

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2013

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**Directors and Trustees**

Mr P Price (appointed 13 May 2013) (Chair)  
 Mr A Carl (Executive Director)  
 Mr R Cooke (Treasurer retired 5 August 2013)  
 Mr J Lester (Treasurer appointed 5 August 2013)  
 Mr P Afako (retired 13 May 2013)  
 Mr J Arnault (retired 21 February 2014)  
 Mr G Carey (retired 13 May 2013)  
 Ms A Kilmurray  
 Mr F Lyons  
 Ms M Picken  
 Ms C Sexton  
 Ms T Whitfield

**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 (resigned 11 April 2014)  
 Mr M Waterson – Director of Operations

**UK Company Number**

03196482

**UK Charity Number**

1055436

**Registered Office**

Burghley Yard  
 106 Burghley Road  
 London NW5 1AL

**Auditors**

PKF Littlejohn LLP  
 1 Westferry Circus  
 Canary Wharf  
 London E14 4HD

**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

The Directors and Trustees present their report and audited accounts for the year ended 31 December 2013.

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, provide 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 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 2013 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 2013 three trustees left the Board, Robert Cooke our Treasurer, George Carey and Barney Afako. We would also like to thank Bob, George and Barney for their valuable contributions during their respective times on the Board of Conciliation Resources.

At the Annual General Meeting in May 2013 we were delighted to appoint Peter Price, the retired Bishop of Bath and Wells as our new Chair of the Trustees. This was a very exciting appointment for Conciliation Resources and we are delighted to welcome Peter as our Chair. At the August 2013 meeting we were delighted to appoint Jeremy Lester, from the European External Action Service as our Treasurer. Jeremy has huge experience and knowledge of peacebuilding and conflict resolution work in Africa, particularly in East and Central Africa. We are very fortunate to have been able to attract two 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 2014.

The Nomination Sub-Committee of the Board which is led by the Chair is continuing its search for new Trustees to join the Board during 2014.



**Structure, Governance and Management (continued)*****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 meetings 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 two partnerships with the international NGO Saferworld on the EC-funded “People’s Peacemaking Perspectives” project producing locally-informed policy and analysis based on participative processes; the EC-funded “Capacities for peace” contributing to coherent international early action aimed at preventing violent conflicts and building lasting peace in conflict-affected contexts; 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 2013 two Board members were contracted to provide support to Conciliation Resources in specific areas. Barney Afako was contracted to provide technical services on the Amnesty Law in Uganda and Mr Arnault was contracted to provide consultation with civic and political leaders and diplomats in Tbilisi.

There were no amounts due to or from the above-related parties at the end of the year.

***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 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 cash 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 commit to providing our advice, expertise and practical resources for the long-term. In addition, we take what we learn to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1994, Conciliation Resources has worked in partnership with local and international civil society actors, helping people work together to find their own solutions to the conflicts affecting them.

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

**Structure, Governance and Management (continued)*****Objectives and activities (continued)***

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.

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 quality and diversity".

Our ambition (impact) is by 2015 we will be able to point to several examples where the end of a conflict, or the prevention of an outbreak of violence, can be (at least partly) attributed to Conciliation Resources' influence and efforts.

Under the 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. Strengthen the organisation to deliver on our mission: Conciliation Resources' organisational effectiveness strengthened to enable us to better deliver on our strategic framework.

Important values to us include:

**Collaboration:** We believe in working together to build peace. We work closely with groups and individuals from all sections of society to ensure that people directly affected by conflict are involved in its resolution.

**Perseverance:** We are dedicated to creating a just and lasting peace. We know that building peace takes time and so make commitments for the long-term.

**Understanding:** We appreciate the complexities of each conflict, and use our shared knowledge and expertise to adapt our approaches.

**Creativity:** We are bold in our thinking and passionate in our convictions. We are prepared to challenge assumptions and find new ways to influence change.

***Selected achievements in 2013***

During 2013 we continued to implement the Strategic Framework 2012-2014, which supports us to incorporate an emphasis on results while staying true to the ideals and conceptual basis of our peacebuilding mission and mandate.

### Structure, Governance and Management (continued)

It is our organisational ambition to be able to point to examples of where we have contributed to a negotiated agreement or the prevention of an outbreak of violence. We will remember 2013 as the year the Comprehensive Agreement on the Bangsamoro (CAB)<sup>1</sup> was negotiated between the Government of the Philippines and the Moro Islamic Liberation Front (MILF), concluding 16 years of negotiations. The Comprehensive marks the end of more than four decades of conflict in the southern Philippines. Throughout 2013, we played a key role in supporting the peace negotiations between the Government of the Philippines and the MILF as a member of the International Contact Group (ICG). As a trusted interlocutor, Conciliation Resources became a critical reference point in the ICG for the Malaysian facilitator and the parties. We produced discussion papers on sensitive topics such as policing and shuttled between the parties at the request of the facilitator. We facilitated discussion on Muslim women's participation in peace processes, and facilitated an unprecedented level of public and civil society participation in the talks.

Highlights from each of our five priority areas in 2013 are outlined below:

#### **Priority 1 – Support people to build peace**

*East and Central Africa* – Since 2005, Conciliation Resources has implemented a pioneering cross-border peacebuilding programme funded by the Royal Norwegian Government, focusing on LRA-affected communities in the Democratic Republic of Congo (DRC), Uganda, the Central African Republic (CAR) and South Sudan. In DRC, Conciliation Resources and our local partners, SAIPED (Solidarité et Assistance Intégrale aux Personnes Démunies) and the Justice, Peace and Reconciliation Commission, have supported the formation of 18 local peace committees (comités locaux de paix or CLPs). These committees work to counter LRA abductions by disseminating early warning messages to local communities and sharing information on a weekly or bi-weekly basis with security forces, MONUSCO and FARDC. In 2013, with support from Conciliation Resource, the CLPs began work on conflict dynamics beyond the LRA, including land, identity and displacement issues. They are now sharing their methodologies and experiences with counterparts from communities in South Sudan and the Central African Republic.

*Fiji* – 2013 saw major changes in Fiji: in January the government rejected the draft constitution that had been developed through a process of public consultation led by an independent Constitution Commission (whose Secretariat Conciliation Resources had helped to establish and manage), and subsequently enacted its own constitution by military decree. It was announced that the elections would be held in September 2014 – the first since the coup in 2006. Against this changing political backdrop, Conciliation Resources supported our partners – the Fiji Women's Rights Movement, the Pacific Centre for Peacebuilding, Dialogue Fiji and the Citizen's Constitutional Forum – to adapt their strategic approaches to this new context. This included election scenario planning and development of strategies to guide their engagement with the government and other stakeholders. We also facilitated our partners' access to international expertise and analysis on the new constitution, enabling them to undertake more informed and effective advocacy. In the run up to the 2014 elections, our partners are better equipped to open up spaces for political debate and dialogue at different levels in Fiji.

*Jammu and Kashmir* – On both sides of the Line of Control (LoC) in Jammu and Kashmir, Conciliation Resources has been supporting the Jammu and Kashmir Joint Chamber of Commerce and Industry (JCCI) and the Kashmir Initiative Group (KIG) to strengthen their capacities to conduct effective dialogue and advocacy with political actors to influence the peace process. The KIG, the first cross-LoC peacebuilding platform, brings together a group of key influencers who encompass diverse identities, viewpoints and political ideologies from across the divided region. With Conciliation Resources' support, the KIG has evolved into a credible peacebuilding platform and built relationships with key stakeholders across a broad political spectrum in India, Pakistan and within Kashmir. The JCCI, made up of federations of business and industries from both sides of the LoC, is the first joint institution of its kind in Kashmir for more than 65 years. With ongoing support and training from Conciliation Resources, the JCCI has become influential in advocating for greater trade and investment linkages across the LoC as a way of normalising relations and paving the way for long-term conflict transformation.

<sup>1</sup> The final annex of the Framework Agreement was signed on 25 January 2014 – effectively concluding negotiations – while the Comprehensive Agreement on the Bangsamoro was signed on 27 March 2014.

## Structure, Governance and Management (continued)

### *Priority 2 – Strengthen peacebuilding policies and practice*

*Fiji* – Fiji's fourth constitution in 44 years was signed into law in September 2013. It vests sole legislative authority in a one-chamber parliament, which will be convened following a national election in 2014. The 2013 constitution was written and instituted by the government itself after it rejected a draft drawn up by the independent Constitution Commission of Fiji. In the immediate aftermath of the government announcing its own draft of the constitution, Conciliation Resources provided support to civil society's scrutiny of the draft and brought three constitutional lawyers to Fiji to conduct a review. This highlighted serious issues in the new draft, including the immunity it provides for members of the current military regime, limitations on human and political rights, and impediments against any future attempt to amend the constitution by lawful means. On the basis of this review, our partners advocated directly to the Fiji government as well as to key international actors with influence on the government. Several of the issues raised – including the need to unambiguously separate the government and the military – were subsequently incorporated into the final 2013 constitution, which bars serving members of the Armed Forces from politics.

*The Philippines* – In 2013, Conciliation Resources launched two complementary projects aimed at linking the high-level peace process in the Philippines with engagement at community level, particularly with marginalised groups. The first initiative, funded by the UK Government, involved 72 consultations with 2,750 women, including Muslim and indigenous women, former combatants and businesswomen. The consultations resulted in recommendations to the Bangsamoro Transition Commission in key areas such as protection from violence and political participation. Never before in this traditional society have women been given the space to lead such a process. The second initiative, funded by the EU, focuses on ensuring that the implementation of the Peace Agreement responds to the needs and priorities of conflict-affected communities, and that the new Basic Law of the Bangsamoro is endorsed by people from all sectors of society. Working with eight local partners from different political, geographic, ethnic and gender backgrounds, the consultations have so far reached a total of 6,900 people and promoted a sense of ownership of the new peace settlement.

*Engaging armed groups* – Counter-terrorism legislation and related proscription policies make engagement with non-state armed groups a challenge. Yet without the engagement of armed groups in a peace process, a sustainable resolution to conflict is unlikely to be reached. Conciliation Resources is recognised as an expert on this topic, providing policymakers with guidance on engaging with armed groups at different stages of a peace process, and actively engaging in debates. In 2013 we organised a series of workshops bringing together mediators, civil society experts, academics and counter-terrorism professionals. We participated in high-level discussions with the Foreign and Commonwealth Office (FCO) on issues around proscription and engaging armed groups, submitted arguments and ideas to the Foreign Secretary, and raised concerns with the UK Charity Commission on the impact of counter terrorism measures on INGOs operating in conflict-affected contexts. We were one of few organisations in the UK that publicised the Humanitarian Aid Facilitation Act – draft legislation introduced in the United States in November 2013 – and its potential to help end violent conflicts by removing the threat of prosecution for those engaged in peacebuilding and mediation work with blacklisted groups.

*Gender in peace processes* – Conciliation Resources' policy team engages with decision-makers around the world to encourage greater inclusion of women and further implementation of the women, peace and security framework set out in UNSCR 1325 and related resolutions. Our *Accord Insight* on Women building peace, launched in New York in September 2013 in the lead-up to the adoption of the United Nations Security Council Resolution 2122 a month later, examines the roles women have played in addressing violence in contexts as diverse as Papua New Guinea, Sierra Leone, Indonesia and Northern Ireland. During their chairmanship of the Security Council, the Australian Mission to the UN hosted the launch event of *Accord Insight* and stated that the *Accord Insight* contributed to the adoption of UNSCR 2122 by building momentum and providing evidence for the importance of and possibilities for women's participation in peacebuilding.



## Structure, Governance and Management (continued)

### *Priority 3 – Promote understanding of peaceful ways to resolve conflicts*

*Colombia* – In 2013, we supported our local partners in the Women Peace and Security Collective for Reflection and Action<sup>2</sup> through a process of comparative learning, ongoing advice and accompaniment to launch a dynamic new peacebuilding initiative called the Ethical Pact for a Country in Peace. The Pact calls on Colombian society, policymakers and the international community to support the transformation of Colombian society to a peaceful one through a commitment to an agenda of 15 actions centred on the commitment of the government and the insurgency to negotiate an end to the armed conflict. The Pact urges the parties not to leave the negotiating table until they reach agreement. It also notes that there are paths in addition to the peace talks that can lead toward social change and a more peaceful society, and offers a roadmap for the ethical and inclusive transformation of Colombia. The Pact was launched at the University Javeriana in Bogotá in October 2013 with over 330 people from a broad section of Colombian society attending.

*Horn of Africa* – We organised a series of peace fora in London, Minnesota and Nairobi in 2013 with diaspora communities from the Somali Regional State, Ethiopia (Ogaden). The objective was to explore people's perspectives of and opportunities to participate in the Ogaden peace process and discuss alternatives to conflict in an effort to broaden and deepen the process. The fora were successful in building collective interest and confidence in supporting the peace process as well as opening up broad discussion on finding a political solution to the Ogaden conflict. Diaspora communities can be important actors in peace and conflict processes. They can function as bridge-builders and can help foster constructive dialogue processes or contribute to economic development. Engaging with the diaspora is an innovative way of dealing with the lack of access to local communities in particular conflict contexts, such as in the Ogaden region of Ethiopia.

*South Caucasus* – In 2013, Conciliation Resources brought the film *Memories Without Borders* to new audiences in the South Caucasus and in Western Europe. The film is part of our ongoing 'Dialogue Through Film' initiative and is the result of a two-year collaboration between a group of Turkish, Armenian and Azerbaijani filmmakers, addressing themes of conflict, exile and memory. It features perspectives from people living in different communities in Istanbul, the contested territory of Nagorny Karabakh, the Azerbaijani capital of Baku and southern Armenia. Running through all the stories is the common thread of unresolved violence spanning generations. In 2013 the film was screened for the first time to diaspora communities and policymakers in Berne, Brussels, Paris and London, and to Russian-speaking audiences in the Georgian cities of Marneuli, Tbilisi and Akhalkalaki. The creators behind the film participated in Q&A sessions following the screenings, with discussions ranging from issues such as trade incentives between Armenians and Azerbaijanis to the role that creative arts can play in reconciliation. Reactions to the film among audiences and the media have been positive, with coverage by BBC Turkish and Azeri Services and Radio Free Europe as well as online, helping to further raise the profile of the film and generating requests for more screenings.

*East and Central Africa* – In 2013, Conciliation Resources continued to work with partners across East and Central Africa to produce its grassroots newsletter, *Voice of Peace*. The quarterly newsletter links LRA-affected communities together across a large and diverse region, providing a unique platform to share information and experiences on the conflict. It includes updates, commentary and personal stories that come directly from the people affected by the LRA conflict. Through our partner SAPID, we continued to work with two local radio stations in eastern DRC: Bomoko and Radio RTK, broadcasting programmes on the conflict on a regular basis. The broadcasts have become vital sources of information for communities, informing them about the security situation and the risks posed by the LRA in order to reduce their vulnerability to sudden attacks. The programmes also contain messages targeted at LRA members, encouraging them to defect and return home, and encouraging local communities to accept returnees and reintegrate them into the community.

<sup>2</sup> The collective was formed following an exchange programme organised by Conciliation Resources in 2011, bringing together women peacemakers from the Philippines and Colombia.

## Structure, Governance and Management (continued)

### *Priority 4 – Create opportunities for dialogue between divided communities*

*South Caucasus* – In 2013 Conciliation Resources continued to facilitate the London Process: a dialogue process initiated in 2012, and which is the continuation of a Georgian–Abkhaz civil society dialogue that Conciliation Resources has convened over the last seven years. It provides a space for Georgian and Abkhaz civic actors to meet, to analyse the conflict context and plan activities that promote improvement of relations across the conflict divide, including through advocacy initiatives at the country, region and global level. Many of those taking part are close to officials involved in the formal internationally mediated Geneva talks, and it is hoped that the ideas and solutions being suggested in London will help to inform the official talks and in time lead to real progress in the Geneva talks.

*Jammu and Kashmir* – Conciliation Resources' programme in Kashmir has focused on improving trade ties across the LoC in Kashmir as a way of strengthening linkages across the divide and engaging new constituencies in peacebuilding. Bringing together a team of reputed academics from across the LoC during 2013, Conciliation Resources commissioned a study entitled *Cross-Line of Control Trade: Peacebuilding and economic potential*. The first research of its kind, the study looks at how to unlock the significant investment potential in the region, and the positive spin-offs in terms of building peace. The study has been shared with key policymakers in India, Pakistan and within Kashmir, including senior members of the government and bureaucracy, academics, and business entities. Inspired by the findings of the report on investment potential in Kashmir, prominent businesspeople in the UK diaspora formed the Kashmiri Diaspora Business Network – the first such forum with the explicit objective of engaging the diaspora in economic and peacebuilding initiatives in Kashmir.

*Nigeria* – Since 2012, Conciliation Resources and our partner the Centre for Peace Advancement in Nigeria (CEPAN) have been working in five conflict-affected communities in and around Jos, Plateau State, to build community cohesion across religious and ethnic divides and empower communities to work with the government to improve community security. In 2013, with support from Conciliation Resources and CEPAN, each community came together to plan and implement a variety of responses to the particular issues they face, ranging from inter-community and inter-faith dialogues, to meetings with police, religious leaders and the parents of at-risk youths, to initiatives aimed at transforming dangerous areas into safe spaces. A significant achievement of the project has been its success in bringing together diverse groups and gaining their commitment to work together to build peaceful communities. People in these communities are now able to move about freely and cross into other areas without risk of intimidation, or fear of harassment or attack by those of a different faith or tribe.

*Fiji* – In the absence of a representative parliament, coupled with restrictions on the media and freedom of assembly, local civil society organisations have a vital role to play in creating opportunities for debate and dialogue about the issues that affect different communities in Fiji. In March 2013, a three-day 'People's Constitutional Forum' workshop was convened by two of our partners, the Citizen's Constitutional Forum and the Fiji Women's Rights Movement. The People's Forum was a space for open discussion and debate on the constitutional content and the political process, with diverse participants drawn together from Fiji's religious groups, proposed political parties, trade unions, rural networks, universities, women's groups, human rights organisations, youth groups, LGBTI groups and the private sector. We also supported the Pacific Centre for Peacebuilding to undertake a high-level 'Transition to Democracy' dialogue process. This involved three dialogue events in 2013, bringing together national leaders from the civil society sector, unions, new political parties and senior members of the Government of Fiji to discuss a number of key national political issues, including the constitution development process, Fiji's media, and the empowerment of women and youth.

**Structure, Governance and Management (continued)*****Priority 5 – Strengthen the organisation to deliver on our mission***

2013 was a year in which we continued to invest in organisational systems and processes to ensure that the principles of economy, efficiency, effectiveness and equity were widely applied throughout the organisation. Our enhanced evidence-based approach to programming now supports better programme design with a focus on results, facilitates learning, and enables us to remain accountable to our donors, partners and beneficiaries.

*New Chair of the Board of Trustees* – Peter Price, the former Bishop of Bath and Wells (2002-2013), was appointed Chair of the Board of Trustees at Conciliation Resources in August 2013. With his long-standing interest in peacebuilding and international affairs, Peter is well-placed to head up the organisation. As part of his new role, Peter will be helping to guide the direction of the organisation as it continues in an exciting phase of growth. Peter has over 40 years experience in reconciliation work, beginning with Northern Ireland and subsequently including Latin America, Africa and the Middle East. He was greatly influenced by his experiences with the church in Latin America during the 'dirty wars' of the 1980s and 1990s. Between 1992 and 1997 he was General Secretary of Us. (formerly known as USPG), one of the Anglican Church's leading mission and development agency. While serving in the House of Lords from 2008 to 2013, he used his influence to pressure politicians to find alternative, non-militarised solutions to some of the world's conflicts.

*Review of Conciliation Resources' operational model* – A Comparative Evaluation of Conciliation Resources' Operating Model was carried out by the IDL group in 2013 to consider the effectiveness and efficiency of Conciliation Resources' current operating model, in which we provide support to locally based partners in conflict contexts. The report identified value in our approach, with particular praise for our partnership model. It also supported our view of a number of areas in need of further strengthening, including the need to ensure our partners have a common understanding of our key policies, and the need to ensure our programme ambitions are sized to the resources available. Based on the report's conclusions, Conciliation Resources' executive management is open to considering alternative context-specific operating models – such as the establishment of a country-specific or regional office – on a case-by-case basis. We currently have programme staff based overseas in New Zealand (working on our Fiji programme), Austria (working on the South Caucasus), the Philippines and the Central African Republic.

*Internal learning* – Conciliation Resources is often characterised by its staff and peers as a reflective learning organisation. The Accord series has, for two decades, drawn together the lessons of peacebuilding initiatives and peace processes. There are regular discussions and information exchanges between staff on the back of programme experience and evaluations, as well as with peer organisations and individuals working in the field. In 2013, we focused on strengthening the knowledge and expertise of Conciliation Resources' staff providing opportunities for structured and facilitated learning. We held internal workshops on our strategic thematic areas and on our approach to conflict and peacebuilding analysis. We also continued to hold regular '20 minute downloads', where a staff member shares their experiences from a particular context. These have proved highly effective in promoting the exchange of information, ideas and lessons across programmes. We have also been working to improve our understanding and competencies around the theme of gender in peacebuilding, through an internal audit of our work, a gender guidance paper, and staff training on gender-sensitive conflict and peacebuilding analysis.

**Structure, Governance and Management (continued)*****Publications and Other Resources Produced in 2013***

*Accord Insight: Women building peace*, March 2013

*Voice of Peace* newsletter (three editions), April, June and September 2013 (also in French)

*What's in a label? EU listing of Hezbollah and challenges to Lebanon's peace*, June 2013

*Cross-Line of Control Trade: Peacebuilding and economic potential*, June 2013

*Liberia-Côte d'Ivoire Border Situation*, June 2013

*Innovation in mediation support: The International Contact Group in Mindanao*, July 2013

*Border community security: Mano River Union region*, August 2013 (also in French)

*Crisis in the Central African Republic*, August 2013

*Background to the Kashmir conflict: challenges and opportunities*, September 2013

*What lies between solution and resumption of the Nagorny Karabakh conflict*, October 2013

*Muslim women in peace processes: Reflections for dialogue in Mindanao*, October 2013

*Sharing responsibility: Governance in the midst of conflict*, November 2013

*Central African Republic: Inter-communal dialogue key to long-term stability*, December 2013 (also in French)

*Institutionalising confidence building measures on Kashmir*, December 2013

***Films***

*Faith Divided: Spirituality Caught in Conflict*, 2013

**Financial Review**

The statement of Financial Activities shows a net movement of funds of £1,342,205 (2012 - £306,030) for the year and total funds available stand at £3,800,016 (2012 - £2,457,811).

Conciliation Resources' grant income for this year has increased by 12% per cent on the previous year, supported by our institutional donors and a number of new donors, we are in the third year of our Programme Partnership Agreement (PPA) funded by the UK Department for International Development which operated April 2011 – March 2014; an extension to the agreement to March 2016 was agreed in December 2013. 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.

### 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. 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 £467,976 2013 and £420,941 in 2012). 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 2013.

The operating reserves for Conciliation Resources are estimated at £519,472 for 2014. A designated fund of £15,000 for Building Maintenance and Refurbishment which reflected our 10-year lease arrangement where Conciliation Resources had a greater share of responsibility for care of the building was released against dilapidations costs during the year. In 2014 it is proposed that a designated fund of £35,000 will be set up in light of the move to new premises in Tufnell Park where Conciliation Resources is responsible for the upkeep of the building and demise a part of the 10-year lease agreement that was entered into on 11<sup>th</sup> March 2014.

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

### Future Plans

2014 marks a major milestone for Conciliation Resources, as we will be celebrating our 20th anniversary. In 1994, two professionals set up Conciliation Resources with two second-hand computers, very little money, and a deep sense of commitment to supporting local civil society peacemakers. Since then, we have grown to a talented and committed team of over 40 staff and volunteers, working in over a dozen countries affected by violent conflict, and have had significant success in our efforts to promote the inclusion of local voices in peace processes and influence peacebuilding policy.

Following a comprehensive planning process, the 2014 programme plans and budgets have been approved. Below is a summary of these plans:

*Colombia* – As the talks between the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) progress, we will maintain a focus on supporting our local partners to engage with the peace process, particularly promoting women's participation. We will continue mentoring the Women Peace and Security Collective, helping them to increase their overall outreach and impact. Building on past successful comparative learning exchanges, we will facilitate further opportunities for Colombians involved in the peace process to deepen their understanding of other conflict-affected contexts. We also plan to strengthen our relations and engagement with the actors most closely related to the peace negotiations, in particular the Office of the High Commissioner for Peace. Acknowledging the importance of regional dynamics, we will work with CIASE, a key member of the Women Peace and Security Collective, to implement the Latin America component of our global Conciliation Resources-Saferworld EU funded "Capacities for Peace" project, which aims to build the early warning capacities of local civil society actors, preventing violent conflicts and building lasting peace.

**Future Plans (continued)**

*East and Central Africa* – In 2014 we will focus on promoting greater cohesion and interaction between the conflict-affected communities of CAR, DRC, South Sudan and Uganda, in order to strengthen civil society advocacy for non-violent solutions to the LRA conflict. We will support communities to strengthen community-based support structures for LRA returnees, focusing particularly on building the capacity of women's groups. Additionally, we will seek to increase dialogue between community representatives, regional governments and donor agencies to enhance local input on national and regional policies on civilian protection and reintegration of returnees.

In the context of the CAR crisis, we will work with in-country religious leaders to establish a secretariat for the national inter-faith peace platform, supporting local peace committees and channels of dialogue between CAR authorities and civil society. We hope to facilitate an innovative 'peace week' in Bangui, where community and civil society leaders will be mobilised through a series of activities such as radio programmes, cultural activities and dialogue sessions between civil society and political leaders.

*Fiji* – As Fiji prepares for elections in September 2014, our focus will be to increase Fijians' political engagement in the shift to civilian rule. We will work to enhance the capacity of civic leaders and political parties to effectively participate in the transition to representative governance, providing opportunities for comparative learning through the use of experts, learning papers and exchange trips. We will encourage informed public participation in the upcoming elections, particularly the inclusion of women and youth, supporting our partners to conduct community education workshops and public forums for debate. Additionally, we will support our partners' high-level dialogue initiatives with the government, designed to further discussion between national leaders on issues related to Fiji's transition to representative governance. We will continue to inform and influence international policymakers (Australia, New Zealand and the EU) around the transition in Fiji.

*Jammu and Kashmir* – Cross-LoC dialogue will continue to be a major focus in all strands of work and in 2014 we will facilitate meetings between the divided communities amongst women, youth, academics and traders. We will scale up our advocacy at the level of the Indian and Pakistani governments, bureaucratic and military establishments, promoting an enhanced role for local communities in the peace process. This will also involve creating opportunities for members of the Kashmir Initiative Group to interact with international policymakers. Six peacebuilding partners from both sides of Kashmir will visit the UK through the Commonwealth professional fellowship programme, to enable skills enhancement and comparative learning. A third joint cross-LoC documentary film on a Kashmir peace-related theme will be produced. We will continue our participatory research with youth from across the LoC, which will inform a 'Vision 2020' document defining their agenda for peace, with a particular focus on education and employment. We will also continue to leverage the strong relationship between the diaspora and 'back home' to promote the peacebuilding value of cross-LoC investment.

*The Philippines* – Having supported the final phase of negotiations for the Comprehensive Agreement on the Bangsamoro, we will now focus on its successful implementation promoting principles of broad ownership, transparency and inclusivity. Collaborating with our Mindanao-based partners, we will coordinate wide-ranging activities to promote public participation on three areas: writing the Basic Law of the new self-governing Bangsamoro entity; ensuring a community-responsive police force for the Bangsamoro; and identifying the best approach for dealing with the past. Building on our strong relationships with a wide range of women's organisations, we will hold a summit of women in Mindanao to develop a common agenda on meaningful participation in the Bangsamoro Basic Law, and facilitate training on gender-sensitive security sector reform.

In the context of the GPH-NDF peace process, we will formulate a detailed work plan for our strategic engagement, to include meetings with peace panels, civil society organisations and other key actors. We will also support our partner Sulong CARHRIHL to conduct capacity building workshops on early warning and response with groups and constituencies connected to this peace process as well as reaching out to groups that have previously not engaged.

### Future Plans (continued)

*South Caucasus* – In 2014 we will continue working to increase the peacebuilding capacity of civil society actors, particularly marginalised and displaced persons. We will support a coalition of organisations working on IDP issues in Azerbaijan to facilitate and encourage community activism, and in Abkhazia we will support the formation of a network of representatives of ethnic and religious communities to link with Abkhaz civil society to produce policy recommendations on inclusion and diversity. Strengthening our thematic focus on Dealing with the Past and reconciliation, we will produce three documentary films on the Nagorno Karabakh war by joint Armenian and Azerbaijani teams, and facilitate three Karabakh Contact Group meetings relating to dealing with the past. In Georgia-Abkhazia the 'Memory Project' will train partners to collate and systematise an archive of existing material and new testimonies from 1989 onwards, with cross-conflict exchange and dialogue. We will continue to build momentum for our Georgian-Abkhaz bilateral dialogue (the London Process), with an emphasis on practical confidence-building initiatives and feeding in policy issues to the official Geneva peace process.

*West Africa* – Our programme in Nigeria's Plateau State focuses on promoting sustainable dialogue spaces within a fluid political and security context. We will engage with vulnerable youth who are easily organised into radical groups for violence and work with young people to develop their peacebuilding and advocacy capacities. We will also continue to work with our civil society partners to build their confidence and capacities to engage in evidence-based policy dialogue with security institutions, the Council of Traditional Rulers and national and international policy actors on issues of conflict transformation.

In the Mano River Union context, we work to facilitate the resolution of border tensions and improve participation of border communities in local governance. We plan to create four new 'District Platforms for Dialogue' (DPDs) in communities on either side of the Cote d'Ivoire-Liberia border and facilitate structured dialogue meetings between DPD representatives and policy actors in both countries as well as with the Mano River Union Secretariat. Along with our partners, we will participate in high-level dialogue and regional policy meetings to share lessons and policy recommendations from our work with border communities.

*Accord* – *Accord 25*, Legitimacy and peace processes: from coercion to consent, will be published and disseminated in 2014. Related outreach events will take place throughout the year, with a special focus in regions where we are working to inform peacebuilding policy and practice and cultivate relationships. Additionally, we will produce our second *Accord Insight*, which will explore how civil society and local communities engage with armed groups, and begin planning *Accord 26*, which will focus on Nepal's peace process. Following on from our Lebanon-themed *Accord*, we will facilitate a workshop in Lebanon and contribute to a region-wide report on recommendations for capacity building as part of the global Capacities for Peace project. To celebrate 25 issues of *Accord*, a back catalogue of all issues will be made available as e-books online.

*Communications* – We will increase our focus on harnessing social media and the internet to widen the dissemination of our messaging and impact. The ongoing work to develop a strong internal intranet will culminate in the launch of 'The Hub' mid-year. We will then concentrate on staff training and integration of the information sharing system in our organisational culture. Additionally, to celebrate the organisation's 20th anniversary, the Communications team will lead on several creative projects promoting our key achievements over the last 20 years and core peacebuilding messages. We aim to collaborate with our partners to find innovative ways to promote our work through film and media.

*Policy* – Our focus will be on developing and promoting policies and practice by governments and multilaterals which support inclusive peace processes, including by drawing on evidence and examples in *Accord 25*. We will do this through analysis and advocacy on gender, peace and security, armed groups and proscription, and mediation support. We will continue to support the efforts of those seeking to ensure peace and security is adequately reflected in the post-2015 development framework, and engage more broadly with peer organisations to make the case for peacebuilding approaches and support for the peacebuilding sector. We will continue our leading role in EPLO, the BOND Conflict Policy Group and GAPS, as well as our participation in the Mediation Support Network and the Alliance for Peacebuilding. We will maintain our valued relationships with European and US Government officials, as well as with EU (EEAS) and UN staff, through outreach and advice.

**Future Plans (continued)**

*Organisational effectiveness* – As Conciliation Resources has grown considerably in the last few years, in 2014 we will reorganise our internal structure to ensure teams are better aligned to create effective synergies. We will also leave our office in Upper Street, Islington and moving to a larger premises better suited to our organisational needs in nearby Tufnell Park.

In 2014 we will design, develop and launch a cross-organisational monitoring and evaluation (M&E) database to streamline and enhance the way in which we capture, store and analyse information on our activities and outcomes. This will improve the efficiency of information storage, facilitate greater information sharing across the organisation and enable us to better reflect on and communicate our impact. We will continue to build on the formalisation of our organisational learning culture, with structured learning events which will draw on evidence gathered through programme reporting and evaluations. Subject to funding, we will produce further practice papers, for dissemination to peacebuilding practitioners and policymakers.

We will standardise procedures for how we select and work with partners to ensure they meet standards of transparency, accountability, management and governance. This will include introducing a new partner selection criteria, as well as a new, more stringent, Memorandum of Understanding to be signed with all partners, which clearly acknowledges responsibilities on both sides.

**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 the 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 at the Annual General Meeting that PKF Littlejohn should be appointed as auditors of the Charity for the ensuing year. The Board expressed there thanks to outgoing auditors Ramon Lee and Partners for all the support provided over the past ten years by Ramon Lee.

PKF Littlejohn LLP were appointed as auditors to the Company during 2013 and have indicated their willingness to continue in office.

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 on 9 June 2014 and signed on its behalf.



**M Waterson**  
**Company Secretary**

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2013 which comprise: the Statement of Financial Activities (including an Income and Expenditure Accounts), Statement of Financial Activities, Balance Sheet and related notes 1 – 16. 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 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 pages 15 and 16, 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 Directors' and Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of the 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**

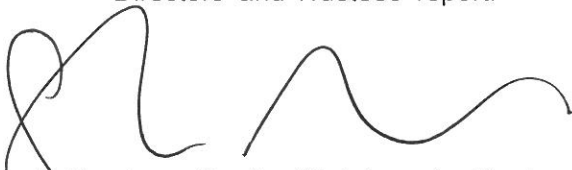
In our opinion the information given in the Directors' and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on Which we are Required to Report by Exception**

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

the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or

- the 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 Directors' and Trustees' report.



**Sarah Morrison (Senior Statutory Auditor)**  
For and on behalf PKF Littlejohn LLP  
Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

9 June 2014

# CONCILIATION RESOURCES

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming Resources</b>					
<i>Incoming resources from generating funds:</i>					
<i>Voluntary income:</i>					
Grants & donations receivable	2	1,725,428	-	1,725,428	1,684,946
<i>Activities for generating funds:</i>					
Other income		2,526	-	2,526	2,928
Interest receivable		8,730	-	8,730	10,781
<b>Incoming Resources from Charitable Activities</b>					
Grants & donations receivable	3	-	4,189,677	4,189,677	3,536,818
Manuscript sales and other income		20,838	-	20,838	27,518
<b>Total Incoming Resources</b>		<b>1,757,522</b>	<b>4,189,677</b>	<b>5,947,199</b>	<b>5,262,991</b>
<b>Resources Expended</b>					
Cost of generating voluntary income		310,191	-	310,191	276,118
Charitable activities		1,067,905	3,149,003	4,216,908	4,555,266
Governance costs		77,895	-	77,895	125,577
<b>Total Resources Expended</b>	4	<b>1,455,991</b>	<b>3,149,003</b>	<b>4,604,994</b>	<b>4,956,961</b>
Net incoming resources before transfers	11	301,531	1,040,674	1,342,205	306,030
Gross transfers between funds		(12,523)	12,523	-	-
<b>Net Movement in Funds</b>		<b>289,008</b>	<b>1,053,197</b>	<b>1,342,205</b>	<b>306,030</b>
<b>Reconciliation of Funds</b>					
Total funds, brought forward		977,968	1,479,843	2,457,811	2,151,781
<b>Total Funds, Carried Forward</b>		<b>1,266,976</b>	<b>2,533,040</b>	<b>3,800,016</b>	<b>2,457,811</b>

The statement of Financial Activities also complies with the requirement 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 21 to 33 form part of these Financial Statements.



# CONCILIATION RESOURCES

# BALANCE SHEET AT 31 DECEMBER 2013

	Notes	£	2013 £	£	2012 £	£
<b>Fixed Assets</b>						
Tangible assets	8		15,664		13,523	
<b>Current Assets</b>						
Debtors	9	1,199,878		890,265		
Cash at bank and in hand		3,242,854		2,015,605		
		4,442,732		2,905,870		
Creditors: Amounts Falling Due Within One Year	10	658,380		461,582		
<b>Net Current Assets</b>			3,784,352		2,444,288	
<b>Total Assets Less Current Liabilities</b>			3,800,016		2,457,811	
<b>Income Funds</b>						
Unrestricted funds – General	11		1,213,608		909,600	
– Designated	11		53,368		68,368	
Restricted funds	11		2,533,040		1,479,843	
			3,800,016		2,457,811	

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 9 June 2014 and were signed on its behalf by:

 P Price (Chair)

 J Lester (Hon. Treasurer)

Company Registration No. 03196482

The notes on pages 21 to 33 form part of these Financial Statements.

## 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.

### **Basis of Preparation of Accounts and Going Concern**

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.

The Trustees consider that the use of the going concern basis is appropriate because there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Charity to continue as a going concern, and there is reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future.

### **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 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 provided.

Grant income which provides funding to support performance activities is recognised where there is entitlement, certainty of receipt and the amounts can be measured with sufficient reliability. Such income is deferred when it is received in advance of the performances or event to which it relates.

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.

### **Volunteers and Donated Services and Facilities**

Where services that would normally be purchased from suppliers are provided to the charity free of charge, this contribution is included as both income and expenditure in the financial statements at an estimate of the value of the contribution to the charity. There were no such donations during the year.

### **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.

**1. Accounting Policies (continued)****Irrecoverable VAT**

- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, eg staff costs by reference to the time spent and other costs by the number of work stations used or transactions processed.

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

**Pensions**

The pension costs charged in the accounts represents the contributions payable by the charity during the year. 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. In accordance with Financial Reporting Standard 17 (Accounting for Pensions) contributions to the scheme are charged to the Statement of Financial Activities in the year in which they are payable.

**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.

**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.

**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 basis:

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

**Funds Structure**

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

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

Designated funds comprise unrestricted funds set aside by the Trustees for specific purposes.

**Operation lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

## 2. Voluntary Income (All Unrestricted)

	Unrestricted Funds £	Total 2013 £	Total 2012 £
UK Aid	89,561	89,561	99,968
UK Aid (PPA)	1,002,579	1,002,579	1,002,579
European Commission, Belgium	-	-	75,611
Federal Department of Foreign Affairs, Switzerland	82,975	82,975	79,633
Ministry of Foreign Affairs, Norway	49,522	49,522	53,705
Swedish International Development Co-operation Agency	500,063	500,063	373,029
Donations	728	728	421
	<hr/>	<hr/>	<hr/>
	1,725,428	1,725,428	1,684,946
	<hr/>	<hr/>	<hr/>

36.6% of unrestricted voluntary income is attributable to geographical areas outside the United Kingdom.

## 3. Income from Charitable Activities – Grants and Donations (All Restricted)

	Total 2013 £	Total 2012 £
<b>Policy, Practice and Communications (inc. Accord)</b>		
European Commission, Belgium	-	75,292
Joseph Rowntree Charitable Trust, UK	7,500	30,000
Rowan Charitable Trust, UK	-	8,000
Ministry of Foreign Affairs, Finland	32,622	-
Ministry of Foreign Affairs, Norway	263,926	-
Norwegian Peacebuilding Resource Centre	12,883	-
	<hr/>	<hr/>
	316,931	113,292
	<hr/>	<hr/>
<b>Caucasus</b>		
UK Aid	331,483	500,842
European Commission, Belgium	243,519	260,185
	<hr/>	<hr/>
	575,002	761,027
	<hr/>	<hr/>
<b>West Africa</b>		
Eleanor Rathbone Charitable Trust, UK	-	1,000
European Commission, Belgium	-	10,307
UK Aid	80,866	118,693
Oakdale Trust, UK	-	750
Zivik, Germany	-	(14,914)
National Endowment for Democracy	25,958	-
	<hr/>	<hr/>
	106,824	115,836
	<hr/>	<hr/>

## 3. Income from Charitable Activities – Grants and Donations (All Restricted) (continued)

**East and Central Africa**

	Total 2013 £	Total 2012 £
Baring Foundation, UK	70,000	43,290
UK Aid	45,597	155,219
European Commission, Belgium	629,752	14,360
Eva Reckitt Trust Fund, UK	-	2,500
John Ellerman Foundaton, UK	-	21,710
Ministry of Foreign Affairs, Norway	337,541	506,324
UNICEF	29,633	-
Ministry of Foreign Affairs, France	15,864	-
	<hr/> 1,128,387	<hr/> 743,403

**India, Pakistan and Kashmir**

Allan & Nesta Ferguson Charitable Trust, UK	-	25,000
UK Aid	53,812	24,843
Embassy of Finland, India	-	4,870
Ploughshares Fund, USA	-	25,193
United States Institute of Peace, USA	-	48,697
European Commission, Belgium	693,743	-
	<hr/> 747,555	<hr/> 128,603

**Fiji**

American Bar Association, USA	-	35,357
AusAid, Australia	392,325	576,261
UK Aid	59,159	123,352
European Commission, Belgium	252,128	109,411
	<hr/> 703,612	<hr/> 844,381

**Philippines and Colombia**

Ministry of Foreign Affairs, Norway	99,059	161,111
UK Aid	20,624	-
European Commission, Belgium	255,742	-
	<hr/> 375,425	<hr/> 161,111

**Collaborations (consortia partner funds)**

European Commission, Belgium	185,414	396,846
	<hr/>	<hr/>

## 3. Income from Charitable Activities – Grants and Donations (All Restricted) (continued)

Horn of Africa	Total 2013 £	Total 2012 £
UK Aid	50,527	89,124
Federal Department of Foreign Affairs, Switzerland	-	183,195
	<hr/>	<hr/>
	50,527	272,319
	<hr/>	<hr/>
<b>Total Grants Receivable</b>	<b>4,189,677</b>	<b>3,536,818</b>
	<hr/>	<hr/>

78.2% of restricted grants and donations is attributable to geographical areas outside the United Kingdom.

# CONCILIATION RESOURCES

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2013

### 4. Resources Expensed

	Salaries and staff costs £	Direct costs £	Audit fees £	Support costs £	2013 £	2012 £
Cost of generating voluntary income	148,697	15,456	-	146,038	310,191	276,118
Policy, Practice and Communications (inc. Accord)	492,266	192,936	-	119,486	804,688	614,758
Caucasus	278,020	462,373	-	92,934	833,327	859,080
West Africa	73,637	125,582	-	53,105	252,324	245,719
East and Central Africa	168,958	579,770	-	66,381	815,109	911,397
India, Pakistan Kashmir	124,533	226,109	-	46,466	397,108	230,893
Fiji	96,073	488,061	-	39,829	623,963	865,392
Philippines and Colombia	85,591	210,124	-	33,191	328,906	263,737
Collaborations (consortia partner funds)	6,379	5,766	-	-	12,145	396,846
Horn of Africa	57,835	74,627	-	13,276	145,738	167,444
Program development	-	3,600	-	-	3,600	-
Governance costs	14,998	-	9,792	53,105	77,895	125,577
	<u>1,546,987</u>	<u>2,384,404</u>	<u>9,792</u>	<u>663,811</u>	<u>4,604,994</u>	<u>4,956,961</u>

# CONCILIATION RESOURCES

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2013

### 5. Support Costs

	Management and administration staff costs £	Premium costs £	Communication costs £	Information technology £	Other charitable expenses £	2013 £	2012 £
Cost of generating voluntary income	79,070	18,560	4,527	5,626	38,254	146,037	138,672
Policy, Practice and Communications (inc. Accord)	64,694	15,186	3,704	4,603	31,299	119,486	96,468
Caucasus	50,316	11,811	2,881	3,582	24,344	92,934	78,380
West Africa	28,753	6,749	1,646	2,046	13,911	53,105	48,234
East and Central Africa	35,941	8,437	2,058	2,557	17,388	66,381	60,293
India, Pakistan Kashmir	25,159	5,906	1,441	1,790	12,171	46,467	42,205
Fiji	21,565	5,062	1,235	1,534	10,433	39,829	36,175
Philippines and Colombia	17,971	4,218	1,029	1,279	8,694	33,191	30,146
Horn of Africa	7,188	1,687	412	511	3,478	13,276	30,145
Governance costs	28,753	6,749	1,646	2,046	13,911	53,105	42,205
	<u>359,410</u>	<u>84,365</u>	<u>20,579</u>	<u>25,574</u>	<u>173,883</u>	<u>663,811</u>	<u>602,923</u>

Support costs are allocated in accordance with the accounting policy on page 22.



## 6. Net Movement in Funds for the Year

The net movement in funds is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets	9,864	11,461
Directors remuneration (including pension)	76,250	75,124
Operating lease rental	51,000	51,000
Audit's remuneration – Statutory audit	9,792	8,640
Project audit (EU)	2,400	4,800
Non audit remuneration	6,360	-
Foreign Exchange	21,213	4,982
	<hr/>	<hr/>

## 7. Staff Costs

Staff costs were as follows:

UK Employee salaries	1,539,621	1,304,454
Social security costs	157,670	147,055
Pension costs	137,340	117,860
	<hr/>	<hr/>
	1,834,631	1,569,369
	<hr/>	<hr/>

Employees earning in excess of £60,000:

	Number of employees	
	2013	2012
£60,001 to £70,000	1	1

During the year the charity paid £6,296 (2012 - £6,203) under a defined contribution 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:

	Number of employees	
	2013	2012
Executive Management Committee	4.0	4.0
Policy, Practice and Communications	8.0	7.0
Programme Support	2.0	-
Caucasus	5.5	5.0
West Africa	1.0	1.0
East and Central Africa	3.0	3.0
India, Pakistan and Kashmir	3.0	1.0
Fiji	1.3	1.0
Philippines and Colombia	1.7	1.0
Horn of Africa	1.0	1.0
Administrative, financial management and fundraising support	8.4	9.5
	<hr/>	<hr/>
	38.9	33.5
	<hr/>	<hr/>

## 8. Tangible Fixed Assets

Cost	Office Equipment £	Furniture & Fittings £	Total £
As at 1 January 2013	88,872	18,333	107,205
Additions	12,005	-	12,005
Disposals	(10,816)	-	(10,816)
	<hr/>	<hr/>	<hr/>
As at 31 December 2013	90,061	18,333	108,394
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
As at 1 January 2013	75,739	17,943	93,682
Charge for the year	9,660	204	9,864
Disposals	(10,816)	-	(10,816)
	<hr/>	<hr/>	<hr/>
As at 31 December 2013	74,583	18,147	92,730
	<hr/>	<hr/>	<hr/>
<b>Net Book Values</b>			
As at 31 December 2013	15,478	186	15,664
	<hr/>	<hr/>	<hr/>
As at 1 January 2013	13,133	390	13,523
	<hr/>	<hr/>	<hr/>

## 9. Debtors

	2013 £	2012 £
Grants awarded yet to be received	1,027,669	699,262
Fees, manuscript sales and other income receivable	6,594	3,084
Other debtors & prepayments	165,615	187,919
	<hr/>	<hr/>
	1,199,878	890,265
	<hr/>	<hr/>

Other debtors and prepayments includes a rent deposit of £12,750 (2012 - £12,750), which is receivable within one year.

## 10. Creditors: Amounts Falling Due Within One Year

Deferred income (Note 14)	279,595	230,261
Trade creditors	105,802	56,044
Social security & other taxes	39,308	42,347
Other creditors & accruals	233,675	132,930
	<hr/>	<hr/>
	658,380	461,582
	<hr/>	<hr/>

Included within other creditors is a balance of £72,000 in respect of the dilapidations provision.

## 11. Movement in Funds

	Balance as at 01.01.13 £	Income £	Expenditure £	Transfer £	Balance as at 31.12.13 £
<b>Restricted Funds:</b>					
<b>Charitable Activities:</b>					
Policy, Practice and Communications	7,500	316,931	(324,431)	-	-
Caucasus	18,918	575,002	(593,920)	-	-
West Africa	-	106,824	(106,824)	-	-
East and Central Africa	1,044,398	1,128,387	(748,728)	-	1,424,057
India, Pakistan and Kashmir	65,899	747,555	(350,642)	-	462,812
Fiji	136,248	703,612	(584,136)	-	255,724
Philippines and Colombia	97,059	375,425	(295,715)	-	176,769
Collaborations (consortia partner funds)	-	185,414	(12,145)	12,523	185,792
Horn of Africa	109,821	50,527	(132,462)	-	27,886
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	1,479,843	4,189,677	(3,149,003)	12,523	2,533,040
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Designated Funds:</b>					
Building maintenance fund	15,000	-	-	(15,000)	-
Staff contingency fund	53,368	-	-	-	53,368
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	68,368	-	-	(15,000)	53,368
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>General Funds</b>	909,600	1,757,522	(1,455,991)	2,477	1,213,608
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	977,968	1,757,522	(1,455,991)	(12,523)	1,266,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	2,457,811	5,947,199	(4,604,994)	-	3,800,016
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**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.

**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.

**11. Movement in Funds (continued)****East and Central Africa**

- Programme Goal – A non-violent end to the LRA conflict and peace building 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 2012-13 for spend in 2013-14 for cross border peace building 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 and Support for community peacebuilding in Central African Republic funded by the European Commission.

**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 the European Commission

**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 promoting national constitutional engagement 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 European Commission Building peace in Mindanao through public participation in Governance.

**Collaborations (consortia partner fund)**

- Capacities for peace contributing to coherent international early action aimed at preventing violent conflicts and building lasting peace in conflict-affected contexts
- 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 UK Aid (Conflict Pool).

**11. Movement in Funds (continued)****Purposes of Designated Funds:****Building Maintenance Fund**

- It is the intention of the Trustees to designate £35,000 for Building Maintenance and Refurbishment to reflect our 10-year lease arrangement where Conciliation Resources has 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**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Tangible fixed assets	15,664	-	-	15,664	13,523
Net current assets	1,197,944	53,368	2,533,040	3,784,352	2,444,288
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,213,608	53,368	2,533,040	3,800,016	2,457,811
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**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.

	<b>2013 £</b>	<b>2012 £</b>
One year	12,750	-
Between two and five years	-	51,000
	<hr/>	<hr/>
	12,750	51,000
	<hr/>	<hr/>

**14. Deferred Income**

Balance as at 1 January	230,261	-
Amount released to income in the year	(230,261)	-
Amount deferred in the year	279,595	230,261
	<hr/>	<hr/>
Balance as at 31 December	279,595	230,261
	<hr/>	<hr/>

Deferred income relates to grants of £250,645 and £28,950 from UK Aid (PPA) and "COBERM" respectively (2012: £214,397 and £15,864 from Norwegian Ministry of Foreign Affairs and French Embassy respectively).

**15. Trustee Remuneration and 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 £69,954 (2012 - £68,921) and pension contributions to a defined contribution scheme of £6,296 (2012 - £6,203). This arrangement is in accordance with the Charity's Articles of Association, which stipulates 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 £17,935 (2012 - £11,913) were paid on behalf of nine (2012 – eight) trustees.

Mr B Afako, a Trustee during part of the year, was contracted to provide technical services on the amnesty law in Uganda and received fees of £4,800.

Mr J Arnault, a Trustee, was contracted to provide a consultation with civic and political leaders and diplomats in Tbilisi and received fees of £1,800.

There were no amounts due to or from the above related parties at the year end.

**16. Post Balance Sheet Event**

The charitable Company's lease for its office premises in Islington expired after the year end. A new 10-year lease was signed in February 2014 for new premises in Camden and the staff relocated in March 2014.