaz conflict policy brief, March 2012 (also in Georgian and Russian)
- People's perspectives on instability in West Africa: Case study report, March 2012 (also in French)
- From conflict analysis to peacebuilding impact: Lessons from the People's Peacemaking Perspectives project, March 2012
- Consolidating peace: Liberia and Sierra Leone Accord, March 2012
- Formation en matière de plaidoyer: Une trousse à outils, March 2012
- Strategic framework: 2012 to 2014, April 2012
- People's Peacemaking Perspectives: Lebanon policy brief, May 2012
- Bi-annual Review: Alternative Paths to Peace, May 2012
- Reconciliation, reform and resilience: Positive Peace for Lebanon Accord, July 2012 (also in Arabic)
- Dialogue Through Film: A Handbook, September 2012 (in Armenian, Azeri and Russian)
- Voice of Peace newsletter (three editions), February, May and September 2012 (also in French)
- 'Living in a pressure cooker situation' A needs assessment of youth in India-administered Kashmir, December 2012
- The impact of conflict on young people in Azad Jammu and Kashmir, March 2012
- Peacebuilding and Economic Potential of Cross LoC Trade, December 2012

Films:

- People's Peacemaking Perspectives, March 2012
- Memories Without Borders, November 2012 (also in Armenian, Azeri and Turkish)
- Talking Borders (French version) 2012

FINANCIAL REVIEW

The Statement of Financial Activities shows a net movement of funds of £306,030 (2011 – surplus £720,773) for the year and total funds available stand at £2,457,811 (2011 - £2,151,781).

Conciliation Resources' grant income for this year has increased by 9 per cent on the previous year, supported by our institutional donors and a number of new donors, we are in the second year of our Programme Partnership Agreement (PPA) funded by the UK Department for International Development, which operates April 2011- March 2014. This budget reflects a growth in our charitable activities and our continued investment in management, administration and fundraising to further improve our effectiveness, efficiency and our commitment to strengthening the future security of the organisation.

Principle financial management policies

Conciliation Resources has a financial regulations policy set up and reviewed in consultation with the Board of Trustees. This sets out the allocation of financial management responsibilities, identifying lines of reporting for all aspects of operations, including controls, with the delegation of authority and responsibilities clearly defined. Conciliation Resources uses a nominal ledger coding system for all financial transactions. All project expenditure is checked against budget and authorised by the appropriate Programme Director, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before payment is made.

Principal funding sources

The principle funding sources for the charity are currently grant income and donations mainly from governments and charitable organisations. Further details of funding are provided in notes 2 and 3 to the Financial Statements.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

Investment powers and policy

Conciliation Resources received income through donations, grants, project income and other sources. Conciliation Resources plans its activities over one, three and five-year time horizons and budgets to expend all anticipated income. Conciliation Resources has no permanent endowment and provides for capital expenditure within each budget. The only funds that Conciliation Resources holds that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. Consequently its policy for investment is to retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund at the best rate available.

Reserves policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves equalling six months core operating costs to cover future contractual liabilities, mainly staff salaries and rent (estimated at £420,941 in 2012 and £349,662 in 2011). It is the policy of the Trustees to allocate a share of any unrestricted surplus at the end of each year towards the targeted balance. Conciliation Resources met its target for unrestricted reserves in 2012.

The operating reserves for Conciliation Resources are estimated at £467,976 for 2013. It has been deemed prudent by the Board to make the following additional designation of reserves - £53,368 for Staff Contingency; and £15,000 for Building Maintenance and Refurbishment to reflect our 10-year lease arrangement where Conciliation Resources have a greater share of responsibility for care of the building.

The goal of building these future unrestricted reserves will be balanced against the needs of specific programme areas. The Board of Trustees will keep the reserves policy under regular review.

FUTURE PLANS

Our Strategic Framework 2012 – 2014 has given renewed structure and focus to our overall short and longer-term objectives. We have developed and are using a range of tools to measure our results, which include clear indicators of progress, milestones and targets. Due to the nature of our work, we need to maintain our flexibility to adapt programmes to reflect changing political circumstances, however, we have systems and processes in place to ensure that these changes are observed and reacted to while still respecting the framework of our overarching priorities.

Our goal is to see that Conciliation Resources and our partners have positively influenced peace processes, political agreements and/or the prevention of outbreaks of violence by promoting the rights, needs and interests of people directly affected by conflict (including marginalised groups). The ultimate measure for us is that further violence is prevented and armed conflicts ended. We believe there is always a peaceful way to resolve conflict: this necessarily involves participatory and non-violent processes that address exclusion and inequality in pursuit of justice and peace.

- *South Caucasus:* We will continue to support dialogue and exchange initiatives in the Georgian/Abkhaz and Nagorny Karabakh contexts, and will seek to engage more and new constituencies building strong relationships across divides that will sustain beyond Conciliation Resources-led facilitation. We will embark on an ambitious new media project involving Armenian, Azeri and Nagorny Karabakh film teams. The 'Parts of a Circle' film series, aims to bring together divergent perspectives on key events relating to the war, its outbreak and consequences, in three documentary films.
- *West Africa:* Our programmatic priority has shifted to focus more on creating safe space for dialogue in an environment of persistent violence in the Plateau State, Nigeria, as well as in the fragile border regions within the Mano River Union. This work will emphasise the importance of partner-led activities to ensure that the programme remains sustainable despite the fluid political and security context. For example, the continued use of comparative learning between partners across the MRU will encourage inter-community dialogue across the region, documenting shared experience and inspiring innovative conflict transformation strategies.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

- *East and Central Africa:* Building on progress so far, we will seek to broaden dialogue to include new international actors in the policy environment to ensure that civil society voices continue to be heard at the policy making level; we will encourage greater use of alternative engagement strategies with military leaders in the Lord's Resistance Army affected areas as a counterbalance to the reliance on the use of military intervention to address the Lord's Resistance Army threat; we will continue regular policy events on the Lord's Resistance Army in regional capitals to ensure the issue remains on national and international peacebuilding agendas; and we will work with affected communities, in particular women, to develop new approaches to community security and build resilience.
- *Horn of Africa-Ogaden:* Despite recent progress, the peace process remains fragile and its future uncertain. We will therefore continue to work with the Kenyan facilitation team in building their skills and capacities. We will also continue providing technical assistance to the Ogaden National Liberation Front that enables them to participate constructively and effectively in the peace process. Our outreach work with the civil society and Diaspora will help create a 'constituency for peace' that continues working to resolve the conflict peacefully with or without a formal peace process.
- *Fiji:* Conciliation Resources will provide ongoing support to our partners to conduct increasingly substantive dialogues at community and national levels, involving civil society, trade unions, faith based groups, community leaders, government officials and the military. This is especially important given the setbacks in late 2012 to the constitutional process. We will also continue to develop joint analysis of the conflict with key national and international stakeholders, to heighten mutual understanding of the context, and to identify opportunities to move forward towards democratic and civilian rule.
- *India and Pakistan (Jammu and Kashmir):* In the coming period we will: create increased opportunities for civil society actors in Kashmir (including women and youth groups) to participate in peacebuilding initiatives within the different regions of Kashmir and across the Line of Control; enable Kashmiri groups and individuals to engage in more effective cross-regional and cross-Line of Control dialogue (for instance on issues concerning trade and education) and open channels with policy makers on either side of the Line of Control, generating policy recommendations; and facilitate enhanced practical cooperation and a shared understanding of economic development across the Line of Control to consolidate and strengthen this cooperation. In addition to supporting partners to work with a wider range of affected communities we will engage with the UK Kashmiri Diaspora to encourage them to use their networks to advocate for peace and to develop linkages with civil society actors from the region.
- *Philippines (Mindanao):* In the Philippines the programme will focus on post-agreement peacekeeping and the sustained role that Conciliation Resources can play in the implementation of the Framework Agreement of the Bangsamoro. This will build on the role that we have played in bringing women civil society leaders to share their perspectives directly with the negotiating panel. There will be increased collaboration with women's organisations to support them to play a stronger role in peacebuilding; the programme will also support the establishment of two new women's networks.
- *Colombia:* Through our past engagement in Colombia Conciliation Resources has become a reference organisation for national and international stakeholders in terms of concepts and methods. In the coming period we will continue with our "light footprint approach", conscious of the crowded civil society field and the need for our engagement to be targeted and complementary as the latest encouraging phase of peace talks progresses. Our focus is on clarifying the road map to just and lasting peace and the roles that a large variety of social, economic and political actors have to play. In particular we will explore how to promote greater participation in public forums and look at how to include the Diaspora in this process.
- *Policy Themes:* In the coming period we will continue undertaking briefings and meetings with policy makers in key arenas. At the international level this will mean deepening and broadening our relationships in the UK and EU, developing existing relationships in the UN and with the US, and building new relationships in Turkey, Finland and France. We will also ensure that our key messages and learning concerning inclusion, public participation and the role of non-state actors are relayed through a variety of networks and coalitions, including those seeking to integrate peace and security into the post-2015 global development framework. We will continue to provide support, drawing on our peacebuilding experience, to civil society actors in the Basque peace process.

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FOR THE YEAR ENDED 31 DECEMBER 2012

- *Learning and Organisational Effectiveness:* We will build on and further develop organisational systems and structures that sustain a culture that values learning – recording our experiences, developing new ideas, initiatives and practice. We will further develop effective design, performance, monitoring and evaluation processes and systems that facilitate learning and reporting. We are also engaging in collaborative efforts that contribute to extending our skills and learning in this area to our international and local partners.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Conciliation Resources 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees 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 Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees 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 AUDITOR

In accordance with company law, the company's Directors certify that:

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

AUDITORS

A resolution was proposed and agreed that the Audit services be put out to tender as the current three year contract with Ramon Lee and Partners comes to an end.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

APPROVAL

This report was approved by the Board of Directors and Trustees 31st May 2013 and signed on its behalf.


M Waterson
COMPANY SECRETARY

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CONCILIATION RESOURCES

We have audited the financial statements of Conciliation Resources for the year ended 31st December 2012 which comprise: the Consolidated Statement of Financial Activities (Summary Income and Expenditure Account), Statement of Financial Activities (Summary Income and Expenditure Account), the Group Balance Sheet, Balance Sheet and 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 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 any responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, 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 charitable company'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 Director's and Trustees 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 group's and the parent charitable company's affairs as at 31st December 2012, and of the group's and the parent charitable company's 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.

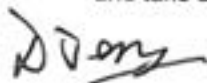
OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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 parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Director's and Trustees report.



DAVID TERRY (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF STATUTORY AUDITORS
RAMON LEE & PARTNERS
CHARTERED ACCOUNTANTS

KEMP HOUSE
152/160 CITY ROAD
LONDON EC1V 2DW

31st MAY 2013

CONCILIATION RESOURCES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<u>Notes</u>	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total <u>2012</u> £	Total <u>2011</u> £
INCOMING RESOURCES					
<i>Incoming resources from generating funds:</i>					
<i>Voluntary income:</i>					
Grants & donations receivable	2	1,684,946	-	1,684,946	1,477,231
<i>Activities for generating funds:</i>					
Fees receivable		-	-	-	5,272
Other income		2,928	-	2,928	3,727
Interest receivable		10,781	-	10,781	4,205
<i>Incoming resources from charitable activities:</i>					
Grants & donations receivable	3	-	3,536,818	3,536,818	3,258,430
Manuscript sales and other income		27,518	-	27,518	11,147
Total incoming resources		<u>1,726,173</u>	<u>3,536,818</u>	<u>5,262,991</u>	<u>4,760,012</u>
RESOURCES EXPENDED					
Cost of generating voluntary income		276,118	-	276,118	221,588
Charitable activities		1,096,438	3,458,828	4,555,266	3,741,914
Governance costs		125,577	-	125,577	75,737
Total resources expended	4	<u>1,498,133</u>	<u>3,458,828</u>	<u>4,956,961</u>	<u>4,039,239</u>
Net movement in funds		228,040	77,990	306,030	720,773
<i>Reconciliation of funds</i>					
Total funds, brought forward		749,928	1,401,853	2,151,781	1,431,008
Total funds, carried forward	10	<u>977,968</u>	<u>1,479,843</u>	<u>2,457,811</u>	<u>2,151,781</u>

The Statement of Financial Activities also complies with the requirements for an Income & Expenditure Account under the Companies Act 2006.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on page 15 to 24 form part of these accounts.

CONCILIATION RESOURCES

BALANCE SHEET AS AT 31 DECEMBER 2012

	<u>Notes</u>	<u>2012</u>		<u>2011</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		13,523		18,394
CURRENT ASSETS					
Debtors	9	890,265		529,588	
Cash at bank and in hand		2,015,605		1,762,062	
		<u>2,905,870</u>		<u>2,291,650</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>461,582</u>		<u>158,263</u>	
NET CURRENT ASSETS			2,444,288		2,133,387
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,457,811</u>		<u>2,151,781</u>
INCOME FUNDS					
Unrestricted funds - General	11		909,600		749,928
- Designated	11		68,368		-
Restricted funds	11		1,479,843		1,401,853
			<u>2,457,811</u>		<u>2,151,781</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

These accounts were approved by the Board of Directors and Trustees on 31st May 2013 and were signed on its behalf by:

.....  **T Whitfield (Chair – Interim Chair)**

.....  **R Cooke (Hon. Treasurer)**

Company Registration No. 03196482

The notes on pages 15 to 24 form part of these accounts.

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient 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.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

Performance related grants are received in advance of the performances or event to which they relate.

Grants received as a contribution towards the purchase of capital equipment are taken to the Statement of Financial Activities in the period in which they are received.

Investment income is recognised on a receivable basis.

1.3 Volunteers and donated services and facilities

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. There were no such donations during the year.

1.4 Resources expended

Expenditure is recognised when a liability is incurred.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the main objectives of the charity and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, e.g. staff costs by the time spent and other costs by number of work stations, or transactions.

1.5 Irrecoverable VAT

All resources expended are classified under activity heading that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Pensions

The pension costs charged in the accounts represents the contributions payable by the charity during the year in accordance with FRS17. The company operates a defined contribution pension scheme on behalf of its staff. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged to profit and loss account in the year in which they are payable.

1.7 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.8 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £1,000 are not capitalised. 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 on the following bases:

Office Equipment	33 1/3% straight line.
Furniture & Fittings	33 1/3% straight line.
Motor Vehicles	33 1/3% straight line.

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. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market value.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

2. VOLUNTARY INCOME

	Unrestricted Funds	Total 2012	Total 2011
	£	£	£
UK Aid	99,968	99,968	107,391
UK Aid (PPA)	1,002,579	1,002,579	751,934
European Commission, Belgium	75,611	75,611	93,574
Federal Department of Foreign Affairs, Switzerland	79,633	79,633	81,991
Ministry of Foreign Affairs, Norway	53,705	53,705	-
Swedish International Development Co-operation Agency	373,029	373,029	377,372
Anonymous donor	-	-	61,937
Donations	421	421	3,032
	<u>1,684,946</u>	<u>1,684,946</u>	<u>1,477,231</u>

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds £	Total 2012 £	Total 2011 £
<i>Policy, Practice and Communications (inc. Accord)</i>			
UK Aid	-	-	150,000
European Commission, Belgium	75,292	75,292	-
Joseph Rowntree Charitable Trust, UK	30,000	30,000	22,500
Ministry of Foreign Affairs, Norway	-	-	57,823
Rowan Charitable Trust, UK	8,000	8,000	5,000
	<u>113,292</u>	<u>113,292</u>	<u>235,323</u>
<i>Caucasus</i>			
UK Aid	500,842	500,842	480,536
European Commission, Belgium	260,185	260,185	401,343
Ministry of Foreign Affairs, Netherlands	-	-	22,779
	<u>761,027</u>	<u>761,027</u>	<u>904,658</u>
<i>West Africa</i>			
Eleanor Rathbone Charitable Trust, UK	1,000	1,000	-
European Commission, Belgium	10,307	10,307	24,132
UK Aid	118,693	118,693	139,656
Oakdale Trust, UK	750	750	-
Zivik, Germany	(14,914)	(14,914)	61,690
	<u>115,836</u>	<u>115,836</u>	<u>225,478</u>
<i>East and Central Africa</i>			
Baring Foundation, UK	43,290	43,290	-
Berghof Foundation, Germany	-	-	41,993
UK Aid	155,219	155,219	136,022
European Commission, Belgium	14,360	14,360	18,379
Eva Reckitt Trust Fund, UK	2,500	2,500	-
John Ellerman Foundation, UK	21,710	21,710	-
Ministry of Foreign Affairs, Norway	506,324	506,324	1,149,538
	<u>743,403</u>	<u>743,403</u>	<u>1,345,932</u>
<i>India, Pakistan and Kashmir</i>			
Allan & Nesta Ferguson Charitable Trust, UK	25,000	25,000	-
UK Aid	24,843	24,843	-
Embassy of Finland, India	4,870	4,870	-
Foreign and Commonwealth Office, UK	-	-	61,469
Ploughshares Fund, USA	25,193	25,193	-
United States Institute of Peace, USA	48,697	48,697	-
	<u>128,603</u>	<u>128,603</u>	<u>61,469</u>
<i>Fiji</i>			
American Bar Association, USA	35,357	35,357	-
AusAid, Australia	576,261	576,261	176,607
UK Aid	123,352	123,352	95,444
European Commission, Belgium	109,411	109,411	40,048
	<u>844,381</u>	<u>844,381</u>	<u>312,099</u>
<i>Philippines and Colombia</i>			
Ministry of Foreign Affairs, Norway	161,111	161,111	173,471
	<u>161,111</u>	<u>161,111</u>	<u>173,471</u>
<i>Collaborations (consortia partner funds)</i>			
European Commission, Belgium	396,846	396,846	-
	<u>396,846</u>	<u>396,846</u>	<u>-</u>
<i>Horn of Africa</i>			
UK Aid	89,124	89,124	-
Federal Department of Foreign Affairs, Switzerland	183,195	183,195	-
	<u>272,319</u>	<u>272,319</u>	<u>-</u>
TOTAL GRANTS RECEIVABLE	<u>3,536,818</u>	<u>3,536,818</u>	<u>3,258,430</u>

CONCILIATION RESOURCES
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31 DECEMBER 2012

4. RESOURCES EXPENSED

	Salaries and staff costs £	Direct costs £	Strategic development and evaluation £	Audit fees £	Support costs £	2012 £	2011 £
Cost of generating voluntary income	117,745	19,701	-	-	138,672	276,118	221,588
Policy, Practice and Communications (inc. Accord)	335,547	182,743	-	-	96,468	614,758	444,679
Caucasus	295,859	484,841	-	-	78,380	859,080	1,025,242
West Africa	76,554	120,931	-	-	48,234	245,719	384,750
East and Central Africa	176,146	674,958	-	-	60,283	911,397	863,854
India, Pakistan Kashmir	66,111	122,577	-	-	42,205	230,893	347,549
Fiji	65,629	763,588	-	-	36,175	865,392	265,288
Philippines and Colombia	65,425	168,166	-	-	30,146	263,737	253,821
Collaborations (consortia partner funds)	-	396,846	-	-	-	396,846	-
Horn of Africa	28,258	109,041	-	-	30,145	167,444	-
Program development	-	-	-	-	-	-	156,731
Governance costs	13,550	-	61,062	8,760	42,205	125,577	75,737
	<u>1,240,824</u>	<u>3,043,392</u>	<u>61,062</u>	<u>8,760</u>	<u>602,923</u>	<u>4,956,961</u>	<u>4,039,239</u>

CONCILIATION RESOURCES
NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2012

5. SUPPORT COSTS

	Management and administration staff costs	Premises costs	Communication costs	Information technology	Other charitable expenses	2012 £	2011 £
Cost of generating voluntary income	87,181	22,639	5,805	8,709	14,338	138,672	97,107
Policy, Practice and Communications (inc. Accord)	60,648	15,749	4,038	6,059	9,974	96,468	51,323
Caucasus	49,276	12,796	3,281	4,923	8,104	78,380	51,323
West Africa	30,324	7,875	2,019	3,029	4,987	48,234	37,465
East and Central Africa	37,905	9,843	2,524	3,787	6,234	60,293	41,805
India, Pakistan Kashmir	26,533	6,890	1,767	2,651	4,364	42,205	30,839
Fiji	22,743	5,906	1,514	2,272	3,740	36,175	16,143
Philippines and Colombia	18,952	4,922	1,262	1,893	3,117	30,146	22,767
Horn of Africa	18,952	4,921	1,261	1,894	3,117	30,145	-
Program development	-	-	-	-	-	-	29,392
Governance costs	26,533	6,890	1,767	2,651	4,364	42,205	25,661
	<u>379,047</u>	<u>98,431</u>	<u>25,238</u>	<u>37,868</u>	<u>62,339</u>	<u>602,923</u>	<u>403,825</u>

Support costs have been allocated on the basis of staff time relating to each activity.

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

6. NET MOVEMENT IN FUNDS FOR THE YEAR

The net movement in funds is stated after charging:

	<u>2012</u>	<u>2011</u>
	£	£
Depreciation of tangible fixed assets	11,461	24,025
Directors remuneration (including pension)	75,124	71,855
Operating lease rental	51,000	51,000
Audit's remuneration – Statutory audit	8,640	7,920
Project audit (EU)	4,800	-
	4,800	-

7. STAFF COSTS

Staff costs were as follows:

	<u>2012</u>	<u>2011</u>
	£	£
UK Employee salaries	1,304,454	1,126,973
Social security costs	147,055	125,117
Pension costs	117,860	92,507
	1,569,369	1,344,597

Employees earning in excess of £60,000:

	<u>Number of employees</u>	
	<u>2012</u>	<u>2011</u>
£60,000 to £70,000	1	1
	1	1

During the year the Charity paid £6,203 (2011-£5,933) under a defined pension scheme on behalf of the staff member/director earning over £60,000.

The average monthly number of staff employed, calculated as full time equivalent in the UK by the Charity during the year was as follows:

	<u>Number of employees</u>	
	<u>2012</u>	<u>2011</u>
Executive Management Committee	4.0	3.0
Policy, Practice and Communications	7.0	8.0
Caucasus	5.0	4.5
West Africa	1.0	1.0
East and Central Africa	3.0	3.0
India, Pakistan and Kashmir	1.0	1.0
Fiji	1.0	1.0
Philippines and Colombia	1.0	1.0
Horn of Africa	1.0	0.0
Administrative, financial management and fundraising support	9.5	7.5
	33.5	30.0

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

8. TANGIBLE FIXED ASSETS

	<u>Office Equipment</u> £	<u>Furniture & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
COST				
As at 1st January 2012	82,282	18,333	50,013	150,628
Additions	6,590	-	-	6,590
Disposals	-	-	(50,013)	(50,013)
As at 31st December 2012	<u>88,872</u>	<u>18,333</u>	<u>-</u>	<u>107,205</u>
DEPRECIATION				
As at 1st January 2012	65,516	16,705	50,013	132,234
Charge for the year	10,223	1,238	-	11,461
Disposals	-	-	(50,013)	(50,013)
As at 31st December 2012	<u>75,739</u>	<u>17,943</u>	<u>-</u>	<u>93,682</u>
NET BOOK VALUES				
As at 31st December 2012	<u>13,133</u>	<u>390</u>	<u>-</u>	<u>13,523</u>
As at 1st January 2012	<u>16,766</u>	<u>1,628</u>	<u>-</u>	<u>18,394</u>

9. DEBTORS

	<u>2012</u> £	<u>2011</u> £
Grants awarded yet to be received	699,262	422,963
Fees, manuscript sales and other income receivable	3,084	10,865
Other debtors & prepayments	187,919	95,760
	<u>890,265</u>	<u>529,588</u>

Other debtors and prepayments includes a rent deposit of £12,750 (2011 - £12,750), which is receivable after more than one year.

10. CREDITORS: amounts falling due within one year

	<u>2012</u> £	<u>2011</u> £
Deferred income (Note 14)	230,261	-
Trade creditors	56,044	69,816
Social security & other taxes	42,347	36,011
Other creditors & accruals	132,930	52,436
	<u>461,582</u>	<u>158,263</u>

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

11. MOVEMENT IN FUNDS

	Balance as at 01.01.12 £	Income £	Expenditure £	Transfer £	Balance as at 31.12.12 £
Restricted Funds:					
Charitable activities:					
Policy, Practice and Communications	65,267	113,292	171,059	-	7,500
Caucasus	17,000	761,027	759,109	-	18,918
West Africa	-	115,836	115,836	-	-
East and Central Africa	1,131,538	743,403	830,543	-	1,044,398
India, Pakistan and Kashmir	-	128,603	62,704	-	65,899
Fiji	140,048	844,381	848,181	-	136,248
Philippines and Colombia	48,000	161,111	112,052	-	97,059
Collaborations (consortia partner funds)	-	396,846	396,846	-	-
Horn of Africa	-	272,319	162,498	-	109,821
Total restricted funds	1,401,853	3,536,818	3,458,828	-	1,479,843
Designated funds:					
Building maintenance fund	-	-	-	15,000	15,000
Staff contingency fund	-	-	-	53,368	53,368
	-	-	-	68,368	68,368
General funds	749,928	1,726,173	1,498,133	(68,368)	909,600
Total unrestricted funds	749,928	1,726,173	1,498,133	-	977,968
Total funds	2,151,781	5,262,991	4,956,961	-	2,457,811

Purposes of restricted funds:

Policy, Practice and Communications

- Programme Goal - International and national policies and practice to respond to conflict are more effective as a result of prioritising a conflict transformation approach that promotes constructive change processes that address root causes, reduce violence, and increase justice.
- Balance of funds is related to policy activities funded by Joseph Rowntree Charitable Trust.

Caucasus

- Programme Goal - To support the creation of inclusive, legitimate, accountable and well-informed peace processes (at multiple levels) that contribute to achieving just and sustainable peace in the South Caucasus
- Balance of funds relates to ongoing programme funds for Georgia Abkhazia funded by the UK Aid (Conflict Pool).

West Africa

- Programme goal – In three years, West African civil society and citizens are supported to influence respective governments to strengthen borderland community security in the Mano River Union sub-region; and to explore the conflict transformation role Conciliation Resources can play in volatile communities in West Africa with a particular focus on Jos in the Plateau State of Nigeria.
- There are no balances of funds at the year ended 2012.

East and Central Africa

- Programme Goal - A non-violent end to the LRA conflict and peacebuilding processes that are just, sustainable and seek to meet international human right standards and involve conflict-affected peoples in addressing their needs
- Balance of funds is funding received in 2012 for spend in 2012-2013 for cross border peacebuilding in LRA affected areas funded by Norwegian Ministry of Foreign Affairs and for project activities for supporting emerging women's groups in South Sudan funded by the Baring Foundation.

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

11. MOVEMENT IN FUNDS (continued)

India, Pakistan, Kashmir

- Programme goal - Development and consolidation of a peace process in which people from all regions of Jammu and Kashmir are able to participate and in doing so articulate a vision for a just and sustainable peace.
- Balance of funds relates to programme and project activities to promote the role of the Kashmir Diaspora in building peace further the development of economic ties between traders and business people on both sides of the Line of Control, the Jammu and Kashmir contact group funded by funded by the UK Aid (Conflict Pool), Ploughshares, and United States Institute of Peace.

Fiji

- Programme goal – To support local people and local initiatives in building a social and political environment in Fiji capable of developing a sustainable constitutional democracy.
- Balance of funds relates to programme activities funded by the European Commission and the Australian Aid Agency for International Development.

Philippines and Colombia

- Programme goal – To contribute to the peaceful settlement of armed conflicts and a transition to sustainable peace in the Philippines, mainly in Mindanao, through: negotiations support and empowering women.
- Balance of funds relates to ongoing programme activities funded by the Ministry of Foreign Affairs, Norway towards negotiations and peace processes and empowering women.

Collaborations (consortia partner fund)

- Peoples peacemaking perspectives project in partnership with Saferworld producing locally-informed policy and analysis based on participative processes, funded by the European Union.

Horn of Africa

- Technical support to Peace Talks
- Balance of funds for ongoing activities funded by Swiss Ministry of Foreign Affairs and the UK Aid (Conflict Pool)..

Purposes of designated funds:

Building maintenance fund

- £15,000 for Building Maintenance and Refurbishment to reflect our 10-year lease arrangement where Conciliation Resources have a greater share of responsibility for care of the building.

Staff contingency fund

- Designated reserve for unforeseen staff expenses, including maternity, paternity and redundancy costs.

12. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	<u>General Funds</u> £	<u>Designated Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2012</u> £	<u>Total 2011</u> £
Tangible fixed assets	13,523	-	-	13,523	18,394
Net current assets	896,077	68,368	1,479,843	2,444,288	2,133,387
	<u>909,600</u>	<u>68,368</u>	<u>1,479,843</u>	<u>2,457,811</u>	<u>2,151,781</u>

CONCILIATION RESOURCES

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31 DECEMBER 2012

13. OPERATING LEASE COMMITMENTS

The amounts payable in the next year in respect of operating leases in respect of office rent and service charge are shown below, analysed according to the expiry date of the leases.

	<u>2012</u>	<u>2011</u>
	£	£
One year	-	-
Between two and five years	51,000	51,000
	51,000	51,000

14. DEFERRED INCOME

	<u>2012</u>	<u>2011</u>
	£	£
Balance as at 1st January	-	25,750
Amount released to income in the year	-	(25,750)
Amount deferred in the year	230,261	-
Balance as at 31st December	230,261	-

Deferred income relates to grants of £214,397 and £15,864 from Norwegian Ministry of Foreign Affairs and French Embassy respectively, received in advance for a project work in 2013.

15. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

For the whole of the year, the Charity was under the control of the Directors and Trustees as shown on page two.

Mr A Carl as both the Executive Director and a member of the Board of Trustees received remuneration (excluding pension contributions) of £68,921 (2011 – £65,922) and pension contributions to a defined benefit scheme of £6,203 (2011 – £5,933). This arrangement is in accordance with the Charity's Articles of Association, which stipulate that one trustee who is also a Chief Executive can be paid in good faith as long as inclusion in the trustee body is expedient and in the interests of the Charity.

Expenses for airfares, travel, telephone, hospitality and accommodation totalling £11,913 (2011 – £2,775) were paid on behalf of eight (2011 – five) Trustees.

Mr M Bradbury, a trustee and a specialist in the field, was contracted to provide support to our nascent Horn of Africa programme and received fees of £16,600.

Mr B Afako, a trustee, was contracted to provide support to our East and Central Africa programme on the repealing of Uganda's Amnesty Law and received fees of £3,150.

Ms C Sriram, a trustee was commissioned to write an article on the Special Tribunal for Lebanon for our Accord 24 publication and received fees of £280.

Ms J Gardner, a consultant related to Mr M Bradbury, was commissioned to issue edit a thematic Accord publication on Women and Peacebuilding and received fees of £5,400.