

CONCILIATION RESOURCES

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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CONCILIATION RESOURCES

REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2022

Directors and Trustees

Ms D Good - Chair
Mr A Peck - Treasurer
Ms T Bajwa (resigned 21 Nov 2022)
Ms C Cheng
Mr G Graham
Ms N Hatendi
Ms D Hutter
Mr J Jinnah
Ms J Kemp
Ms L Muir
Ms L Moore

Company Secretary

Mr T Hansen

Executive Management Team

Mr J Cohen - Executive Director
Mr T Hansen - Chief Operating Officer
Dr T Dumasy - Research, Advisory and Policy Department
Director
Ms L Aumeer - Europe-Asia Department Director
Mr C O'Toole - South East Asia and Pacific Department
Director
Mr A Abdi - Africa Department Director
Mr M Baah - Finance Director

UK Company Number

03196482

UK Charity Number

1055436

UK VAT Number

249002623

Registered Office

Burghley Yard
106 Burghley Road
London NW5 1AL

Auditor

Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Bankers

Royal Bank of Scotland
40 Islington High Street
London N1 8XJ

COIF Charity Deposit Funds
80 Cheapside
London EC2V 6DZ

The Directors, who are the Trustees of the charitable company, present their report and audited accounts of the charity for the year ended 31 December 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition effective 1 January 2019).

Structure, Governance and Management

Governing Document

Conciliation Resources is a Company limited by guarantee without share capital. The Company was incorporated on 9 May 1996 and is a registered charity constituted as a limited company under the Articles of Association. The charity registration number is 1055436 and the company registration number is 03196482.

Organisation

Board

Conciliation Resources is governed by a Board of Trustees that meets four to six times a year. During 2022, all meetings were held in hybrid format, in person and online. The consequent reduction in staff and Board interaction was mitigated by both 'breakout' rooms online for trustees to speak to staff before each Board meeting and an increase in Board Committee activity. In-person Board and staff contact has increased in 2023. Financial and management reports are provided quarterly to the Board of Trustees, including information on programme and policy progress, restricted and unrestricted funds, risk management and staff wellbeing. Risk management and Keeping People Safe were central topics during all meetings in 2022. Alongside 'day to day' governance, during the year the Board oversaw:

- A review of Board effectiveness
- A complete Risk Register and incident review as well as quarterly 'top risks' papers
- Internal learning and development following the ongoing implementation of an Anti-Racism Plan
- Quarterly reporting from a Board and staff Diversity and Inclusion Committee, a Risk and Audit Committee, and a Safeguarding Committee and annual reporting from the Board Remuneration Committee (which reviews EMT salaries)
- Application for registration of an entity in Kenya and further growth of the team in that region.
- A review of the work of our Gender team
- A review of the impact of the war in Ukraine and subsequent sanctions
- A review of our organisational governance and structures

The Board were also directly involved in a two day organisational 'strategic retreat' with all available staff in September and discussions with staff on:

- The strategic direction of the organisation
- New programme development
- Partner selection
- Safety of staff across all locations
- Climate and peacebuilding
- Our Outcome Harvesting Results 2021 - 2022

Organisation (continued)

Executive Management Team

The Executive Management Team (EMT) includes the Executive Director, the Chief Operating Officer, the Research, Advisory and Policy Department Director, the three Programme Department Directors (Europe-Asia, Africa, South East Asia and Pacific) and the Finance Director.

The EMT meets fortnightly to discuss cross-organisational issues. The EMT is responsible for supporting the Executive Director in managing and overseeing the organisation. The EMT is the principal management decision-making body on strategic issues or matters of significant operational importance or risk. EMT members have delegated responsibility and accountability for decision-making as defined by parameters given to them by the Executive Director in their job descriptions or on an ad hoc basis. Further details of EMT workings are defined in EMT Terms of Reference.

Decisions and decision making are guided by our organisational values of Collaboration, Creativity, Challenge, Commitment. We strive to keep in mind these principles in both our external work and in how we operate internally, with an awareness that all decision making must consider what is achievable, realistic, timely and for the benefit of the organisation as a whole over the short, medium and long term.

Team Leader's Forum

The EMT is supported by a Team Leader's Forum (TLF) made up of senior staff from across Conciliation Resources. This group meets every quarter and functions as a forum for consultation, input and feedback to the EMT and to all staff. This is a two way function as TLF members bring ideas and challenges from their respective teams and also communicate decisions and information from the EMT to their teams. Further details of TLF workings are defined in TLF ToRs.

Global Locations and Staff

With around 90 staff globally, a small increase on 2021, around half of our staff are based in London, with staff also in Australia, Central African Republic, the Philippines and Ethiopia. These offices are set up in order to ensure awareness of, and compliance with, local laws and regulations as well as appropriate integration and coordination with our partners and the broader sector within the relevant area.

We also have a close connection with Conciliation Resources EU, an organisation registered in Germany with staff in Belgium. Conciliation Resources EU is the face of Conciliation Resources in Brussels to the European institutions and EU Member States. Our Brussels team focuses on providing mediation support expertise and policy advice on specific thematic and geographic peacebuilding priorities.

Within the three Programme Departments, each Programme Director is responsible for the management of their area of work and the organisation actively provides opportunities for mutual support and learning. Each Programme Director is assisted by project staff and very occasionally volunteers. In addition to its in-house staff, Conciliation Resources works closely with external consultants.

Pay and remuneration for key management personnel is set by reference to the grading and salary structure which is reviewed and benchmarked regularly and is transparent within the organisation. The Board of Trustees sets the pay of the Executive Management Team each year through a Remuneration Committee, within the parameters of the grading, salary structure and sector benchmarking applied to all Conciliation Resources staff.

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. A vice-chair is also informally appointed on a rotating basis. The Trustees are also the Directors and members of the Company. The Board of Trustees has power to appoint additional Trustees as it considers necessary and regularly reviews the required skills and the organisational policy underlying the role of the board of Conciliation Resources.

After a skills audit and following the departure of several long -serving trustees, six were appointed in 2021 with one resigning in late 2022 due to an unexpected work opportunity. The Trustees in office and up to the date of this report are set out on page 2. In 2022,

- The Risk and Audit Committee, which consists of four Trustees, the Finance Director and the Chief Operating Officer / Company Secretary, oversaw the annual statutory audit process and supported the monitoring and updating of the organisational Risk Register, including an increased focus on cybersecurity.

Recruitment and Appointment of Trustees (continued)

- Two trustees acted as designated Safeguarding Trustees as part of the Safeguarding Committee, meeting with the Chief Operating Officer / Company Secretary and International Safety and Compliance Manager at least every two months with additional communications as required. The Chair also attends these meetings.
- The Board and Staff Diversity and Inclusion Committee consists of four Trustees and four staff, including the Chair and Executive Director.
- The Remuneration Committee consists of the Chair, the chairs of the sub committees and the treasurer.

We are very fortunate to have on our Board trustees with a depth of experience and understanding of charity and financial management, and of peacebuilding, with the dedication and commitment to support this work. Thorough evaluations of the Chair and Executive Director, as well as internal board effectiveness analysis was undertaken in 2022.

Trustee Induction and Training

The Trustees maintain a good working knowledge of charity and company law and best practice through training sessions provided internally and by external consultants. New Trustees are given copies of the Articles of Association, supporting information on Conciliation Resources' work and relevant organisational policies, and hold a series of meetings with key staff from across the organisation in a structured induction led by the Executive Director. These meetings provide access to staff for all Trustees in order to find out more about Conciliation Resources' ongoing work. At the same time, it provides a chance for staff to understand some of the experiences and strengths that are available to them, and more broadly across Conciliation Resources, at Board level.

As part of the on-going development of each Trustee's understanding of Conciliation Resources and its work, when training is not scheduled, on the morning or afternoon of each Board meeting sessions are arranged between Trustees and staff at which key topics or areas of work are explored and insights shared. During 2022, this was supplemented by a two day staff and trustee 'strategic retreat'.

Related Parties and Collaborations

Conciliation Resources 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. We currently work with over 60 partners globally.

Management of risks

Major risks to which the charity is exposed (governance, reputational, legal, political, financial, programmatic), as identified by the Trustees after consolidation of information from all teams, are compiled in a Risk Register and reviewed at least bi-annually or more frequently as needed. An initial review is conducted by the Risk and Audit Committee before the Risk Register is presented to the entire Board. The Risk Management Policy details the project and departmental approach to risk identification and management and the method for feeding that analysis into the organisational register.

Work environment

As the nature of Conciliation Resources' work involves countries affected by conflict, the security situation in these countries is more frequently reviewed via a structured 'Programme Security Plan' involving in depth safety and security due diligence which incorporates safeguarding, complemented with external monitoring services. We seek to take all appropriate steps to avoid undue risk to staff and project partners, in line with laws and regulations as well as our organisational and an individual's risk appetite. Systems developed to mitigate these risks include staff safety and security policies and guidelines, Safety and Security Due Diligence and spot check processes, as well as hostile environment awareness training (HEAT). In 2022 we established a comprehensive relationship with International SOS for information sharing, trip pre-briefing, contingency planning and emergency response. In addition, Conciliation Resources has different insurance policies in place to support staff travelling to, or in, conflict zones.

Financial Risk

The external funding environment continues to be challenging. We continue to see a general reduction in available peacebuilding funding, increasing amounts of funding which are short term, increasing commercialisation of grant making, increasing regulatory and compliance requirements.

Financial Risk (continued)

These trends are now compounded by pandemic-impacted economies and the diversion of government and private funding to immediate humanitarian and other needs related to the war in Ukraine. The risk that insufficient funds will be generated for some of our programmes has been classified as high.

The Executive Management Team has undertaken financial contingency planning. Department Directors are responsible for sufficient fundraising in line with the Financial Model and are supported to pursue their fundraising plans by the rest of the organisation.

To mitigate financial risk and insecurity, as well as dependency on a small number of significant donors, in 2022 we trialled projects towards a broader donor base, both for the organisation as a whole and for each programme. We continue to seek long-term funding both institutionally and for individual programmes due to the criticality of continuous rather than ad-hoc support to peace processes. During 2022, outreach was undertaken to all European state donors, leading to several new funding relationships. We also undertook targeted outreach to Trusts and Foundations. In addition, investment in individual giving has led to some success that continues to be built on in 2023.

There were no significant financial cuts in 2022 however, following the election of a new government in Sweden in early 2023 we were notified by our core unrestricted donor Swedish International Development Cooperation Agency (Sida) that the new national government had reduced its available funding and as a result our funding would be reduced at short notice by around £350,000 (23% of Sida's funding for the year). These cuts have been responded to without closure of peacebuilding work but with some impact on our organisational development and support teams as well as the programme teams.

Notwithstanding the cuts and challenges, we continue to increase our restricted funding grants and also drew down on our deferred income pot to maintain appropriate levels of funding for our peacebuilding work. We manage the impact of unsuccessful bids, contract delivery challenges and cuts as described above through the quarterly re-forecast process. 2022 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions.

Fundraising Activities

Conciliation Resources' approach to fundraising is increasingly centred on institutional government funding. In 2022 we set targets for a small increase across a range of new income streams, ensuring that expectations are modest in line with the minimal investment and the challenging and competitive external environment. In 2022, we increased our reach and engagement across social media platforms, building on our bolder messaging and visual identity. We held three hybrid information events at the Swiss Embassy and at Linklaters LLP global law firm on topics such as the intersection between climate change, gender and conflict, as part of our #SeeTheHuman Campaign which helped us reach new audiences.

Recognising the increased complexity and scale of limited funding opportunities, in 2022 we decided to apply for the UK's Conflict, Stability and Security Fund Framework, requiring significant organisational improvement work around commercial pricing and tendering, cybersecurity, data protection, staff training, due diligence, contracting and other areas.

80-85% of our income is project based. In 2022, our income was mainly derived from institutional donors, with small additional amounts from trusts and foundations and individuals. We did not work with professional fundraisers and donations from members of the public totalled less than 1% of income. We do not anticipate this increasing in the next few years. Management and the fundraising team stay abreast of recognised public fundraising standards and we are registered with the Fundraising Regulator, showing our commitment to abide by the Code of Fundraising Practice and the Fundraising Promise. In 2022, no complaints were received in relation to our fundraising activities.

Keeping People Safe

Safeguarding is a responsibility of the entire Board, with the Board's Safeguarding (Keeping People Safe) Committee leading on this area of work. The Committee is made up of the Chair of the Board and 2-3 Safeguarding Trustees, one of whom chairs the Committee. The Committee, which meets on a quarterly basis is supported by the Chief Operating Officer and the International Safety and Compliance Manager.

All concerns raised have been investigated and responded to. Travel increased gradually at the end of 2021 and at the start of 2022, allowing partners and participants to raise concerns in person. During the year, we completed multi-day 'Keeping People Safe' sessions with over 30 partner organisations. The team responded to a total of 10 Keeping People Safe concerns during the year. There were a further 21 general incidents / concerns which were also responded to.

Keeping People Safe (continued)

We continue to develop our systems, processes and policies in this area including our Risk Management Policy, Keeping People Safe Policy, Safety and Security Policy and Programme Security Plans.

Among other policies, our Complaints Policy and Data Protection Policy are available on our website.

Staff Wellbeing

During 2022, initial planning for a People and Culture Team of four staff was paused for financial reasons. The intention is for this team to facilitate a renewed focus on wellbeing and additional focus on diversity, inclusion and anti-racism as well as shift of human resources practice to clearer global/local setup in line with staff locations. There is a Wellbeing Coordination Group of senior staff and staff are provided with an Employee Assistance Programme, Mental Health First Aiders and free anonymous counselling at their own discretion. Line managers are provided with line management training and tools.

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 international organisation working with people in conflict to prevent violence, resolve conflicts and promote peaceful societies. We commit to providing our assistance, expertise and practical resources for the long-term. In addition, we share what we learn from our work with partners to government decision-makers and others working to end conflict, to improve policies and practice worldwide. Since 1996, 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 and promote peaceful and inclusive societies.

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 equality and diversity".

Our ambition (impact) is that we will make significant and documented contributions to preventing and transforming violent conflicts and promoting peaceful and inclusive societies.

Conciliation Resources' 2025 Strategic Plan, "*Building Better Peace*", sets out four goals with corresponding strategic outcomes:

Goal 1: Adaptive and alternative paths to peace

Peacebuilding overcomes barriers to creating peaceful societies

Goal 2: Connecting people and peace efforts

More coherent initiatives help prevent and reduce violent conflict

Goal 3: Inclusion, gender and influence

Excluded groups influence approaches to building peace

Goal 4: People centred policy

International peacebuilding support puts people first

Our organisational values both support and underpin everything we do and seek to achieve:

Collaboration: We believe that everybody affected by conflict has a stake in peace. We work to create peaceful and inclusive change within societies in partnership with local people, to respond to violence, inequality, injustice and exclusion.

Challenge: We believe that peace can only come about if people have a chance to better understand their conflict and if difficult conversations are held between allies and adversaries. We stand alongside those who, with courage and integrity, reach out across conflict divides.

Creativity: We believe that peacebuilding needs to be flexible and adaptive to the specific and evolving realities of each conflict context. We support innovative ways to influence change, and we share insights from people's lived experience globally to build collective knowledge and expertise.

Commitment: We believe that building sustainable peace takes time. That's why we make long-term commitments to support just and resilient transitions from protracted conflict to lasting peace.

To help deliver the 2025 Strategic Plan, we have developed and costed a five-year Operational Plan under the following headings, with goal leads allocated to senior staff:

- Operational Goal 1. Invest in staff
- Operational Goal 2. Invest in partnerships
- Operational Goal 3. Locate and equip staff to provide effective peacebuilding support
- Operational Goal 4. Keep people safe
- Operational Goal 5. Develop evidence, learning and creativity
- Operational Goal 6. Ensure impactful external communications
- Operational Goal 7. Secure sufficient, flexible income
- Operational Goal 8. Ensure efficient financial systems and processes

Selected achievements in 2022

In 2022 we continued working towards our four strategic goals, to improve how peace is built.

GOAL 1. ADAPTIVE AND ALTERNATIVE PATHS TO PEACE PEACEBUILDING OVERCOMES BARRIERS TO CREATING PEACEFUL SOCIETIES

In 2022, we've seen new barriers to peace emerging, and old challenges deepening. The war in Ukraine has had far-reaching implications, the climate crisis continues to impact many of the communities we work with, and we're seeing a regression in women's rights around the world. In response, we have worked alongside our partners to find innovative ways to adapt to these challenges and overcome barriers to building peace.

In regions of protracted conflict, we see these innovations supporting incremental steps towards peace. In South Asia, we launched an award-winning new joint venture, where tackling the shared challenge of the climate crisis is helping to build confidence between divided communities in Punjab. In the South Caucasus, where Russia's invasion of Ukraine has led to serious operational challenges, we've found creative logistical solutions to help our partners continue their vital work. And amidst war in other parts of Ethiopia, in the Somali Regional State (SRS) we supported the formation of a regional Truth and Reconciliation Commission to address the legacies of conflict.

Dialogue and mediation are central to what we do, supporting those in conflict to find common ground and tackle the legacies of violence. In the Central African Republic, we helped break down barriers between young people from different ethno-religious backgrounds and in the Philippines, building on many years of work, we created guidance for how to establish local peacebuilding groups. We also began working in Hela Province, in Papua New Guinea, supporting community leaders who are transforming conflict resolution practices in a region facing high levels of interpersonal and inter-group violence.

Women peacebuilders are facing additional barriers in their work, from a lack of funding and a broader regression in women's rights around the world. Through our partnership with the Women's Peace and Humanitarian Fund's (WPHF) Rapid Response Window, we have been able to address urgent funding gaps with targeted support for women-led civil society organisations in Liberia, and through the Women, Peace and Security Helpdesk, we're working to ensure UK policy responds to the specific barriers preventing women's participation.

**GOAL 2. CONNECTING PEOPLE AND PEACE EFFORTS
MORE COHERENT INITIATIVES HELP PREVENT AND REDUCE VIOLENT CONFLICT**

For peace to be sustainable, we need to connect those working for peace at different levels, from community networks and initiatives, to political processes. We build connections, support learning and knowledge sharing, and help to strengthen local peacebuilding networks.

In the Somali Regional State of Ethiopia, we helped connect over 300 victims and survivors of conflict with the regional Truth and Reconciliation Commission, ensuring the reconciliation process is victim-centred. In the Philippines, we've seen leaders from our long-term partner organisations gaining positions in the Bangsamoro government, allowing them to connect marginalised groups to the ongoing political transition in the region.

Our work has also built connections between local security officials and communities. In the Central African Republic, our innovative new Decentralised Dialogue process enabled previously marginalised communities to discuss concerns with the police and provincial authorities. Elsewhere our work has improved trust between security agencies and local communities in the cross-border regions of Burkina Faso, Côte d'Ivoire and Ghana.

Through Women's Dialogue Spaces in Ethiopia's SRS, we're helping build strong cross-political relationships, bringing together aspiring and seasoned women in politics to learn from each other and jointly advocate for women's participation in politics.

Across all regions in which we work, we've continued to accompany local peacebuilding networks, supporting new networks in the Philippines and the Pacific and maintaining spaces for inclusive dialogue in Kashmir.

**GOAL 3. INCLUSION, GENDER AND INFLUENCE
EXCLUDED GROUPS INFLUENCE APPROACHES TO BUILDING PEACE**

Understanding how gender impacts conflict dynamics is vital for sustainable peace and in 2022 we developed a new strategy to ensure gender is central to all of our work. Taking an intersectional approach, we consider the way that gender, age, ethnicity and other identity factors impact how people experience conflict and the opportunities they have to shape peace.

This goes beyond our own work - we continue to influence international thinking and practice on gender and peacebuilding. This year, we helped establish the Women, Peace and Security Helpdesk, providing analysis and expertise on gender and Women, Peace and Security (WPS) to UK government teams, as well as inputting into the UK's new National Action Plan on WPS. We ran training on gender and conflict sensitivity with various teams in European Union (EU) institutions and our Pacific team has engaged with the EU on the topic of masculinities and peacebuilding in the region.

Inclusion is central to our work across all geographies and we aim to ensure that marginalised groups have opportunities to shape peace. In Nigeria, we've worked with our partners to ensure women and young people are represented in peace networks and coalitions, and in the Philippines we've supported indigenous communities to share their experiences on issues such as climate change and conflict, with regional leaders. The impacts of climate change have also been at the forefront of our work in Fiji, and a conference we held with our partners allowed communities affected by climate change relocation to voice their concerns to the government.

Civil society organisations play a key role in championing and enabling an inclusive peace. In the SRS our work with partners has helped transform the way civil society engages with the government, with the regional parliament adopting a new law to protect civic space in the region.

We're also bringing people from diverse professions into the peacebuilding sphere, combining our knowledge and experience for a common goal. For example in the South Caucasus and the Central African Republic, we've worked with psycho-social health specialists and youth platforms, whilst in Kashmir we're working with environmentalists and agricultural leaders. In the Central African Republic, we also worked with a team of gender consultants to contextualise our approach to gender and develop a joint training and analysis package on this. We hosted two events with the Swiss Embassy in London. The first brought together mental health and peace practitioners to explore how psychology can impact and enhance peace mediation practice, whilst the second was a discussion with digital sector experts on the role of digital platforms in conflict, and their potential for peacebuilding.

GOAL 4. PEOPLE CENTRED POLICY

INTERNATIONAL PEACEBUILDING SUPPORT PUTS PEOPLE FIRST

We encourage national and international policies to be people-centred, putting the needs and agency of people at the heart of peacebuilding and conflict prevention. We advocate for policies, regulations and funding which enable long-term, adaptive and creative approaches to peace.

Our in-depth research and analysis allows us to understand and share what works in peacebuilding. This year, we produced a new Accord Spotlight on implementing peace accords sustainably, and as part of a global research programme, we're analysing the impact of climate change on conflict in the border regions in central and west Africa to inform peacebuilding responses.

Understanding the links between the climate crisis and conflict has been a priority in many of the contexts in which we work, and we piloted exciting new research on the role gender plays in this complex system, looking specifically at Uganda, Kashmir and the Philippines. We shared what we're learning with UK policymakers through training courses, and events including a public discussion hosted by BBC Climate Editor, Justin Rowlatt, and a roundtable with HRH The Countess of Wessex.

Our context-specific expertise has also enabled us to advise on national policy in the places in which we work. In the Central African Republic, we were approached by a government Minister to provide support to a national-level dialogue programme, and in Fiji we've been engaged with the government Ministry working on climate change relocation. Our analysis of the impact of Russia's invasion of Ukraine on the South Caucasus region is helping inform thinking on the wider implications of the conflict.

We continued to influence high-level UK, EU and international policy on peace and security. In the wake of Russia's invasion of Ukraine and the imposition of wide-ranging sanctions on Russia, our work through the Tri-Sector Group helped to ensure that humanitarian and peacebuilding support to Ukraine could continue. Our coordination of advocacy on UK counter-terrorism laws and sanctions has also led to the issuing of guidance and protections for humanitarian, peacebuilding and development work.

Publications and Other Resources Produced in 2022

We produced 22 multimedia products and publications, which were viewed or downloaded 14,598 times.

Multimedia

[Climate change and peacebuilding](#)

[Climate, conflict and peace](#)

[The Climate Crisis, Conflict and Peace event](#)

[Slideshow: Disability and conflict](#)

[Slideshow: Integrating gender into the DNA of peacebuilding](#)

[Paris Peace Forum project scale-up announcement](#)

[#SeeTheHuman Event 1: In conversation with Yalda Hakim and Emma Leslie](#)

[#SeeTheHuman Event 2: In conversation with Betty Bigombe and Janine di Giovanni](#)

[Slideshow: Six lessons on engaging diverse youth in peacebuilding](#)

[Slideshow: Steps to peace](#)

[Steps to peace challenge: Hiking the Line of Control](#)

[What does 'futures thinking' mean for peacebuilding?](#)

Publications

[Annual Review 2021](#)

[Conflict challenges and opportunities for building peace in Hela province, Papua New Guinea](#)

[Implementing peace accords sustainably: alternative avenues to bypass blockages and mitigate resistance](#)

[Looking forward: connecting futures thinking, reconciliation and mediation](#)

[Make peace possible](#)

[Peacebuilding Approaches to Climate Change in Fijian Communities](#)

[Prospects for Dialogue: Community Perspectives from Armenia](#)

[Scoping for dialogue: Mapping Armenian constituencies and issues](#)

[Towards peaceful and plural politics in Afghanistan](#)

[Under the Pall of War](#)

Financial Review

2022 was the first of two planned investment years, reducing reserves and building organisational capacity.

Three Programme Departments and the Research, Policy and Advisory Department were delegated increased financial autonomy, passing more flexible funding and more decision making to our peacebuilding departments. We have also cautiously expanded or shifted small amounts of programmes and support work to our global offices, a process that we anticipate will continue gradually in the coming years as we continue to develop our strategies related to decolonisation and localisation.

We initiated registration of a regional/branch office in Kenya to assist and oversee our slightly expanded operations in Jigjiga, Ethiopia and Bangui, Central Africa Republic. The Africa Department will continue to require significant investment.

The Statement of Financial Activities shows a net deficit of £633,986 (2021 surplus of £54,197) for the year and total funds available stand at £1,195,009 (2021 - £1,836,763). We undertook a planned 'spending down' of reserves in 2022 to move towards our reserves ceiling, fund the continued embedding of our Departmental structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

With this planned investment and necessary reserves reduction in 2022 and 2023, we believe the organisation is in a reasonable position to pursue sustainable finances and a return to a small surplus in 2024.

Income recognised in 2022 was £9,863,817 compared to total income of £10,786,525 in 2021.

The level of deferred income balances as at the end of 2022 reduced to £2,793,298. (2022 - £2,896,650); see note 15. A contract by contract level review informs the decision as to whether income should be recognised in the current year or whether it is recognised as deferred income (further information is included in Note 1 – Income Recognition).

The evolving and welcome focus on safeguarding, keeping staff and people we interact with safe, alongside evolving regulatory requirements such as the development of the UK's sanctions regime and Ukraine related sanctions and funding re-alignment, will all require continued attention and increased financial resources in the years ahead due to the nature and location of our work.

Conciliation Resources continues to plan, adapt and adjust to changing and emerging trends through our Fundraising Strategy which now incorporates an increased focus on commercial contracting and attention to cost recovery.

Despite reductions, we are fortunate to have the support of the Swedish International Development Cooperation Agency (Sida) for the period 2020 - 2023. This continues the longstanding and much valued relationship between our two organisations.

Principal Financial Management Policies

Conciliation Resources has financial regulations and control policies set up and reviewed regularly. These set 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. In 2022, the finance team, under the direction of the Finance Director, continued to embed a new financial accounting system introduced in 2021.

Regardless of project simplicity or complexity, all project expenditure is checked against budget and authorised by the appropriate budget-holder, who is responsible for ensuring that expenditure remains within budget. It is then double-checked by two authorised signatories before any payment is made.

An annual planning process is carried out by all budget-holders covering their proposed work for the upcoming period along with a fundraising plan, financial budget and cashflow. This information is reviewed by the Executive Management Team and cross-organisational functions, such as safety and compliance, monitoring and evaluation and finance. A consolidated report is presented to the Board of Trustees for their endorsement at the final Board meeting of the year.

Every quarter, as part of the budget reforecasting process, the Finance Team meets with all teams to discuss the respective changes in planned activities that may impact the annual finances or cashflow. In 2022, these meetings included cautious estimates regarding the impact of potential funding reductions due to changing donor priorities. These team forecasts are consolidated into a reforecast of expected income and expenditure each quarter and are presented to the Board of Trustees for their awareness and consideration.

Conciliation Resources holds accounts in six main currencies; Australian dollar, Euro, US dollar, Ethiopian Birr, Central African Francs and Pound Sterling. In 2022, we also held accounts in Swedish Krona.

Exchange rate risk is considered at a project and organisational level on a rolling basis. Currency exchange rates are monitored by the Finance Director, who works with the Finance Team to ensure that incoming funds are deposited into the appropriate account, and transfers are made in a timely manner. Projects that are planned based on income in a foreign currency carry an element of risk that is identified and responded to at the project planning phase.

Funding to partners is made in a currency that is agreed with the partner, to reduce exchange rate risk to the partner without creating unreasonable risk to Conciliation Resources. Overseas expenditure is predominantly in USD and Australian Dollars.

Principal Funding Sources

The principal 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 use 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. The policy for investment is outlined in our Ethical Fundraising and Investment Policy. We currently retain funds as cash and place them on bank deposit, or on deposit with the COIF Charities Deposit Fund.

Reserves Policy

Conciliation Resources aims to keep a prudent working balance of unrestricted reserves to cover future contractual liabilities, mainly staff salaries and rent, to ensure that the organisation has sufficient funds for the orderly winding down of activities in the event that the organisation had to close. This amount was set at £756,000 in 2022 in accordance with the Reserves Policy.

In addition to the reserves, the organisation also retains an operational contingency. The amount of this contingency was £220,687 as at the end of 2022, after adjusting for the net book value of our fixed assets.

The total unrestricted funds balance at the end of the year under review was £1,195,009. Of the total reserves held at the end of the year, £218,322 was in fixed assets. Consequently, the charity had free reserves of £976,687 at the year end. We will undertake a second year of 'spending down' of reserves in 2023 to reach our reserves ceiling, fund the continued embedding of this new structure as well as the continuation of several critical peace processes and other peacebuilding programmes.

The Board of Trustees keeps the reserves policy under regular review and particular attention will be given to the increasingly global spread of financial risk and liability as and when the Board and EMT decide to provide office locations with increased direct financial management responsibility.

Plans for the Future

In early 2023, the peacebuilding sector is needed more than ever yet faces significant challenges. Despite changing political and donor dynamics, particularly as a result of the war in Ukraine, the Trustees are pleased with the third year of the 2020-2025 Strategic Plan and the 2020-2025 Operational Plan. We are having a positive impact and we see a continued need for our work and for our peacebuilding approach. We believe that our message is continuing to gain traction.

Continuity and long term partnership are necessary elements of good peacebuilding. As seen from 2021 to 2022, we will not be seeking significant growth of the overall operational budget or staff body in the next few years. Instead we will be seeking to maintain our ongoing high quality work, improve our systems and processes and to develop our internal workflows, financial model and international office structure across Africa and SouthEast Asia and the Pacific in particular.

We were aware that a reduction in direct unrestricted funding, alongside continued donor hesitancy to cover support costs, would challenge the premises of our financial model. With the reduction in funding from Sida and uncertainty regarding levels of unrestricted funding in the coming years, we are shifting away from low return efforts at diversification and towards a full cost recovery model and the ability to tender or subcontract for more commercial and restricted funding to provide risk spreading through multiple institutional support for programmes.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees 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 auditor is 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 auditor is aware of that information.

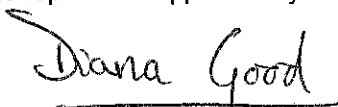
Auditor

In November 2020, the Board agreed to appoint Haysmacintyre LLP for the audit of CR's Financial Statements for 2020 and three further years, subject to an annual review and approval by the CR Risk & Audit Committee and the Trustee Board.

The trustees have agreed to re-appoint the auditors to undertake the 2022 Year End audit and Haysmacintyre LLP has indicated its willingness to continue in office.

Approval

This report was approved by the Board of Directors and Trustees on 30 May 2022 and signed on its behalf.



Diana Good
Director and Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCILIATION RESOURCES

Opinion

We have audited the financial statements of Conciliation Resources for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income;
- Identifying and testing journals, using data analytics to focus testing on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, with a focus on recognition of grant income at the year end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 13 June 2023

10 Queen Street Place
London
EC4R 1AG

CONCILIATION RESOURCES

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and core funding	2	1,730,088	-	1,730,088	1,792,043
Charitable activities	3	44,278	8,081,808	8,126,086	8,994,217
Investments	4	7,644	-	7,644	265
Total income		<u>1,782,010</u>	<u>8,081,808</u>	<u>9,863,818</u>	<u>10,786,525</u>
Expenditure on:					
Raising funds	5	329,015	-	329,015	214,928
Charitable activities	6	2,522,695	7,646,004	10,168,699	10,517,400
Total expenditure		<u>2,851,710</u>	<u>7,646,004</u>	<u>10,497,714</u>	<u>10,732,328</u>
Net (expenditure)/income		<u>(1,069,700)</u>	<u>435,804</u>	<u>(633,896)</u>	<u>54,197</u>
Transfers between funds	19	435,804	(435,804)	-	-
Foreign exchange (losses)/gains		(7,858)		(7,858)	(210,380)
Net movement in funds		<u>(641,754)</u>	<u>-</u>	<u>(641,754)</u>	<u>(156,183)</u>
Reconciliation of funds:					
Total funds brought forward		1,836,763	0	1,836,763	1,992,946
Total funds carried forward	19	<u>1,195,009</u>	<u>-</u>	<u>1,195,009</u>	<u>1,836,763</u>

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

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Full comparative figures for the year ended 31 December 2021 are shown in note 26.

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES

BALANCE SHEET AT 31 DECEMBER 2022

Company Registration No. 03196482

	Notes	£	2022	£	£	2021	£
Fixed assets							
Intangible fixed assets	12			159,469		191,425	
Tangible fixed assets	13			58,853		67,754	
				<u>218,322</u>		<u>259,179</u>	
Current assets							
Debtors	14	2,279,729			1,540,936		
Cash at bank and in hand		2,381,996			3,585,985		
		<u>4,661,725</u>			<u>5,126,921</u>		
Creditors: amounts falling due within one year	15	(3,587,781)			(3,453,423)		
Net current assets				1,073,944		1,673,498	
Provisions	18			(97,257)		(95,914)	
Total Net assets				<u>1,195,009</u>		<u>1,836,763</u>	
Charity Funds							
Unrestricted funds							
- General funds	19			1,195,009		1,836,763	
- Designated funds	19			-		-	
Restricted funds	19			-		-	
TOTAL FUNDS				<u>1,195,009</u>		<u>1,836,763</u>	

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ³⁰ May 2022 and were signed on its behalf by:

Diana Good D Good (Director and Chair of Trustees)

T Hansen T Hansen (Company Secretary)

The accompanying notes form part of these Financial Statements.

CONCILIATION RESOURCES

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flow from operating activities	22	(1,174,675)	(1,659,712)
Net cash flow provided by operating activities		<u>(1,174,675)</u>	<u>(1,659,712)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(29,100)	(30,237)
Additions to intangible fixed assets		-	(219,963)
Dividend and interest receivable		7,644	265
Net cash (used in)/ provided by investing activities		<u>(21,456)</u>	<u>(249,935)</u>
(Decrease)/increase in cash and cash equivalents in the year		(1,196,131)	(1,909,647)
Cash and cash equivalents at the beginning of the year		3,585,985	5,706,012
Change in cash and cash equivalents due to exchange rate movements		(7,858)	(210,380)
Total cash and cash equivalents at year end		<u>2,381,996</u>	<u>3,585,985</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,381,996	3,585,985
Cash and cash equivalents at 31 December		<u>2,381,996</u>	<u>3,585,985</u>

The accompanying notes form part of these Financial Statements.

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and in the preceding year, unless otherwise stated.

Basis of Preparation of Accounts and General Information

Conciliation Resources is a charitable company Registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Report of the Directors and Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity. The accounts are rounded to the nearest pound.

Going Concern

The Directors are required, under the rules governing the preparation of accounts, to consider each year whether it is appropriate to prepare the accounts on a going concern basis. This requires them, therefore, to take a view that the charity can continue in operation for the foreseeable future.

Over the year 2022, Conciliation Resources has faced changes in the funding landscape resulting in some impact on our organisational development and support teams as well as the programme teams. At the same time, 2022 has shown that we have an ability to attract significant and diverse funding, offsetting the reductions. The Directors have reviewed the future requirements of Conciliation Resources and the likely levels of financing, a significant amount of which has already been secured for 2023 and 2024, as well as the satisfactory levels of cash and reserves which it holds. Hence, the directors have not identified any material uncertainty in the charity's ability to continue as a going concern. Accordingly, the Directors are satisfied that resources are fully adequate for the foreseeable future and that it is appropriate that the accounts should be prepared on the going concern basis.

Income Recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations, including gifts and grants that provide core funding or are of general nature, are recognised on receipt, unless there are conditions attached to the donation that have to be satisfied before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grant income, including government grants, which provides funding to support its activities. Income from government grants and other grants are recognised at fair value when the charity has an entitlement to it, when performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement conditions are not met then these amounts are deferred.

Investment income is recognised on a receivable basis.

1. Accounting Policies (continued)

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.

During 2022, the charity had no volunteers.

Expenditure Recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Raising funds are those costs incurred in attracting voluntary contributions and donations, and those incurred in trading activities that raise funds and do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes expenditure associated with the main objectives of the charity and include both direct costs and support costs relating to these activities; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, communications costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to each programme activity based on the size of the programme expenditure as a proportion of the total expenditure on charitable activities and raising funds.

The analysis of these costs is included in note 7.

Accounting for transfers to partners

In delivering its charitable activities, Conciliation Resources works closely with a range of local partners. The delivery of these charitable activities is in conjunction with local partners. On this basis, costs incurred by partners are categorised within the accounts as direct costs rather than as grants made, as in the trustees view this is the most appropriate category having considered the substance of the costs.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Computer software	7 years
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Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £900 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 a straight line basis:

Computer Equipment	3 years
Office Furniture & Fittings	3 years
Leasehold	10 years
Leasehold Improvements	3 years

1. Accounting Policies (continued)

Debtors

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

Creditors and Provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

Funds

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Foreign Currency

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 initially recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

1. Accounting Policies (continued)

Operating 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. Unrestricted Income from donations and grants

	Total 2022 £	Total 2021 £
Donations	12,190	15,315
Core funding	1,717,898	1,776,728
	<u>1,730,088</u>	<u>1,792,043</u>

Income from donations and core funding was £1,730,088 (2021-£1,792,043) all of which was attributable to unrestricted funds (2021 - all).

Core funding includes £1,717,398 (2021-£1,768,578) of government grants receivable in the year. These grants were awarded as follows:

	Total 2022 £	Total 2021 £
Federal Department of Foreign Affairs, Switzerland	-	166,900
Swedish International Development Co-operation Agency (SIDA)	1,602,420	1,501,745
Irish Aid	114,978	99,933
	<u>1,717,398</u>	<u>1,768,578</u>

100% (2021: 100%) of core funding is received from funders outside of the United Kingdom.

3. Income from charitable activities

	Total 2022 £	Total 2021 £
Project grant income	8,094,733	8,988,028
Other charitable income	20,712	6,189
High Net Worth Donors	10,641	-
	<u>8,126,086</u>	<u>8,994,217</u>

Income from charitable activities was £8,126,086 (2021- £8,994,217) of which £8,081,808 (2021- £8,972,618) was attributable to restricted funds and £44,278 (2021- £21,599) was attributable to unrestricted funds.

3. Income from charitable activities (continued)

Grant income includes £6,565,576 (2021-£8,090,099) of government grants receivable in the year. The government grants received are identified by a * below:

	Total 2022 £	Total 2021 £
Accord, Policy, Practice		
Joseph Rowntree Charitable Trust, UK	69,889	64,435
* Federal Department of Foreign Affairs, Switzerland	54,306	
Sasakawa Foundation	97,027	55,597
* Foreign Commonwealth Development Office, UK	481,625	74,889
Chemonics		70,977
Saferworld		150,115
International Idea	18,370	
Ecorys	17,885	
PeaceNexus	179	
United State Institute of peace	17,325	
	<u>756,606</u>	<u>416,013</u>
Caucasus		
* European Union	922,046	955,263
* Federal Department of Foreign Affairs, Switzerland	165,887	74,611
* UK's Conflict, Stability and Security Fund	258,662	338,271
COBERM	-	97,696
SwissPeace	29,325	42,509
Sigrid Rausing Trust	140,471	45,971
	<u>1,516,391</u>	<u>1,554,321</u>
West Africa		
National Endowment for Democracy, USA	74,544	13,969
* Foreign Commonwealth Development Office, UK	126,551	123,227
* Minister for Foreign Trade and Development, Netherlands	-	13,152
Robert Bosch Stiftung	139,932	
	<u>341,027</u>	<u>150,348</u>
East and Central Africa		
Zivik	274,841	24,511
DanChurch Aid	151,113	-
United Nations Development Programme	200,227	-
	<u>626,181</u>	<u>24,511</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

3. Income from charitable activities (continued)

	Total 2022 £	Total 2021 £
Horn of Africa		
* Federal Minister for Foreign Affairs, Germany	371,212	398,169
* Foreign Commonwealth Development Office, UK	768,358	499,330
* Irish Department for Foreign Affairs and Trade	1,090,990	496,276
	<u>2,230,560</u>	<u>1,393,775</u>
South Asia		
Ploughshares Fund	40,701	13,466
Allen & Nesta Ferguson	9,892	20,088
UNDP	-	30,797
Misereor	81,582	12,586
* European Union	-	199,947
* Swedish International Development Agency (SIDA)	279,548	367,628
	<u>411,723</u>	<u>644,512</u>
Pacific		
* Department of Foreign Affairs and Trade, Australia	220,008	374,260
* Ministry of Foreign Affairs	717,017	285,280
Misereor	119,307	142,858
* European Union	344,808	487,642
* United Nations Development Program (UNDP)	142,512	55,680
* German Foreign Office	290,496	168,480
	<u>1,834,148</u>	<u>1,514,200</u>
Philippines and Colombia		
* European Union	-	33,581
* Foreign Commonwealth Development Office, UK	99,773	96,944
* Department of Foreign Affairs and Trade, Australia	6,017	
	<u>105,790</u>	<u>130,525</u>
Cross Regional Project		
* Foreign Commonwealth Development Office, UK	31,451	3,016,314
* UN Women	-	128,099
Saferworld	33,622	
* SIDA	150,100	
* United Nations Development Programme	44,209	
	<u>259,382</u>	<u>3,144,413</u>
Total grants	<u>8,081,808</u>	<u>8,972,618</u>

76% (2021-52%) of grants within charitable activities is attributable to geographical areas outside the United Kingdom.

4. Income from investments

	Total 2022 £	Total 2021 £
Bank interest	7,644	265

Income from investments was £7,644 (2021-£265) of which all (2021 – all) was attributable to unrestricted funds.

5. Costs of raising funds

	Total 2022 £	Total 2021 £
Salaries and staff costs	193,530	160,006
Direct costs	66,458	14,140
Support costs	69,027	40,782
	<u>329,015</u>	<u>214,928</u>

All £329,015 (2021-£214,928) of the above costs were attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

6. Analysis of expenditure on charitable activities

	Salaries and Staff costs	Direct costs	Support costs	2022
	£	£	£	£
Accord, Policy, Practice	564,832	307,330	231,561	1,103,723
Caucasus	290,476	1,031,866	351,085	1,673,427
West Africa	131,356	180,609	82,827	394,792
East and Central Africa	247,954	410,926	174,934	833,814
Horn of Africa	306,178	1,729,247	540,409	2,575,834
South Asia	216,408	338,795	147,408	702,611
Pacific	942,422	816,973	467,123	2,226,518
Philippines and Columbia	23,698	60,795	22,433	106,926
Cross Regional Project	736	4,253	1,325	6,314
Africa Department	88,362	83,229	45,558	217,149
Europe Asia Department	234,664	24,199	68,728	327,591
Total	3,047,086	4,988,222	2,133,391	10,168,699

£7,646,004 (2021-£8,289,837) of the above costs were attributable to restricted funds and £2,522,695 (2021-£2,227,563) of the above costs were attributable to unrestricted funds.

	Salaries and Staff costs	Direct costs	Support costs	2021
	£	£	£	£
Accord, Policy, Practice	511,994	181,621	162,434	856,049
Caucasus	255,476	1,080,457	312,854	1,648,787
West Africa	124,159	215,545	79,554	419,258
East and Central Africa	186,994	207,664	92,423	487,081
Horn of Africa	191,838	787,915	229,443	1,209,196
South Asia	195,649	455,265	152,434	803,348
Pacific	687,050	499,471	277,864	1,464,385
Philippines and Columbia	41,570	276,518	74,491	392,579
Cross Regional Project	106,803	2,200,955	540,441	2,848,199
Africa Department	126,292	13,009	32,622	171,923
Europe Asia Department	173,257	2,240	41,098	216,595
Total	2,601,082	5,920,660	1,995,658	10,517,400

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

7. Allocation of support costs

	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2022
Costs of raising funds	£ 38,007	£ 16,123	£ 1,836	£ 6,699	£ 3,477	£ 2,885	£ 69,027
Accord, Policy, Practice	127,499	54,087	6,158	22,472	11,666	9,679	231,561
Caucasus	193,309	82,004	9,338	34,072	17,687	14,675	351,085
West Africa	45,605	19,346	2,203	8,038	4,173	3,462	82,827
East and Central Africa	96,320	40,860	4,653	16,976	8,813	7,312	174,934
Horn of Africa	297,552	126,225	14,374	52,445	27,225	22,588	540,409
South Asia	81,163	34,431	3,921	14,305	7,426	6,162	147,408
Pacific	257,200	109,108	12,424	45,333	23,533	19,525	467,123
Philippines and Columbia	12,352	5,240	597	2,177	1,130	938	22,434
Cross Regional Project	729	309	35	129	67	1,946	3,215
Africa Department	25,084	10,641	1,212	4,421	2,295	2,866	46,519
Europe Asia Department	37,842	16,053	1,828	6,670	3,462	21	65,876
Total	1,212,662	514,427	58,579	213,737	110,954	92,059	2,202,418

Support costs are allocated in accordance with the accounting policy on page 23.

2021 Comparative Information	Management Administration and Staff costs	Premises costs	Communication costs	Information Technology	Governance costs	Other charitable expenses	2021
Costs of raising funds	£ 24,363	£ 7,024	£ 1,281	£ 4,681	£ 636	£ 2,797	£ 40,782
Accord, Policy, Practice	97,037	27,978	5,102	18,643	2,533	11,141	162,434
Caucasus	186,897	53,887	9,826	35,907	4,878	21,459	312,854
West Africa	47,525	13,703	2,499	9,130	1,240	5,457	79,554
East and Central Africa	55,213	15,919	2,902	10,608	1,441	6,340	92,423
Horn of Africa	137,068	39,520	7,206	26,334	3,578	15,737	229,443
South Asia	91,063	26,256	4,788	17,495	2,377	10,455	152,434
Pacific	165,994	47,861	8,727	31,891	4,333	19,058	277,864
Philippines and Columbia	44,501	12,830	2,340	8,549	1,162	5,109	74,491
Cross Regional Project	322,856	93,087	16,974	62,027	8,427	37,070	540,441
Africa Department	19,488	5,619	1,024	3,744	509	2,238	32,622
Europe Asia Department	24,552	7,079	1,291	4,717	641	2,818	41,098
Total	1,216,557	350,763	63,960	233,726	31,755	139,679	2,036,440

8. Governance costs

	2022 £	2021 £
Board costs	5,691	847
Auditors' remuneration (UK)	15,750	12,500
Auditors' remuneration (Ethiopia)	5,000	5,000
Auditors' remuneration (Australia)	7,421	-
Legal, professional fees and other support costs	77,092	13,408
	<u>110,954</u>	<u>31,755</u>

9. Net income for the year

The net income is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	38,001	43,544
Amortisation of intangible fixed assets	31,956	31,956
Operating lease rentals	155,000	155,000
Audit's remuneration – Statutory audit (current auditor)	15,750	12,500
Statutory audit (Ethiopia)	5,000	5,000
Statutory audit (Australia)	7,421	-
Grant audits	40,136	54,600
Foreign Exchange Translation Gains/(Losses)	<u>(7,858)</u>	<u>(210,380)</u>

10. Trustees' and key management personnel remuneration and expenses

Expenses reimbursed for airfares, travel, telephone, hospitality and accommodation totalling £5,691 (2021-£847) were paid on behalf of six (2021-three) trustees.

The number of key management personnel in the year was seven (2021-seven). The total amount of employee benefits received by key management personnel during the year was £637,286 (2021-£600,668). The Charity considers its key management personnel to be the Executive Management Team.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

11. Staff costs and employee benefits

The total staff costs and employee benefits were as follows:

	2022 £	2021 £
Employee salaries	2,589,399	2,620,644
Social security	300,186	281,538
Defined contribution pension costs	237,840	235,013
	<u>3,127,425</u>	<u>3,137,195</u>
Termination payment	-	17,496
	<u>3,127,425</u>	<u>3,154,691</u>

The number of employees who received total employee benefits (excluding employer national insurance, pension costs and termination payments) of more than £60,000 is as follows:

	2022	2021
£80,001 to £90,000	4	1
£70,001 to £80,000	1	3
£60,000 to £70,000	11	4

During the year the charity paid £98,206 (2021-£51,469) under a defined contribution pension scheme on behalf of the staff members/director earning over £60,000.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2022 Number	2022 FTE	2021 Number	2021 FTE
Executive Management Team	9.1	9.1	8.9	8.9
Accord, Policy, Practice	9.1	8.7	8.6	8.1
Africa Department	1.8	1.8	2.0	2.0
Caucasus	4.9	4.9	4.5	4.5
West Africa	5.2	5.2	2.0	2.0
East and Central Africa	2.1	1.9	4.0	4.0
Europe Asia Department	6.9	6.9	2.8	2.6
Horn of Africa	2.0	2.0	4.4	4.4
South Asia	4.0	4.0	3.4	3.4
Pacific	7.5	7.5	4.7	4.3
Philippines and Columbia	1.7	1.7	2.0	2.0
South East Asia Department	6.6	6.0	6.8	6.8
Cross Regional Project	1.0	1.0	1.6	1.6
Administrative, financial management and fundraising support	20.3	19.1	20.2	18.9
Total	<u>82.2</u>	<u>79.8</u>	<u>75.9</u>	<u>73.5</u>

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

12. Intangible fixed assets

	Computer Software £
Cost	
Balance as at 1 January 2022	297,196
Additions in the year	-
At 31 December 2022	297,196
Amortisation	
Balance as at 1 January 2022	105,771
Charge for the year	31,956
At 31 December 2022	137,727
Net book value	
As at 31 December 2022	159,469
As at 31 December 2021	191,425

13. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures & fittings £	Total £
Cost				
Balance as at 1 January 2022	316,564	186,263	54,287	557,114
Additions	-	29,100	-	29,100
Disposals	-	(23,025)	-	(23,025)
At 31 December 2022	316,564	192,338	54,287	563,189
Depreciation				
Balance as at 1 January 2022	297,478	140,248	51,634	489,360
Charge for the year	8,702	27,002	2,297	38,001
Depreciations on Disposals	-	(23,025)	-	(23,025)
At 31 December 2022	306,180	144,225	53,931	504,336
Net book value				
As at 31 December 2022	10,384	48,113	356	58,853
As at 31 December 2021	19,086	46,015	2,653	67,754

14. Debtors

	2022 £	2021 £
Grants receivable	1,364,925	546,434
Other debtors	35,046	241,532
Prepayments and accrued income	401,788	223,013
Grants accrued	477,970	529,957
	2,279,729	1,540,936

Other debtors includes a rent deposit of £32,500 (2021 - £32,500) which is receivable in more than one year.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

15. Creditors: Amounts Falling Due Within One Year

	2022 £	2021 £
Trade creditors	301,694	99,121
Social security and other taxes	144,499	141,050
Other creditors	225,312	196,982
Accruals	122,978	119,620
Deferred income (Note 16)	2,793,298	2,896,650
	<u>3,587,781</u>	<u>3,453,423</u>

16. Deferred income

	2022 £	2021 £
Balance as at 1 January	2,896,650	3,848,330
Amount released to income in the year	(2,896,650)	(3,848,330)
Amount deferred in the year	2,793,298	2,896,650
	<u>2,793,298</u>	<u>2,896,650</u>

	2022 £	2021 £
UK Foreign & Commonwealth Office	72,456	27,825
Swedish International Development Co-operation Agency (SIDA)	103,091	112,208
Irish Aid	561,039	772,643
Conflict, Stability and Security Fund		51,943
European Union	1,092,233	684,783
Department of Foreign Affairs & Trade (Australia)	82,384	143,635
Misereor	6,030	7,127
National Endowment for Democracy, USA	-	18,809
Federal Department of Foreign Affairs, Switzerland	48,884	83,111
Joseph Rowntree Charitable Trust	12,248	29,806
Ploughshares		40,386
Minister for Foreign Trade and Development, Netherlands	272,352	531,644
Sasakawa Foundation	50,499	5,055
Federal Minister for Foreign Affairs Germany	79,624	44,466
Alan & Nesta Ferguson Charitable Trust	-	9,913
UN (Women & DP)	143,637	168,537
Sigrid Rausing	159,529	150,522
Zivik	-	1,387
Saferworld	-	1,469
Chemonics	-	9,234
International Idea	-	2,147
DanChurch Aid	40,808	-
PeaceNexus	8,501	-
United States Institute of Peace	1,965	-
Robert Bosch Stiftung	58,018	-
	<u>2,793,298</u>	<u>2,896,650</u>

17. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	156,947	165,543
Later than one and not later than five years	38,750	193,750
	<u>195,697</u>	<u>359,293</u>

18. Provisions for liabilities

	2022 £	2021 £
Balance as at 1 January	95,914	94,590
Additions during the year	1,343	1,324
Balance as at 31 December	<u>97,257</u>	<u>95,914</u>

The provision relates to the dilapidations expense expected for the London office lease.

Charges to the Statement of Financial Activities resulting from provisions during the year amount to £1,343 (2021-£1,324) of which all (2021 - all) was attributable to unrestricted funds.

CONCILIATION RESOURCES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

19. Fund reconciliation 2022

	Balance as at 01.01.22 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.22 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	756,606	(728,085)	(28,521)	-
Caucasus	-	1,516,391	(1,462,240)	(54,151)	-
West Africa	-	341,027	(309,368)	(31,659)	-
East and Central Africa	-	626,181	(574,808)	(51,373)	-
Horn of Africa	-	2,230,560	(2,110,071)	(120,489)	-
South Asia	-	411,723	(411,717)	(6)	-
Pacific	-	1,834,148	(1,725,739)	(108,409)	-
Philippines and Columbia	-	105,790	(96,471)	(9,319)	-
Cross Regional Project	-	259,382	(227,505)	(31,877)	-
Total Restricted Funds	-	8,081,808	(7,646,004)	(435,804)	-
Total Unrestricted Funds	1,836,763	1,782,010	(2,851,710)	427,946	1,195,009
Total Funds	1,836,763	9,863,818	(10,497,714)	(7,858)	1,195,009

Fund reconciliation 2021	Balance as at 01.01.21 £	Income £	Expenditure £	Transfers and gains/(losses) £	Balance as at 31.12.21 £
Restricted Funds:					
Charitable Activities:					
Accord, Policy, Practice	-	416,013	(392,291)	(23,722)	-
Caucasus	-	1,554,322	(1,507,667)	(46,655)	-
West Africa	-	150,348	(122,678)	(27,670)	-
East and Central Africa	-	24,511	(22,224)	(2,287)	-
Horn of Africa	-	1,393,774	(1,238,955)	(154,819)	-
South Asia	-	644,512	(609,192)	(35,320)	-
Pacific	-	1,644,725	(1,492,038)	(152,687)	-
Philippines and Columbia	-	-	-	-	-
Cross Regional Project	-	3,144,413	(2,904,792)	(239,621)	-
Total Restricted Funds	-	8,972,618	(8,289,837)	(682,781)	-
Designated Funds:					
Staff contingency fund	53,368	-	-	(53,368)	-
General Funds	1,939,578	1,813,907	(2,442,491)	525,769	1,836,763
Total Unrestricted Funds	1,992,946	1,813,907	(2,442,491)	472,401	1,836,763
Total Funds	1,992,946	10,786,525	(10,732,328)	(210,380)	1,836,763

19. Fund reconciliation 2022 (continued)

Purposes of Restricted Funds:

Restricted funds are funds which are subject to restrictions on use imposed by donors and are not available for use generally by Conciliation Resources. Restricted funds held by the charity are used to fulfil its objects and goals, in accordance with the terms and conditions specified by the sources of the relevant funds. Restricted funds are currently held for the Accord, Policy and Practice team to deliver informed, improved support for inclusive peace and transition processes and for the Programmes teams to support national and regional stakeholder dialogues, promote reconciliation in communities, to enhance prospects for lasting peace, ensure inclusive policy making and to support innovative paths to peace.

During the year, most funds received were performance related. In accordance with the accounting policy (see note 1), funds received and not recognised as income have been carried forward as deferred income (see note 16).

During the year a number of grants came to an end and a final submission prepared to the donor. Any previously unrecognised overhead contributions were transferred to unrestricted reserves at the year end.

Transfers between funds:

In 2022, a transfer was made from restricted to unrestricted funds in respect of Indirect Cost Recovery (ICR) for funded projects during the financial year.

20. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Fixed assets	218,322	-	-	218,322
Cash	2,381,996	-	-	2,381,996
Other current assets/liabilities	(1,308,052)	-	-	(1,308,052)
Provisions	(97,257)	-	-	(97,257)
	<u>1,195,009</u>	<u>-</u>	<u>-</u>	<u>1,195,009</u>

Analysis of net assets between funds-2021 comparative

	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
Fixed assets	259,179	-	-	259,179
Cash	3,585,985	-	-	3,585,985
Other current assets/liabilities	(1,912,487)	-	-	(1,912,487)
Provisions	(95,914)	-	-	(95,914)
	<u>1,836,763</u>	<u>-</u>	<u>-</u>	<u>1,836,763</u>

21. Analysis of changes in net funds

	At start of year	Cash- Flows	Foreign exchange movements	Other non- cash changes	At end of year
	£	£	£	£	£
Cash	3,585,985	(1,196,131)	(7,858)	-	2,381,996

As at 31 December 2022, Conciliation Resources had no net debt.

22. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year	(641,754)	(156,183)
Interest receivable	(7,644)	(265)
Depreciation of tangible fixed assets	38,001	43,544
Amortisation of intangible fixed assets	31,956	31,956
(Increase)/decrease in debtors	(738,793)	(370,244)
Increase/(decrease) in creditors and provisions	135,701	(1,418,900)
Unrealised exchange rate gains/(loss) on cash and cash equivalents	7,858	210,380
Net cash flow from operating activities	(1,174,675)	(1,659,712)

23. Pensions and other post-retirement benefits

Defined contribution pension plans

The Charity operates a defined contribution pension plan for its employees. The amount of contributions recognised as an expense during the year was £237,840 (2021- £235,013).

The pension expense has been charged to specific programmes where staff are engaged in particular activities. The pension expense included with support costs has been allocated across the activities between unrestricted and restricted funds in accordance with the accounting policy on page 24.

24. Related party transactions

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 2.

There were no related party transactions during 2022 (2021: None).

25. Financial Instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above.

26. Comparative Statement of Financial Activities (2021)

	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:			
Donations and legacies	1,792,043	-	1,792,043
Charitable activities	21,599	8,972,618	8,994,217
Investments	265	-	265
Total income	<u>1,813,907</u>	<u>8,972,618</u>	<u>10,786,525</u>
Expenditure on:			
Raising funds	214,928	-	214,928
Charitable activities	2,227,563	8,289,837	10,517,400
Total expenditure	<u>2,442,491</u>	<u>8,289,837</u>	<u>10,732,328</u>
Net income/(expenditure)	<u>(628,584)</u>	<u>682,781</u>	<u>54,197</u>
Transfers between funds	682,781	(682,781)	-
Foreign exchange gains/(losses)	(210,380)	-	(210,380)
Net movement in funds	<u>(156,183)</u>	<u>-</u>	<u>(156,183)</u>
Reconciliation of funds:			
Total funds brought forward	<u>1,992,946</u>	<u>-</u>	<u>1,992,946</u>
Total funds carried forward	<u><u>1,836,763</u></u>	<u><u>-</u></u>	<u><u>1,836,763</u></u>