



PEACE DIRECT
ANNUAL REPORT
2015

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Trustees' report for 1 January-31 December 2015

The Trustees present their report together with the financial statements for 1 January to 31 December 2015. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, applicable law, the requirements of the Statement of Recommended Practice (2015) 'Accounting and Reporting by Charities' and the Financial Reporting Standard for Smaller Entities (effective Jan 2015).

Officers and financial advisers

Trustees

Michael Ryder CMG (Chair)
Joan Link (Vice Chair) (until 24th September 2015)
Sheila Kleyn (Treasurer until 26th February 2015)
Joan Carey (until 17th December 2015)
Eleanor Harrison
Carol Hodson (Treasurer from 26th February 2015)
Dan Jones
Niamh Neville
Dr Timothy Othieno (until 26th February 2015)
Karen Triggs

Patrons

Prince El Hassan of Jordan
Baroness Helena Kennedy QC
Dame Emma Kirkby
Mark Rylance

Senior management

Dylan Mathews
(Chief Executive from 1st January 2015)
Tom Gillhespy
(Head of International Programmes)
Ruairi Nolan
(Head of Research and Engagement)
Clare Kinnersley (Head of Finance and Administration)
Ruth Tidy
(Head of Individual Giving)
Claire May
(Head of Programme Funding)
Jonathan Lorie
(Head of Communication)

Secretary

Clare Kinnersley (until 24th September 2015)
Dylan Mathews (from 24th September 2015)

Charity number

1123241

Company number

06458464

Registered name

Peace Direct

Registered office

Development House,
56-64 Leonard St,
London EC2A 4LT

Bankers

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

CCLA Investment Management Ltd,
80 Cheapside, London EC2V 6DZ

Independent auditors

Kingston Smith LLP,
Devonshire House, 60 Goswell Rd,
London EC1M 7AD

Solicitor

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

Executive summary

2015 was a very significant year for Peace Direct. Our new Chief Executive, Dylan Mathews, took over the reins from Carolyn Hayman who stepped down in December 2014.

Our income was the highest yet, at £1.82m, reflecting the very high quality of work by staff and local partners throughout the year, both developing locally led programmes for conflict affected communities, and enabling us to attract new and larger grants to support this work.

A lot of time and energy was spent in 2015 by the staff and Board on developing a new direction for the organisation. This led to the approval of a new Mission, Vision and five-year strategy for Peace Direct. The process of developing these key documents has been very unifying for staff and Board and has led to an ambitious strategy for growth and impact over the next five years.

Highlights of the year

Working with local partners in Burundi, Sudan, DR Congo and Somalia to significantly scale up their work. We secured large grants for partners in all four countries which will enable them to have a bigger impact and more stability over the medium term, as the projects are up to four years in duration.

Securing a major contract from the European Union to map all of the projects funded by their 'Instrument for Contributing to Stability and Peace'. This contract also saw Peace Direct expand its coverage and mapping of local peacebuilding organisations to over 1,000 worldwide across over 40 countries.

Bringing together all of our local partners to reflect on their work, learn from each other and, strategise together. This 'Peace Exchange' was held in Kigali, Rwanda, in October and was a wonderful opportunity to reconnect with all partners, as well as facilitate new connections between partners. Partners greatly valued the opportunity to step back from their own contexts and reflect on their work as peacebuilders.

Running our annual Tomorrow's Peacebuilders awards for the third year. This attracted the largest number of entries to date and saw three prize winners receive \$10,000 each for their exemplary work in Israel/Palestine, Bosnia and Kenya.

Providing greater investment in, and support for, our US affiliate. 2015 saw the appointment of new Board members, as well as the appointment of a Senior US Representative. This additional capacity has helped raise our profile and deliver more targeted advocacy than in previous years. To support integration between Peace Direct in the UK and the US, Michael Ryder (Chair of the Board) became a member of the US Board.

While financial conditions remain tough for small charities, we are encouraged by the **continuing support of existing donors** to our work as well as that of new donors who have helped us deliver more ambitious work this year.

Peace Direct's vision and mission

In December 2015 Peace Direct's Board approved a new Mission, Vision and five-year strategy for the organisation. Following the appointment of a new CEO in January 2015, staff and Board members fully supported his efforts to chart a new direction for the organisation with greater focus and clarity around the work Peace Direct would support going forward and to set clear, ambitious targets for income, growth and impact.

The new mission and vision

Our vision: A just world free from violent conflict

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

Our values

We believe in:

Non-violence: Conflict is a normal part of life. Violence is not. We believe that non-violent action is not only the morally right thing to do; it is also highly cost effective, scalable and strengthens the prospects for long term peace.

The power of local action: We believe that local people are central to the resolution of their own conflicts. Peace cannot be sustainable if it is imposed on people from the outside.

Partnership & respect: The relationships we build with organisations around the world must be based on the principles of equality and respect. We have more to learn from our partners than they do from us and we see ourselves as an extension of their organisations, not the other way around.

We are:

Non-partisan: We do not take sides in a conflict, but this does not mean that we will not speak out when rights are being violated.

Entrepreneurial: We are nimble, creative and unafraid to challenge orthodox thinking.

Peace Direct's new strategy can be found on page 22.

Our goals for 2015

In 2015 Peace Direct implemented the second and final year of an operational plan that was intended as a way of establishing the foundations for greater financial sustainability in the short-medium term.

Goal 1: To become recognised leaders in locally led peacebuilding

The objectives under this goal were:

- 1.1 Be leading exponents of locally led peacebuilding programmes.
- 1.2 Become a 'go-to' place within the aid sector for locally led peacebuilding.
- 1.3 Become a public face of locally led peacebuilding.

Strategies and targets to achieve the above objectives included:

- To identify and support exemplary local peacebuilding programmes, including in new countries.
- Cover the key conflicts and issues in locally led peacebuilding, whether through our projects, influencing or external communications.
- Explore and innovate within the field of locally led peacebuilding.
- Build our knowledge base and services in the delivery of locally led peacebuilding.
- Build our profile and relationships within the aid sector.
- Strengthen our brand and market position.
- Increase our audience profile.

Goal 2: To become more financially sustainable

The objectives under this goal were:

- 2.1 To enlarge our income in order to deliver greater impact for our partners and our influencing work.
- 2.2 Manage Peace Direct's programmatic and financial risk.
- 2.3 Achieve annual growth, year-on-year, of unrestricted reserves to provide a greater security for the organisation.

Strategies and targets to achieve the above objectives included:

- Strengthen our income from individual givers and major donors over the next three years.
- Increase our total grant income by 55%.
- Develop our knowledge services around locally led peacebuilding.
- Aim to achieve annual income of at least £2m by the beginning of 2017.
- Achieve a diversity of grant income where no single source of income represents more than 20% of our total income.
- Have at least 16 partners, 10 of which are in medium or high capacity, ensuring we are not reliant on the success of any single partner.

Goal 3: To achieve scale in our programmes that demonstrates the effectiveness and replicability of locally led peace building

The objective under this goal was:

- 3.1 That PD and its partners are viewed by funders and other stakeholders as significant actors in locally led peacebuilding.

Strategies and targets to achieve the above objectives included:

- Develop a significant presence in strategic areas and themes (whether through our projects, influencing or external communications).
- Demonstrate the ability to manage or add value to a project at significant scale.

Progress against plan in 2015

Progress against Goal 1.1 (Be leading exponents of locally led programmes)

In 2015 we made significant progress in our efforts to be leading exponents of locally led programmes. Almost half of Peace Direct's partners were able to scale up their work and deliver high quality programmes.

Below is a summary of our support to local organisations:

BURUNDI

Local partners: INAMA (Initiative Amahoro Arama); APD
Grants made to partners: £108,438

Country context:

2015 saw Burundi plunged into crisis, following the announcement that President Pierre Nkurunziza would stand for a third term in the upcoming elections. This controversial decision, which many people felt violated the term limits set out in the Arusha Peace Accords that ended the long running conflict in Burundi, precipitated widespread demonstrations, violence and a breakdown in law and order.

By the end of the year, over 200,000 Burundians had fled the country, over 500 had been killed and the African Union and others were warning of an increased risk of mass atrocities.

With bilateral aid frozen and targeted sanctions imposed by the EU and America, the country was on the verge of an economic collapse. Most civil society organisations have seen their activities severely curtailed and media outlets have been closed down. Despite pressure from the UN Security Council, African Union and European Union, there remains a severe risk of the crisis continuing well into 2016 and beyond.

Activities and impact:

Peace Direct's work in Burundi was implemented in partnership with two local groups: INAMA and Action for Peace and Development (APD). INAMA is a network of 23 civil society organisations that

monitors violence, human rights abuses and the triggers of violence across the country, as well as responding to violence through targeted community level peacebuilding activities. APD is a youth peacebuilding organisation that works to engender a culture of peace, primarily through supporting the establishment of peace clubs in schools.

Amidst the violence, repression and chaos, our support to this network of local civil society organisations called INAMA continued. Thanks to the support of Humanity United, INAMA's network of citizen reporters was able to monitor violence, human rights abuses and other drivers of violence across nine of the worst affected provinces in the country. This information was analysed and disseminated to over 300 governments, the UN and INGO representatives around the world, through daily and weekly flash reports and helped to inform government policy and analysis on the unfolding crisis.

Within the country, the violence monitoring work of the citizen reporters was used by INAMA to undertake targeted peacebuilding activities. These ranged from community level meetings to defuse tensions and dispel rumours, to engaging with government and security representatives to secure the release of people detained without charge. In total INAMA identified and reported on 3,604 incidents of violence,

intimidation, detention and human rights abuses in 2015, and undertook over 300 peacebuilding activities.

An interim evaluation conducted in October noted that in some communities: The situation would be worse if it were not for the approach of the INAMA network...this has helped reduce violence...Conflicting tensions have decreased or been eradicated.

During the year Peace Direct invested heavily in our advocacy efforts in the US, specifically to the US government and to the UN. This included hosting round table meetings between Burundian civil society activists and the US government, as well as direct meetings with the UN and donors. While it is difficult to measure the impact of any advocacy work, we are happy to have played a role in keeping the Burundi crisis high on the policy agenda and we will

continue this important work in 2016.

In addition to our work with INAMA, we continued to support Action for Peace and Development (APD). Key activities in 2015 included bringing together 200 young people from different communities of Bujumbura in order to build a shared understanding of how to support good governance, poverty eradication, human rights protection and sustainable development. Before the crisis erupted in the country, APD also ran a campaign in partnership with other two local groups (Coalition pour la Paix au Burundi and Association Saint François d'Assise). This brought together 80 youth representatives of political parties and civil society organisations for a two-day workshop to discuss how to strengthen democracy, good governance and the protection of human rights.

Feedback from governments receiving the reports:

These reports are very useful for us at the Norwegian UN delegation in New York.

Norwegian UN delegate

This is the best reporting we receive from outside Bujumbura ... It's providing information we are not getting from anywhere else ... It's solid reporting and from a group we know we can trust ... having it on a regular basis really helps us.

US State Dept Official

Just a note to say thanks for this information – it really is a brilliant resource, and I'm grateful for the risks you and the contributors take to provide it.

Australian Government Representative

I haven't seen this kind of real time information from a local group in any other crisis context in my time. I know it must be a huge amount of work, so know that it's really appreciated and used.

US State Dept Official

CENTRAL AFRICAN REPUBLIC

Local partners: various

Grants made to partners: £7,200

Country context:

For decades, the Central African Republic (CAR) has struggled to overcome problems of weak governance, political instability, entrenched poverty and cycles of violent conflict. The most recent conflict began in 2013 when mostly Muslim rebels from the Seleka (which means ‘coalition’) group seized power in the majority Christian country. A band of mostly Christian militias, called the anti-balaka (which means ‘invincible’) rose up to counter the Seleka. The ensuing violence has resulted in over 6,000 deaths, has left almost 20% of the population displaced and has effectively divided the country.

At the height of the crisis, United Nations officials declared a risk of genocide in CAR and the international community mobilised to help avert mass violence in this long neglected country.

While Seleka handed power to a transitional government in 2014 under international pressure, the country continues to experience violence and instability. Most recently in September 2015, the killing of a Muslim man in the capital city, Bangui, sparked a wave of violence which resulted in the deaths of 21 people and the injury of over 100 in parts of the city.

Though a measure of stability is returning to the country, a recent International Rescue Committee report highlighted the urgent need for a renewed focus on CAR to prevent further deterioration of the situation and renewed violence.

Activities and impact:

In a first for Peace Direct, we were asked by the UN in CAR to help convene a meeting in the capital city, Bangui, to bring together local peacebuilding groups that we had identified and mapped on Insight on Conflict. The aim of the workshop (or ‘local Peace Exchange’ as it was known) was to facilitate closer interaction between the UN and local civil society groups, to

support joint analysis of the conflict, and to encourage greater collaboration between local actors.

The Bangui Peace Exchange was held in May 2015 and involved 26 local organisations, with the support and presence of the UN. The Peace Exchange was structured to allow groups to work collaboratively to develop strategies to tackle violence and promote peacebuilding. Through a collective analysis, the groups identified five key conflict issues and worked to devise collaborative peacebuilding plans in each area. Post-workshop evaluation indicated that the Peace Exchange significantly increased groups’ perceptions of the opportunities for, and importance of, collaborative peacebuilding projects.

As a follow up to the Bangui Peace Exchange, Peace Direct supported local groups to hold a series of local peace exchanges across the country. This allowed the groups to work together where they had developed synergies or identified the possibility of collaboration, whilst broadening the range of civil society actors participating in the exchanges.

The five Peace Exchanges which took place across CAR between July-August 2015 were attended by over 250 participants representing all levels of CAR society. This ensured that different community interests, religious sensitivities, local authorities and community leaders were represented in the discussions. Participants included: Heads of Districts, religious leaders and representatives from Muslim, Catholic and Protestant communities, village chiefs, Malian and Fulani community leaders, anti-balaka representatives, journalists, local radio stations and local youth and women’s groups. Since the end of the workshops, Peace Direct has been working with some of the participating organisations to develop projects that can tackle some of the drivers of conflict in each region.

The roots of traditional peace mechanisms in communities remain in place and they can be used again to achieve results.

Civil society leader

DEMOCRATIC REPUBLIC OF THE CONGO

Local partners: Centre Resolution Conflits (CRC); Fondation Chirezi (FOCHI)

Location: Eastern DR Congo; North and South Kivu.

Grants made to partners: £345,831

Country context:

In DR Congo, peace remains extremely fragile and tensions are high as the country gears up to elections in November 2016. While some rebel groups have been disarmed, reintegration efforts have so far failed and ex-combatants languish in Disarmament, Demobilisation and Reintegration (DDR) camps. Meanwhile other areas of the east are far from stable, with one rebel group claiming almost 500 victims in 2015 alone, while the presence of another group has been called by the UN as “one of the most important hindrance to peace in Eastern DRC.”

More broadly, international efforts to support community stabilisation through support to local civil society groups and activities has been slow, despite a widespread acknowledgement that such stabilisation is a necessary foundation for longer term peace.

Activities and impact:

Peace Direct’s work in DR Congo was implemented in partnership Centre Resolution Conflits (based in North Kivu) and Fondation Chirezi (based in South Kivu). Both partners delivered some remarkable results during this period, despite the very challenging situation in the country.

Working to deliver a four year programme of work supported by the Big Lottery Fund, Centre Resolution Conflits achieved the following in 2015:

- To support the reintegration of ex-combatants as well as others affected by the conflict in Eastern DR Congo, 19 agricultural cooperatives were established in 2015 with a total of 559 members. All members received training in marketing, business and conflict mediation. The members received training from an agronomist for three months which they applied to the demonstration plot and their own land. All 559 people have created investment plans to ensure

sustainable income growth. As part of the reintegration process, young men (ex-combatants and other conflict affected young men) helped rehabilitate 15km of roads and two local markets which has increased trade opportunities between villages. These men also received life skills and conflict mediation training and have created codes of conduct for their communities to moderate their behaviour. CRC have started to train some of these men in livelihood skills including sewing, agriculture and mechanics. CRC have also created five ‘stigma reduction committees’ of community members to support the men to reintegrate into their communities.

- 180 women affected by conflict (female ex-combatants, wives of ex-combatants and women who have experienced trauma at the hands of militia groups) were supported to establish solidarity groups. They were trained in business, marketing and conflict mediation by CRC, and created business plans. 150 women have received loans between \$50 and \$100 with some receiving three consecutive loans.
- 19 Community Mobilisation Groups (CMG) were created with a total of 475 members as a way of supporting self-reliance among communities that have been devastated by violence. The members were trained by CRC in conflict mediation, community mobilisation and agricultural techniques. 13 CMG groups created self-help initiatives during the year including establishing a local pharmacy, buying an ambulance for their community and establishing loans and savings groups. They also recorded radio broadcasts on self-help issues such as agriculture which were broadcast by three radio stations covering the project regions and beyond.

In addition CRC was also able to rescue and reintegrate 100 child soldiers over the year. This very difficult and sensitive work involved CRC staff travelling into areas controlled by militia groups and negotiating the release of children who had been abducted. While the release of 100 child soldiers is a remarkable achievement, CRC have informed us that there are still hundreds more child soldiers in the bush – a situation that we are determined to tackle in 2016 and beyond.

In the words of one project participant, a female agricultural trainee: *I am 27 years old, the wife of a former fighter. I want to thank CRC for teaching me the various agricultural techniques; I gained many experiences in agriculture that I have put into practice. Through these practices I increased the size of my fields for many returns to quickly improve the income of my household. I've just collected more than 200kg of rice that allows me to complete the purchase of sheets for my new home I just built. I myself am trying to help my husband who was a former fighter to integrate the cooperative.*

In South Kivu, our partner FOCHI launched a new and very ambitious project to support communities in the Ruzizi plain, an area plagued by violence for years. Supported by the German Ministry of Foreign Affairs and endorsed by the UN's Stabilisation Unit in DR Congo, the 18-month project which started in February 2015 aims to achieve the following:

- (a) Strengthen the stability of communities through community peace courts and women-only courts which FOCHI have helped established across the region.
- (b) Increase the resilience of communities to resist violence through economic empowerment and self-help community development initiatives.
- (c) Provide more support to the local peacebuilding sector in the Ruzizi Plain to increase its capacity, better connect it to the international community and equip both sides with the tools to effectively work with each other.

Over the course of the year, FOCHI made excellent progress working to achieve the above objectives. For example, 15 existing

local peace courts were supported, which together dealt with 139 conflicts ranging from land conflicts to disputes between and within families. 109 of these conflicts were successfully resolved, a remarkable achievement in a region where access to justice is virtually non-existent. To help strengthen the resilience of communities, FOCHI helped establish 25 Village Saving and Loan Associations which helped improve the income of 580 households. In total \$10,870 was disbursed to members alongside 304 loans.

In a new development, we partnered with SPARK micro grants, based in Uganda, who worked closely with FOCHI in 10 communities to support locally designed community development and income generating projects.

350 vulnerable and at-risk young people were involved in developing their own plans for income generation, which included establishing a local restaurant run by ex-combatants, purchasing and rearing goats and cattle for another group of ex-combatants, and establishing a welding workshop. Community development projects included establishing a motorcycle hire company for people without access to transportation in one village, purchasing 50 goats for another village and purchasing and supplying a community farm.

Feedback from project participants

With the credit that I take in our monthly Village Saving and Loans Association, my family began to eat two meals a day.

A mother, Luvungi, 27

FOHCI is the first NGO to empower community members and achieve a tangible project in our village.

Local peace court member

FOCHI is the first organisation to be involved with us, preparing the self-management of our community. I was very touched.

Local community member

ISRAEL AND PALESTINE

Local partner: Heartbeat
Grants made: £20,345

Context:

2015 saw a surge in violence in Israel and Palestine, with some commentators fearing that it could spark a third intifada. The violence was characterised by seemingly random individual attacks by Palestinians, not linked to groups such as Hamas against Israeli Defence force personnel or Israeli citizens. By the end of the year this violence had resulted in the deaths of 200 Palestinians and 28 Israelis.

Some commentators suggested that a social media campaign may have inspired many of the attacks, while others argued that the continued failure of the peace talks coupled with increasing restrictions on Palestinian movement and human rights led to growing anger within Palestinian society. The result for most people, Israeli and Palestinian, is a growing demonisation of the other; with people from both sides unable to see co-existence and a two-state solution as a viable option.

Activities and impact:

Peace Direct's work in Israel and Palestine was implemented in partnership with a youth organisation called Heartbeat, which creates spaces and opportunities for young Palestinian and Israeli musicians to build critical awareness, respect and trust, while harnessing creative non-violent tools for self-expression and social change. Peace Direct supported their 'Amplifying Youth Voices' programme which focuses on the establishment and facilitation of two ensembles of young Arab and Jewish musicians (aged 14-22 years old) who come together for weekly music-based dialogue programmes in Haifa and Jerusalem.

During the year, both groups of musicians participated in retreats which were designed to help members learn more about the construction of Palestinian and Israeli identity, the role of gender dynamics in society, as well as challenging long held perceptions of the conflict. Visits were organised to East and West Jerusalem, with many Palestinians and Israelis visiting the other side of their city for the first time. Heartbeat musicians were invited to play to students at Tel Aviv University as well as locations worldwide, including to German politicians at the Reichstag in Berlin.

Peace Direct also provided funding to support Heartbeat to establish a recording studio in Haifa and work continued to establish this facility.

PAKISTAN

Local partner: Aware Girls (AG)
Grants made: £39,384

Country context:

Pakistan continued to experience high levels of instability and violence in various parts of the country. In Khyber Pakhtunkhwa (KP) in the north west of the country, the Pakistani Taliban still exert influence and conduct attacks against government and military targets. The most notorious recent example took place in December 2014 when gunmen linked to the Taliban attacked the Army Public School in Peshawar, capital of KP, killing 141 people including 132 school children. Meanwhile, violence against women is endemic in Pakistan. The International Crisis Group noted that 'Discriminatory legislation and a dysfunctional criminal justice system have put women at grave risk. Targeted by violent extremists with an overt agenda of gender repression, women's security is especially threatened in the conflict zones in Khyber Pakhtunkhwa (KPK) province.'

Activities and impact:

Peace Direct's work in Pakistan is implemented in partnership with Aware Girls, founded by sisters Gulalai and Saba Ismail and based in Khyber Pakhtunkhwa. Their work, which has gained increasing international recognition, focuses on empowering women to claim their rights, particularly in areas influenced by the Taliban, and dissuading young people at risk of joining the Taliban through intensive peer education. During the year we continued our support to Aware Girls and these two main areas of work. With support from the Commonwealth Foundation, the Stanley Thomas Johnson Foundation and the Ploughshares Foundation, both areas made good progress during the year. In their work to support women's participation in political processes, Aware Girls trained 65 young female activists to conduct peer education on women's rights in Mardan and Swabi Districts. 472 women were reached through this approach in the first half of the year.

A high point for Aware Girls was when two young female trained activists ran in the local elections and won their seats. This was a huge success for Aware Girls

because these young women started their political career after joining Aware Girls' programmes. In addition, 20 community meetings were held across Mardan and Swabi involving 513 men and women, where community members discussed what prevented them from supporting women's political participation. Citizen Committees were established in order to mobilise women to claim their rights as well as to bridge the gap between communities, policy makers and political parties. These Citizen Committees were very active in the run up to the local elections, and according to the reports from these committees, none of the political parties bowed to the pressure of the religious community on barring women from voting in sharp contrast to the previous elections in the region.

In their work to support youth at risk of extremism, 30 young people were trained and supported to establish the Swabi Youth Peace Network. The five day training covered non-violent conflict resolution skills and peacebuilding skills, communications for peacebuilding and countering violent extremism. They also learned about understanding militant discourse, understanding non-violence, pluralism and co-existence, and role of young people in developing pluralistic narratives for countering violent extremism. Once trained, the young people delivered peer education to 569 young people, reached a further 789 young people through specific campaigns highlighting non-violence and helped resolve 31 conflicts. Specific activities undertaken by the young activists included entering into dialogue with local madrassas in order to educate young people about peace and non-violence and to raise awareness among them about the negative role of militant groups.

During the year the Founders of Aware Girls, Gulalai and Saba Ismail, were increasingly recognised internationally for their work. We were delighted that Gulalai won the 2015 Commonwealth Youth Award for Excellence in Development, under the theme of Democracy and Human Rights, and was also invited to speak at the World Bank on the issue of countering extremism in Pakistan.

Before the training there was no one in my community to teach the women about human rights, now we know about discrimination so we can speak for ourselves, the training has helped me in my practical life and to implement what I learnt.

Trainee

I never attend meetings of any NGO other than Aware Girls. This year 40-45% women participated in elections and the credit goes to Aware Girls' work. I can clearly see the output of their work as it is very practical. If 10% of the demands from the [Citizen Committees] are successful, it will bring a huge change in the lives of women of Mardan District.

Local journalist

PHILIPPINES

Local partner: Kapamagogopa Incorporated (KI)
Location: Mindanao Island
Grants made: £26,645

barriers between Muslim and Christian communities in Mindanao, which for decades have been divided by the conflict.

Country context:

For decades the Philippines has been victim to a bloody armed struggle between the government and Muslim separatists seeking an independent state in Mindanao.

In early 2014, the Government of the Philippines and one of the main separatist groups, the Moro Islamic Liberation Front, signed the Bangsamoro peace agreement, a milestone in the efforts to bring peace to the region.

However, many obstacles to sustainable peace remain, including the presence and continued activities of other rebel groups in the region and deep-seated animosity between the majority Christian and minority Muslim communities across Mindanao.

Activities and impact:

Peace Direct's work in the Philippines was implemented in partnership with Kapamagogopa Incorporated (KI), the first and only systematised Muslim volunteer programme in the Philippines. Using trained Muslim volunteers, KI breaks down the mistrust and

Set against the background of continuing mistrust between Christian and Muslim communities, KI organised their tenth annual cohort of Muslim volunteers for interfaith peacebuilding, placing nine volunteers in five host organisations across Mindanao and the Visayas islands. By placing Muslim volunteers into Christian communities and with Christian organisations, KI have seen fundamental shifts in the attitudes towards Muslims in host organisations and communities, thereby breaking down entrenched stereotypes and prejudices which are a continuing impediment to long term peace.

In addition volunteers provided much needed additional human resource capacity for their host organisations, which has helped the organisations reach out to more communities and increase their impact. For example, volunteers helped facilitate community discussions on how to engage the security sector in the ceasefire mechanism, helped build the capacity of women and former combatants through training workshops and worked to strengthen a local youth organisation in Barangay.

SRI LANKA

Local partner: Centre for Peace Building and Reconciliation (CPBR)
Location: multiple locations across Sri Lanka
Grants made: £9,687

government and President, both of whom appear to want to resolve some of the country's deep-seated problems. Even so, it is likely to be many years before the different ethnic groups and faiths are able to co-exist peacefully.

Country context:

While the civil war in Sri Lanka ended in 2009, the country is still struggling with the legacy of 25 years of conflict, during which violence, human rights abuses and displacement affected huge numbers of people across the country. Ethnic and religious tensions, between and within communities remain a persistent feature of post-conflict Sri Lanka, along with a myriad of other post-conflict grievances.

Activities and impact:

Peace Direct's work in Sri Lanka was implemented in partnership with the Centre for Peacebuilding and Reconciliation (CPBR), which works to reconcile communities affected by the conflict, promote inter-faith and inter-communal co-existence and support wider reconciliation processes regionally and nationally.

Peace Direct's support to CPBR focused on their 'Voice of Image' project, which

Elections in 2015 saw a change of

SRI LANKA (CONTINUED)

helps young people promote co-existence, peace building and reconciliation among the different ethnic and faith groups through the use of photography.

A key milestone in this initiative is the development of the "Exhibition for Dialogue" model as a conflict transformation tool. It is a three-pronged strategy using exhibition, dialogue and action as three interconnected elements to create social change. 62 young people

from four different communities across the country were trained in photography techniques, while 49 community members were trained in community mobilisation, conflict transformation and conflict analysis. These community members also developed action plans to help foster co-existence in their communities. Now the programme is being expanded in to other areas with the formation of new youth groups, especially in the Northern part of the country.

SUDAN

Local partner: Collaborative for Peace in Sudan (CfPS)

Location: South and Western Kordofan
Grants made: £105,189

Country context:

2015 saw the conflict in South Kordofan enter its fifth consecutive year, resulting in massive internal displacement equivalent to around a third of the population of the state. According to the UN, approximately 100,000 people have also fled to refugee camps in neighbouring South Sudan. This is a result of the continued bombing by the Sudanese Air Force of villages and locations under the control of the Sudan People's Liberation Army-North (SPLA-N) where the overwhelming majority of casualties are civilians.

In addition to the ongoing war between the Government of Sudan and the SPLA-N, simple disputes over water rights, farmland or cattle theft often spiral out of control leaving many dead and further weakening traditional community coping mechanisms. This is exacerbated by the proliferation of weapons in the region which, along with existing armed groups, continues to destabilise communities and entrenches cycles of revenge, polarisation and a culture of violence.

Activities and impact:

Peace Direct's work in Sudan was implemented in partnership with the Collaborative for Peace in Sudan (CfPS) which has been working tirelessly to address violence between communities in South Kordofan.

Thanks to funding from the UK Government's Conflict, Security and Stabilisation Fund (CSSF), we were able to scale up our work with the Collaborative for Peace in Sudan (CfPS) in 2015. CfPS have been supporting a network of village peace committees operating across South and West Kordofan that can mobilise entire communities to watch for the triggers of violence and defuse it.

Committees are formed of elected villagers, bringing together tribal elders, community leaders, women and young people. Over the year, 11 Peace Committees were supported, including the establishment of a new Peace Committee which covers communities in Abyei, one of the most contentious flashpoints in the ongoing tensions between Sudan and South Sudan. These peace committees undertook 14 rapid response interventions, most of which involved direct mediation between neighbouring tribes over land rights disputes.

To strengthen the capacity of peace committees, Peace Direct provided training to CfPS in early warning methodologies. Local peace committees are now developing local action plans to consolidate peace in their communities, which we hope we will be able to support in 2016.

SOMALIA

Local partner: Social-life and Agricultural Development Organisation (SADO)

Location: Kismayo, Lower Juba province.

Grants made: £88,385

Country context:

Political instability and violence in Somalia continue to pose series challenges to stabilisation and state-building programmes in the country. In addition to attacks by the al-Qaeda-linked militant group al-Shabaab, which still controls large swathes of the country's hinterland and small towns, violent conflicts between clan-based militias that compete for control of land, resources and power remain unresolved. Even as the capital Mogadishu, the economic and political nerve-centre of the country, has regained a semblance of a functioning city after decades of war, attacks by al-Shabaab were still commonplace throughout 2015.

Peace Direct's work in Somalia centres on the port city of Kismayo, capital of the southern Jubaland region of the country bordering Kenya. Until 2012, Kismayo was the headquarters of al-Shabaab. While an interim Jubaland regional administration was installed in 2013, Kismayo is still very much prone to attacks by the militant group, which controls nearly all of the territory around the city. They also control many of the trade routes entering into the city. Though access to Kismayo remains open, with strict limitations on movement and activities, the overall security environment remains fragile and volatile.

Activities and impact:

Peace Direct's work in Somalia was implemented in partnership with Social-life and Agricultural Development Organisation (SADO), a Somali organisation founded in 1994 by a group of Somali professionals after the withdrawal of UN agencies and international NGOs from Somalia. The organisation aims to release the potential of the Somali people to change their own lives through a range of humanitarian, development and peacebuilding initiatives.

Thanks to a grant from the European Union, Peace Direct launched its biggest

project to date, spanning 3 years and costing £1.3m. The project aims to provide livelihood opportunities for over 1,000 vulnerable young people, including those at risk of joining al-Shabaab. The project, which is being implemented by our local partner, SADO, will also support local peace committees in order to strengthen a grassroots constituency for peace, as well as targeted support for community led peacebuilding activities.

During the year, a market analysis was undertaken in order to ensure that all young people who join the project identify a suitable livelihood option. SADO also identified a venue to convert into a vocational training centre and the first cohort of 125 trainees were selected and enrolled in the training programme. Lastly, SADO provided training to the Kismayo Peace Committee to help them understand what role they could play in addressing the current tensions and conflicts in Kismayo.

As part of our efforts to build local peacebuilding capacity in Kismayo, we drafted a peacebuilding strategy paper which looked at livelihoods through a peacebuilding lens. We examined the opportunities arising from the existence of the newly established Kismayo Peace Committee and its potential contribution to the peacebuilding component of the project. As the Peace Committee is a very new entity, Peace Direct and SADO worked closely with them to explore ways to strengthen existing peacebuilding mechanisms. As part of this process, SADO facilitated a peacebuilding workshop with the Committee to analyse local conflict issues and help the Committee to develop priorities and strategies. It is envisaged that the Committee will undertake regular conflict analysis to inform the project and will periodically review the effectiveness and impact of the project on local communities.

I had no hope about the future but now starting the vocational skills training, I have confidence and hope for the future.

Livelihoods trainee

I was looking for a chance to overcome my harsh work conditions. I got the opportunity to participate in the vocational training implemented by Peace Direct and SADO, I already understand a lot and I hope that I will start production soon after graduation and change my life style and future for my kids.

Livelihoods trainee

ZIMBABWE

Local partner: Envision Women's Trust
Location: multiple locations
Grants made: £27,463

Country context:
Zimbabwe continues to suffer from a decimated economy, widespread human rights abuses and a political system that has polarised the country into those who support President Robert Mugabe's Zanu PF, and those who oppose his rule. Meanwhile traditional coping mechanisms have been eroded after years of repression and violence, leaving communities unable to deal with tensions and conflicts over resources, political power and identity.

Activities and impact:
Peace Direct's work in Zimbabwe was implemented in partnership with the Envision Women's Trust. Envision mobilises women's groups, interfaith groups and other community groups to take a holistic approach to building sustainable peace in Zimbabwe.

During 2015, Peace Direct's support to Envision focused on supporting and strengthening local peace committees, which continue to mediate in community disputes. The peace committees also operate as an early warning and early response (EWER) network. This has helped defuse tensions and resolve potential triggers of conflict, ranging from stock theft, sexual attacks against women and domestic violence.

Envision have also continued their work brokering closer communication between local communities and the Zimbabwe National Police Force (ZNPF) while also providing training and support to the ZNPF in non-violent conflict resolution. Over the year, Envision delivered three Conflict Transformation Training Workshops in two different locations, at which 186 police officers were trained. Work also continued to develop an Early Warning Early Response network so that potential flashpoints for violence can be quickly identified and responded to. Officers from the ZNPF joined these discussions for the first time.

The impact of this work includes improved relations between the police and local communities. For example, some communities now invite members of the police to community gatherings such as Village Heads meetings, which has improved the reporting of crimes and violence in the areas. 70% of Police Officers who participated in Envision Zimbabwe's conflict transformation training confirmed that they are now trying to handle conflict differently in their day-to-day policing.

Speaking of the impact that Envision's work has had in his area, one local chief said: *My court used to receive and handle a lot of cases of disputes from the villages and at times my court would get so overwhelmed with the numbers. My people would use violence to solve conflicts over land, water, grazing fields, witchcraft and sorcery. However, after the training that Envision Zimbabwe conducted for my Village Heads and the community members my court is now receiving very few cases per month. This marked reduction of cases of violence, I believe is because my people have now been empowered to resist violence and to solve their conflicts in a more peaceful way.*

While there is a long way to go, Envision's work shows that it is possible to build long term, sustainable peace in communities affected by years of violence, tensions and repression. Unfortunately, we have continued to find it difficult to secure funds to scale up their work due to the lack of donor interest in Zimbabwe, which poses a risk to Envision's future work.

Police violate basic rights, such as freedom of expression and assembly... Activists and human rights defenders face police harassment. There has been no progress toward securing justice for human rights abuses and past political violence, including violence after the 2008 election.

Human Rights Watch

Progress against Goal 1.2 (Become a ‘go-to’ organisation within the aid sector for locally led peacebuilding)

2015 was a busy year for Peace Direct and our ambition to become the ‘go to’ organisation for locally led peacebuilding. In the US, we co-founded local peacebuilding working groups within two prominent peacebuilding networks: the Alliance for Peacebuilding and the Peace and Security Funders Group. Peace Direct acts as co-Chair on both working groups which have already started to build momentum to support locally led approaches to peacebuilding. In the US we also hosted visits from local peacebuilders and partners from Sri Lanka, Burundi and Central African Republic, who advocated to the US government, UN and other donors about the need to support local peacebuilding efforts in their countries.

Our advocacy efforts focused significantly on Burundi, which is at a critical stage of crisis and has therefore become a significant priority for US and UN decision-makers. Due to the efforts of our Senior US Representative, as well as staff in the UK, Peace Direct is now viewed as one of the leading voices on Burundi in the policy and NGO community in Washington. We continue to play a very active role in amplifying the voices and recommendations of local peacebuilding groups in Burundi, whose local knowledge and expertise is increasingly being recognised in the policy community.

In November, Peace Direct was invited to speak on a panel of the Great Lakes Policy Forum, based in Washington, about the work of our partner FOCHI in DR Congo. The presentation was well received and helped lift both FOCHI’s and Peace Direct’s work to a new audience. We also arranged a one-to-one meeting with the Chief Assistant to the US Special Representative for the Great Lakes to discuss Peace Direct’s perspective on the need for greater involvement of community-based DDR approaches and local actors in both the Government of DR Congo and the international community’s DDR strategy.

Local First

Our Local First advocacy efforts were given a boost through the awarding of a grant from the Swedish Ministry of Foreign Affairs, who are supporting Peace Direct to conduct research in DR Congo on what locally appropriate monitoring and evaluation frameworks are in use. We hope that the findings of the research will help donors better understand how local organisations measure change. We also hope they will support the efforts of the UN’s stabilisation strategy in DR Congo by providing better information on how donors can help local organisations track and support long term change in their communities.

As part of our Local First work, Peace Direct was invited by USAID to participate in the research phase of a new grant making programme called ‘Localworks’ which aims to strengthen the capacity of local organisations and networks. This ambitious new programme was heavily influenced by Peace Direct’s own Local First research and we are proud that the USAID Localworks programme counts our publication ‘Local First in practice’ as one of the main reference texts. In November, Peace Direct’s Head of Strategic Programmes, Tom Gillhespy, and Local First consultant, Rosie Pinnington, participated in a workshop to discuss the Localworks programme, and we are looking forward to continuing the discussion with the Localworks team in 2016.

Insight on Conflict

Peace Direct publishes *Insight on Conflict*, the leading online resource on local peacebuilding. *Insight on Conflict* uses a unique network of 34 local peacebuilding experts to research and map local peacebuilding groups around the world.

2015 was a year of major expansion for *Insight on Conflict*. We added 12 new sections to the site, recruiting new experts to research each region. These include Yemen, Bangladesh, Georgia, Ethiopia and Zimbabwe. With these new sections, we broadened our overall coverage to include in-depth, up to date profiles

of over 400 new local peacebuilding organisations, taking our mapping to more than 1200 peacebuilding organisations in total. We also added comprehensive listings of international organisations and international NGOs active in peacebuilding in all the regions covered by *Insight on Conflict* – making the site a one-stop resource for journalists, academics and peacebuilders themselves looking to understand the scope of conflict resolution work around the globe.

Insight on Conflict is also designed to facilitate practical support to local peacebuilding groups by raising their profile. There were over 700,000 page views on the site, through which local groups were directly contacted more than 1300 times.

During the year we partnered with the EU to provide a unique mapping of peacebuilding projects supported by the EU's 'Instrument contributing to Stability and Peace', covering 300 peacebuilding projects across 80 countries. The mapping can be viewed here:

<http://www.insightonconflict.org/icsp/>

Insight on Conflict allowed Peace Direct to support many local peacebuilding groups directly in 2015:

- Our Local Correspondent in the Central African Republic, Martine Kessy Ekomo-Soignet, secured the support of the UN's MINUSCA peacekeeping mission for a local peace exchange event that Peace Direct organised in Bangui (see CAR section of report for more details).
- Our Sierra Leone Local Correspondent Abdul Brima conducted due diligence on a local peace group at the request of a UK funder, helping secure a grant of around £15,000 for the group.
- The United States Institute of Peace (USIP) used our mapping of peacebuilding organisations in Sri Lanka to identify potential partner organisations and then consulted with our Sri Lankan Local Correspondent Nilanjana Premaratna in their final decision. A Senior Gender Equality

Specialist from the Canadian Government also used our Sri Lankan listings for their programming.

- The Nexus Fund consulted with our Nigeria Local Correspondent Michael Olufemi Sodipo as part of their development of mass atrocity prevention programming in the country.
- We provided a briefing to a UK DFID officer by our Yemeni Local Correspondent, Ahmed Al-Yemeni, on civil society activity in Yemen after the outbreak of conflict there.
- We provided contacts and suggestions for various media organisations on peacebuilding topics in different countries, including Al Jazeera, BBC, CNN, MNSBC, and the New York Times.

Feedback on *Insight on Conflict* from users

We are very grateful to you for publishing a profile of IEEPP on Insight on Conflict. It really is a great piece of news for us, because as well as raising awareness of our organisation and the work we do, it will help put other social organisations working to build peace in Nicaragua in the spotlight.

Director, IEEPP (featured organisation)

The mapping and visualisation that 'Insight on Conflict' provides is crucial both to building broad awareness of locally-driven approaches, thus legitimating it as a strategy towards peacebuilding and directly connecting potential supporters with local actors.

International philanthropic organisation (anonymous)

Our profile looks outstanding and unique too.

foundation, Bangladesh (featured organisation)

Your website proves to be a very useful source for us to locate relevant NGOs who work with local governments in conflict prevention.

Organiser of the Bogota Peace Prize
<http://www.peaceprize.uclg.org/>

Progress against Goal 1.3 (Become a public face of locally led peacebuilding)

We continued to promote Peace Direct as the public face of locally led peacebuilding and had some notable successes throughout the year.

Peacebuilder celebration event, London

On 8 February, we held a star studded event at London's Bush Hall to celebrate the work and heroism of local peacebuilders. Peace Direct Patron and Oscar winner, Mark Rylance, was joined on stage by a cast of acclaimed actors - Gina McKee, Paterson Joseph, Meera Syal and Sophie Okonedo. They brought the voices of peace alive by reading testimonies from our partners around the world.

In the words of actor, Paterson Joseph: *I believe that we can as individuals make a change for the better in this world. My participation is my small way of realising that change.*

Media coverage

In February, as a result of our peacebuilder celebration event at Bush Hall in London at which several high profile actors from screen and stage performed, we secured a full page article in Hello! Magazine, focusing on our Patron, Mark Rylance, his connections with Peace Direct and some of Peace Direct's work in DR Congo. With a circulation of 220,000 copies weekly this was a high profile piece of publicity.

In April, at a special session of the UN Security Council focusing on youth extremism, Peace Direct's partner, Aware Girls, was singled out for special mention by the invited expert on countering violent extremism, Professor Scott Atran. The full speech can be found at the following link: <https://www.youtube.com/watch?v=qlbirlSA-dc>.

In November, Peace Direct's Radio 4 Charity Appeal was broadcast which focused on our work with Aware Girls in Pakistan. The appeal, presented by prizewinning author Kamila Shamsie, reached approximately 2 million listeners and raised almost £10,000.

Tomorrow's Peacebuilders awards

2015 was the third year for 'Tomorrow's Peacebuilders', Peace Direct's annual awards for the best emerging peacebuilding organisations around the world. It was our biggest year yet, as we attracted 251 entrants from 57 countries. Furthermore, we were able to increase the prize fund and awarded \$10,000 to each winning group, supporting the expansion of their peacebuilding work.

This year the judging panel included Lord McConnell (former Scottish First Minister and UK Special Representative for Peacebuilding), Fergal Keane (BBC Correspondent and author) and Melanie Greenburg (President of the Alliance for Peacebuilding in the US).

The winners announced at a special event held at the Frontline Club in London were:

- Combatants for Peace** was founded by Israeli and Palestinian fighters who had renounced violence. It runs guided tours for Israelis to see Palestinian areas, encounters between Israeli and Palestinian youth, and peace workshops in each community. Storytelling and commemoration days are key to its awareness work. CFP also undertakes humanitarian aid projects in Palestinian villages such as laying water pipelines, planting gardens and playgrounds in villages, renovating schools and protecting workers' rights
- Genesis** helps children and teenagers in post-war Bosnia-Herzegovina to overcome ethnic segregation and the psychological legacy of war. It is the only organisation working long-term in Bosnia's segregated schools to bring together children from different ethnic groups in projects and workshops that combat prejudice and promote tolerance.

In primary schools it provides peace education classes and puppet shows on the dangers of landmines and other unexploded ordinance. For teenagers it offers training in film-making to youths from all sides, creating a vehicle for collaboration and the exploration of identities.

Genesis was set up in 1997 to help children still living in refugee camps and was featured in Michal Palin's TV series 'New Europe'.

- **Rural Women Peace Link** is a grassroots network that stands up for women's rights and works against gender based violence (GBV). It raises awareness of Female Genital Mutilation in schools, provides trauma counselling for women, and trains police in handling GBV cases. RWPL also sets up local 'women parliaments', lobbies local government for women's rights, and runs peacebuilding forums in Kenya's most conflict-affected areas.

This award stands for the united spirit in all of us in spreading the message of peace across the world. We're here because we believe in this cause. This award will boost the organisation, the women, and the communities we work with.

Emma Mogaka of Rural Women's Peace Link

Progress against Goal 2 (To become more financially sustainable)

Our income in 2015 was at its highest ever level, at £1,821,682. Income across all streams was up from last year, with the biggest increase in institutional income, which saw a fivefold increase.

Importantly, the number of large donors to Peace Direct increased, with new donors such as the German Ministry of Foreign Affairs and the European Union providing significant financial support.

While the success in fundraising is to be celebrated, staff and Trustees are aware that much of the growth is a result of a relatively small number of large grants, which now absorb a lot of the available capacity of our local partners. Therefore, continued growth is contingent on Peace Direct identifying and supporting new

partners, as well as diversifying our funding base, which will be a focus for our work in 2016.

As part of the process to develop a new five-year strategy, we brought together all of our partners for a practitioner peacebuilding workshop (known as a 'Peace Exchange') in Kigali, Rwanda in October. The purpose of the Peace Exchange was to ensure that our partners were able to feed into our new strategy, share insights between partners and help strengthen the working relationship between Peace Direct and its partners. The event was an overwhelming success, with all partners greatly valuing the opportunity to input into our strategy, as well as to share experiences to help improve their and our work.

Progress against Goal 3 (To achieve scale in our programmes)

In 2015 we saw a number of partners achieve significant scale in their work.

Somalia

Our partner in Somalia, SADO, is managing a 3 year €1.6m EU funded programme that will support over 1,000 vulnerable and conflict affected young people. This major programme is located in one of the most insecure regions of Somalia, where al-Shabaab still exert considerable influence. Despite the challenges, we are very confident in SADO's ability to manage such a complex programme.

DR Congo

In DR Congo, both of Peace Direct's local partners, CRC and FOCHI, are now managing significant programmes reaching out to thousands of conflict affected people. CRC are in the second year of a four-year programme funded by the Big Lottery fund that aims to provide sustainable livelihoods for highly vulnerable civilians and ex-combatants in 40 disadvantaged rural communities in Eastern DR Congo (North Kivu and Oriental provinces).

The project is taking a multifaceted community approach combining agricultural co-operatives, infrastructure regeneration, microfinance and wider training through radio, to create diverse and sustainable livelihoods for 3,500 people, benefiting a further 66,500 locally.

Meanwhile in North Kivu, our partner, FOCHI, was able to significantly scale up its work thanks to a major grant from the German Ministry of Foreign Affairs. This grant, which lasts 18 months, aims to strengthen the stability of communities through community peace courts, which FOCHI have helped established across the region; increase the resilience of communities to resist violence through economic empowerment and self-help community development initiatives; and provide more support to the local peacebuilding sector in the Ruzizi Plain to increase its capacity, better connect it to the international community and equip both sides with the tools to effectively work with each other. In total FOCHI aims to support over 4,000 people directly and 50,000 indirectly.

Sudan

Thanks to a grant from the UK's Foreign and Commonwealth Office, our work with the Collaborative for Peace in Sudan was able to scale up in South Kordofan and Blue Nile. More local peace committees are being supported and more rapid response activities were undertaken in 2015 as a result.

Burundi

Given the crisis that unfolded in Burundi in 2015, INAMA's work took on a much greater significance. In a very short space of time INAMA was able to dramatically scale up its work and provide violence monitoring, reporting and peacebuilding activities in 9 out of 17 provinces across the country. This was a significant achievement given the clampdown on NGO activities, the deteriorating security situation and increasing levels of violence across the country.

Despite all of these challenges, with funding from Humanity United, INAMA was able to establish a system of monitoring and verifying incidents of violence, compiling the information and sending it to Peace Direct, all in the same day. At the peak of the crisis, Peace Direct was able to send out daily reports to government decision makers around the world, as well as weekly analysis on the levels of violence per province.

The work of INAMA has been highly praised by many governments as well as intergovernmental bodies, and has helped reinforce the message that civil society can play a critically important role in acting as watchdog, monitor and peacebuilder at a community level.

Priorities for 2016

Following an intensive nine-month consultation process, a new five-year strategy was developed and approved by the Board in December. This new strategy, along with the new mission and vision aims to deliver greater impact, scale and profile for Peace Direct and our partners.

The strategy is reproduced below. We look forward to reporting our progress in the coming years.

1 Strengthened local peacebuilders

KSO 1: Peace Direct's portfolio of local partnerships will grow by 50%, and they and other local peacebuilding organisations around the world will be strengthened to enable them to play a more central role in peacebuilding efforts.

1.1 Peace Direct will aim to have a portfolio of approximately 15 strategic partners, and will aim to ensure that the portfolio achieves an optimum balance between high capacity organisations and promising/smaller partners.

1.2. Peace Direct's partners will be strengthened through specific technical support and funding for organisational development, including core funding and support for their own income generation.

1.3. Peace Direct's partners and other civil society actors will learn from their peers and others internationally, creating dynamic networks of support, learning and solidarity.

1.4 Peace Direct will assess the barriers and opportunities to the effective work of local peacebuilders and retain the ability to respond flexibly to support them.

2 Safer communities

KSO 2: Local communities in conflict affected countries are safer, with fewer incidents of tensions spilling into violence as a result of more timely action by local peacebuilders.

2.1 Local communities will experience a reduction in violence or the triggers of violence as a result of locally led early warning and rapid response activities.

2.2 People at risk of radicalisation and extremism will be supported to become active and responsible citizens as well as advocates for non-violence.

2.3 People affected by armed violence in countries emerging from conflict will be helped to reintegrate into their communities, and supported to bring about reconciliation, long term peace and sustainable development.

3 Improved peacebuilding policy

KSO 3: The policies, attitudes and practice of international donors and policymakers will be more supportive of local peacebuilding, through focused effort to raise peacebuilders' voices, profiles and expertise.

3.1: Local peacebuilders will have greater access to, and participate more fully in, decision making around specific Government security and development policy and practice, with an emphasis on UK/US & UN policy.

3.2 Donors and INGOs in developed and developing countries will recognise the value and contributions that local peacebuilders can make, and will change their funding and partnership approach to ensure that local peacebuilders receive greater levels of support.

3.3 Local knowledge on conflict issues is more widely valued and available, leading to a better understanding of local conflict dynamics, needs and profile of local peacebuilders.

3.4 Peace Direct aims to be a champion for local peacebuilders globally and will seek allies across different sectors and disciplines to amplify our message, develop targeted campaigns and help build a broad based coalition of supporters for locally-led peacebuilding.

4 Better and deeper learning

KSO 4. Peace Direct and its partners aim to be at the forefront of learning and reflection on what works in the field of local peacebuilding, as well as what support the local peacebuilding sector needs from outsiders.

4.1 Peace Direct and its partners will become learning organisations, constantly questioning and testing assumptions, piloting new ideas, and analysing success and failure in equal measure.

4.2 Peace Direct's commitment to learning will be reflected in a suite of high quality initiatives linked to our thematic and strategic priorities. We will do this with local peacebuilders, academic institutions and other sector leaders/networks that contribute to sector learning, builds an evidence base, and helps improve government and NGO policy and practice.

4.3 Peace Direct will be a thought leader in exploring and promoting locally led and sustainable models/approaches of monitoring, evaluation and learning.

5 More ambitious fundraising and communications

KSO 5: Peace Direct will double its annual income over the next five years, to £3m, and will have a diverse and stable source of financing, enabling it to cover core costs from unrestricted funding, test new approaches and ideas with partners, and build reserves that protect it from unforeseen fluctuations in income.

5.1. Unrestricted income from individual donors will increase to a level that equals at least 50% of core running costs by the end of year 5.

5.2 Peace Direct will market its competencies in mapping, convening and supporting local peacebuilders to generate income from commercial contracts and grants that is equivalent to at least 20% of core running costs.

5.3 Peace Direct will secure at least £2m per year of institutional and Trust/Foundation income from a diverse range of sources by the end of the strategic period.

5.4 Peace Direct's marketing and communications will reinforce our position as a leader in locally led peacebuilding and will engage with and persuade key audiences about the power of local action.

6 Improved systems, staffing and structure

KSO 6. Peace Direct will have skilled and motivated staff, Board and interns and will develop its systems and process to enable it to deliver high quality work and support to local peacebuilders around the world.

6.1. Peace Direct will invest in staff, volunteer and Board training and development to ensure that they have the skills to deliver their work to the highest standards.

6.2. Peace Direct's internal systems will be strengthened and will meet externally accredited quality standards.

6.3 Peace Direct will refine its structure, including exploring innovative ways of increasing its presence in other strategically important countries in order to support local peacebuilding efforts, without displacing local leadership.

Recognition and thanks

Our partners continued to work tirelessly for peace in their communities, at significant risk to their own safety and security. Their work is rarely acknowledged by the international community, nor do they seek recognition for what they do. We are honoured to be working with them and to count them as our partners.

Our success this year in scaling up our work with partners could not have been achieved without the support of a range of donors. Institutional donors such as the UK Foreign and Commonwealth Office, the European Union and the Ministries of Foreign Affairs in Sweden, Norway and Germany all provided financial support to help us deliver more impact for conflict affected communities around the world. Trusts and Foundations in the US and UK, including the Big Lottery Fund, Rockefeller Brothers Fund, Humanity United, Commonwealth Foundation and many others provided critically important restricted and unrestricted funds for our work.

We are also very thankful to our hundreds of individual and Major Donors who continue to sustain Peace Direct and to believe in what we do. Their unrestricted funding is so important to us in order to help us respond quickly and flexibly to the needs of our local partners.

As in previous years, we would like to thank Google for providing us with free advertising, which helps drive traffic to our website. We also thank the international law firm Allen & Overy, whose pro bono services helped us to register with the US government's Office of Foreign Assets Control (OFAC) in order to secure a licence to transfer funds to Sudan.

Last but not least, we would like to thank the staff and board of Peace Direct, in the UK and in the US, who have dedicated significant time and effort to making sure that the organisation continues to operate to the highest standards of accountability and transparency.

Public benefit statement

The Trustees have had regard to Charity Commission guidance on public benefit. The public benefit of peaceful and stable communities is well recognised and can be measured in a number of ways that include infant mortality, health, education, employment and prosperity. Reduced conflict overseas also benefits the UK, in terms of enabling development funding to have a positive impact, and creates greater stability worldwide.

We are confident that the work that local peacebuilders do in conflict areas can only be of public benefit. The effect of this work is summarised in the section on *Progress against goals in 2015*.

The cost of conflict is high – in both human and financial terms. As public spending comes under growing scrutiny,

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

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

Structure, governance and management

The Charity started as a Trust in 2004. Today its operations are governed by its Memorandum and Articles of Association dated 20 December 2007 (as amended December 2008).

Peace Direct is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares. The company was registered as a charity on 18 March 2009 under registration number 1123241.

Recruitment and appointment of Trustees

The Trustees in office in 2015 are set out on page 2. We actively seek out Trustees with specific skill sets through advertising, recommendations and on occasion recruitment agencies. New Trustees are approved by the whole Board. Trustees must be at least 18 years of age. The Trustees may from time to time appoint a person to fill a vacancy or act as an additional Trustee. This appointment is subject to approval of the Trustees at the next quorate Trustee meeting.

Organisation

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

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

Trustee induction and training

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

Trustees receive training through attendance at charity seminars put on by their professional advisors and through their technical briefings and newsletters.

Related parties

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

No Trustee received any remuneration from the Charity (2014 – £nil) and none of the Trustees were reimbursed expenses incurred in the performance of their duties.

Risk management

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

These major risks which the Charity faces have been identified as:

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

Appropriate actions to mitigate against the potential impact of each of these risks are considered on an on-going basis as part of the Risk Management process. They are summarised as follows:

Operational

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

Reputational

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

Financial

A possible fall in unrestricted reserves resulting from shortfalls in income or unanticipated expenditure would be foreseen through accurate and prompt re-forecasting and offset by immediate reductions in non-essential core costs

and earlier receipt of pledges from major donors. Foreign exchange losses can be minimised through hedging, capping of costs in sterling as well as modifications to project budgets if agreed by the donor. Additional funders would also be approached to make up for any budget shortfall caused by exchange rate losses.

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

Funding is diversified as much as possible so as to minimise the effect of specific funding applications being unsuccessful. In addition, there is continuing investment in potential new fundraising streams and products. If speculative income fails to materialise, this is offset by cancelling the corresponding expenditure. Should donors change their modus operandi to funding partners directly, then the Charity would seek contributions for value added. Peace Direct is also considering a consultancy model to generate income from commercial contracts.

Human resources

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

Governance

The Board of Trustees is responsible for the Governance of the Charity. It meets quarterly and approves the budget, operational and strategic plans, appoints the Chair and Chief Executive, and approves overall policy in relation to staff employment. It also ensures good governance through the operation of sub-committees. The recruitment, appointment, induction and training of Trustees is detailed under the Structure, Governance and Management section of this report.

In addition, procedures are in place to ensure compliance with the Health and

Safety of staff, volunteers, partners and third parties working on the Charity's programmes. Internal control risks are minimised by the implementation of financial and other procedures.

During the year the organisation's risk register was comprehensively updated and is being reviewed by the Senior Management Team every quarter; and by the Board every six months.

Internal controls

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

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

Financial review

This year saw Peace Direct's income reach £1,821,682, over double the figure we raised last year. This is an excellent achievement and one that reflects the very hard work done by Peace Direct staff to support partners to scale up their work and launch new projects. While all income streams saw growth, institutional income made up by far the largest increase in income, jumping from £150,329 in 2014 to £857,651 in 2015, an increase of 470%. Some of this increase is due to grants that were negotiated in 2014 but only signed in 2015 and so represent the hard work and effort of staff in the previous year, which took longer than expected to bear fruit. Income from Trusts and Foundations was £551,035, compared to £419,072 in 2014, an increase of 31%, while donations from individuals was £280,052 compared to £260,872 in 2014, an increase of 7%.

Expenditure on fundraising activities in 2015 increased by 12% to £204,285. This was mainly due to additional staff time being dedicated to fundraising activities throughout the year, as well as the appointment of a new staff position to support the finance and fundraising functions of the organisation. Expenditure on charitable activities jumped from £702,053 to £1,462,507 an increase of 108%. This reflects the significant increase in grant income achieved in the year.

The unrestricted surplus for the year is £33,974, well above the budgeted surplus of £11,380. This leaves us with unrestricted reserves of £108,181 by year end.

Restricted reserves increased by £120,916 to £419,803. This was due to a number of factors, including the late start of the EU-funded youth livelihoods and peacebuilding project in Somalia as well as the fact that some projects started in the middle of the year.

Staffing costs and levels increased during the year, with costs increasing from

£347,789 in 2014 to £443,478. This was largely a result of three factors: (1) the appointment of new members of staff, including a Somalia Programme Officer and Finance and Fundraising Officer; (b) converting some part time roles into full time roles, including the Database Administrator and the Programmes Finance Manager; and (c) increases to existing staff salaries. Actual staff numbers increased only modestly, from 9.3 to 10.7, with most of the additional cost being covered by restricted income.

Principal funding sources

Our income was split between individual donations (£280,052 = 16%), trust and foundation grants (£551,035 = 30%), institutional income (£857,651 = 47%), contract income (£129,924 = 7%), donated services (£2,000 = <0.1%) and other income (£1,020 =< 0.1%).

As part of our risk management strategy, Peace Direct strives to have a balance of funding sources and not become overly reliant on one funder or on funding linked to one specific partner. Our emphasis is on continuing to engage our generous individual donor base as these funds are for the most part unrestricted income and can be used to support and develop the Charity in work unsupported by restricted funders.

We are grateful for the following pro bono services: Google Adwords support the search function for our website, Allan & Overy New York provided pro bono legal services, nine unpaid volunteers contributed 296 days of work in London they assisted with fundraising, communications, research for programmes and *Insight on Conflict* and administration of Tomorrow's Peacebuilders, and in the field a volunteer auditor assisted our partners with financial management in DR Congo and Zimbabwe.

Investment powers and policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the charity. Due to the high dollar exchange rate, funds were transferred from a low interest earning investment account to assist in cash flow management and to minimise the impact of exchange rate losses.

Reserves policy

The Charity requires free reserves in order to:

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

The Trustees consider that in the medium to long term it is desirable to achieve a level of unrestricted reserves equivalent to six months' core expenditure. However, given the current challenging fundraising environment, a more realistic target in the short to medium term is to have unrestricted reserves sufficient to cover three months' core operating costs. At 31 December 2015 this was calculated to be £132,000.

During the year ended 31 December 2015 free reserves increased from £74,207 to £108,181, and are budgeted to rise to £120,537 at 31 December 2016. The goal of three months' core expenditure is thus seen as a two-year target, and six months' core expenditure as a five year target.

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

There are also £40,000 of interest free loans that are non - repayable on closure, available to support the Charity if required. These loans are due for repayment in 2017.

Policy on grant making

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

Statement of Directors' and Trustees' responsibilities

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.

- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2011 and the Financial Reporting Standard for Smaller Entities (FRSSE) 2015. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

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

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Independent auditor's report to the members of Peace Direct

We have audited the financial statements of Peace Direct for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 30] the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance

with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or



21 April 2016

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

STATEMENT OF FINANCIAL ACTIVITIES

for 12 months ended 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2015 £	Unrestricted funds £	Restricted funds £	Total 2014 £
INCOME								
Donations	2	246,697	63,697		310,394	235,362	65,214	300,576
Charitable Activities	3							
International Programmes			1,229,464		1,229,464		447,737	447,737
Research & Advocacy		129,924	150,880		280,804	38,779	90,965	129,744
Other Income		1,020			1,020	1,248		1,248
TOTAL INCOME		377,641	1,444,041		1,821,682	275,389	603,916	879,305
EXPENDITURE								
Raising Funds	4	204,285			204,285	182,637		182,637
Charitable Activities	4							
International Programmes		3,880	1,252,137		1,256,017		553,934	553,934
Research & Advocacy		118,333	88,157		206,490	78,949	69,169	148,118
TOTAL EXPENDITURE		326,498	1,340,294		1,666,792	261,586	623,103	884,689
Net Surplus/(Deficit) From Operations		51,143	103,747		154,890	13,803	(19,187)	(5,384)
Net Unrealised Exchange gains		23,921			23,921			
Net Surplus/(Deficit) Before Transfers		75,064	103,747		178,811	13,803	(19,187)	(5,384)
Transfers Between Funds	12	(41,090)	17,169	23,921		(3,990)	3,990	
Net Surplus/(Deficit)		33,974	120,916	23,921	178,811	9,813	(15,197)	(5,384)
Funds Brought Forward		74,207	298,887		373,094	64,394	314,084	378,478
Funds Carried Forward		108,181	419,803	23,921	551,905	74,207	298,887	373,094

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

All movements derive from continuing activities

The notes on pages 35 to 44 form part of these accounts

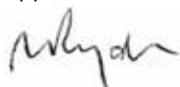
BALANCE SHEET

as at 31 December 2015

	Notes	2015		2014
		£	£	£
FIXED ASSETS	8		1,348	505
CURRENT ASSETS				
Debtors	9	167,872	91,473	
Cash at Bank & in Hand		514,955	350,885	
		682,827	442,358	
CREDITORS				
Amounts falling due within one year	10	92,271	29,769	
		92,271	29,769	
NET CURRENT ASSETS			590,556	412,589
Total Assets Less Current Liabilities			591,905	413,094
CREDITORS				
Amounts falling due after more than one year	11		40,000	40,000
NET ASSETS			551,905	373,094
Represented by:				
Unrestricted Funds	12		108,181	74,207
Designated Funds	12		23,921	
Restricted Funds	12		419,803	298,887
			551,905	373,094

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for distribution by the Board of Trustees on 21st April 2016



MICHAEL RYDER Chair of Trustees



CAROL HODSON Treasurer

Company Number 06458464

Notes to the accounts

1 Accounting policies

1.1 Basis of preparation of accounts

These financial statements have been prepared in accordance with applicable accounting standards, Financial Reporting Standard for Smaller Entities (FRSSE) and the Statement Of Recommended Practice Accounting and Reporting by Charities, effective as at 1 January 2015.

The financial statements have been prepared on a historic cost basis.

1.2 Income recognition

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

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

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

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

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

1.3 Volunteers and donated services and facilities

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

1.4 Resources expended

Expenditure is recognised when a liability is incurred.

1.5 Cost of Generating Funds

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

1.6 Charitable activities

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

1.7 Governance costs

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

1.8 Support costs

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

1.9 Pension

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

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

Tangible fixed assets for use by the charity are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives: computer equipment 3 years; fixtures and fittings 4 years. Equipment is capitalised where the purchase price exceeds £500.

1.11 Funds structure

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

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

1.12 Grants payable

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

1.13 Operating leases

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

1.14 Irrecoverable VAT

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

1.15 Taxation

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

1.16 Foreign currency exchange gains and losses

Unrealised gains on conversion of assets and liabilities denominated in foreign currencies at Balance Sheet date are credited to Designated Reserve to be utilised in offsetting any future foreign currency exchange losses.

2 Income from donations

	Unrestricted £	Restricted £	2015 Total £	Unrestricted £	Restricted £	2014 Total £
Donations from Individuals	218,355	61,697	280,052	204,662	56,210	260,872
Donated Services		2,000	2,000		9,004	9,004
Sub-total	218,355	63,697	282,052	204,662	65,214	269,876
Grants						
Small Grants	11,000		11,000	16,200		16,200
Sir James Reckitt Charity	5,000		5,000	5,000		5,000
Peace Direct Germany	7,342		7,342			
The Mrs Wingfield Charitable Trust	5,000		5,000			
Livingstone Trust				5,000		5,000
Terra21 Foundation				4,500		4,500
Sub-total	28,342		28,342	30,700		30,700
TOTAL INCOME FROM DONATIONS	246,697	63,697	310,394	235,362	65,214	300,576

3 Income from charitable activities

	2015 Unrestricted £	2015 Restricted £	2015 Total £	2014 Unrestricted £	2014 Restricted £	2014 Total £
INTERNATIONAL PROGRAMMES						
Grants Received						
Institutions						
Foreign and Commonwealth Office (FCO)		255,804	255,804		86,701	86,701
Ministry of Foreign Affairs Germany		264,302	264,302			
European Union		245,225	245,225			
Ministry of Foreign Affairs Sweden					46,427	46,427
Sub-total		765,331	765,331		133,128	133,128
Trusts and Foundations						
Humanity United		194,600	194,600			
Big Lottery Fund		115,762	115,762		87,269	87,269
Network for Social Change		31,100	31,100		10,000	10,000
Commonwealth Foundation		28,940	28,940		29,320	29,320
Blandford Lake Trust		10,000	10,000		10,296	10,296
The Alan and Babette Sainsbury Charitable Fund		7,500	7,500		7,500	7,500
PRBB Foundation		6,579	6,579		6,392	6,392
Chino Cienega Foundation		6,543	6,543			
Evan Cornish Foundation		6,002	6,002		6,000	6,000
Stiftung Umverteilen!		5,178	5,178			
Brillig Trust		5,000	5,000			
Stanley Thomas Johnson Foundation		4,982	4,982		14,483	14,483
Niwano Peace Foundation		4,140	4,140			
Bryan Guinness Charitable Trust		3,000	3,000		5,000	5,000
Anonymous Donors		18,682	18,682		20,000	20,000
Ploughshares Fund					26,844	26,844
Kenneth Miller Trust					20,000	20,000
Rockwool Foundation					12,000	12,000
Peace Direct Germany					15,838	15,838
British Council		9,625	9,625		9,625	9,625
The Funding Network (USA)					8,949	8,949
United States Institute of Peace					8,849	8,849
Trusthouse Charitable Foundation					5,000	5,000
Spears-Stutz Charitable Settlement					5,000	5,000
Samuel Rubin Foundation					3,196	3,196
Small Grants		6,500	6,500		3,048	3,048
Sub-total		464,133	464,133		314,609	314,609
Sub-total		1,229,464	1,229,464		447,737	447,737
RESEARCH & ADVOCACY						
Grants						
Ministry of Foreign Affairs Norway		15,251	15,251		17,201	17,201
Northwick Trust		3,000	3,000			
Terra21 Foundation		6,410	6,410			
Blandford Lake Trust		10,000	10,000		10,000	10,000
Rockefeller Brothers		39,150	39,150			
Ministry of Foreign Affairs Sweden		77,069	77,069			
Contracts						
Instrument Contributing to Stability and Peace (EU)	129,924		129,924	38,779		38,779
Anonymous Donors					57,764	57,764
Rockwool Foundation					6,000	6,000
Sub-total	129,924	150,880	280,804	38,779	90,965	129,744
TOTAL INCOME FROM CHARITABLE ACTIVITIES	129,924	1,380,344	1,510,268	38,779	538,702	577,481

4 Analysis of expenditure

	Basis of Allocation	Cost of Raising Funds £	International Programmes £	Research & Advocacy Programmes £	2015 Total £
Staff & Office Costs	Direct Costs	95,325	146,526	68,828	310,679
Grants Payable (Note 5)	Direct Costs		815,178	649	815,827
Programme & Direct Costs	Direct Costs	61,445	186,952	98,245	346,642
Support Costs	Staff & Office Costs	47,515	107,361	38,768	193,644
Total expenditure 2015		204,285	1,256,017	206,490	1,666,792
Total expenditure 2014		182,637	553,934	148,118	884,689

	Basis of Allocation	Cost of Raising Funds £	International Programmes £	Research & Advocacy Programmes £	2015 Total £
Staff & Office Costs	Direct Costs	125,089	82,426	41,433	248,948
Grants Payable (Note 5)	Direct Costs		308,551	7,398	315,949
Programme & Direct Costs	Direct Costs	43,792	64,421	49,756	157,969
Support Costs	Staff & Office Costs	13,756	98,536	49,531	161,823
Total expenditure 2014		182,637	553,934	148,118	884,689

5 Grants payable

	2015 £	2014 £
Restricted Fund Grants - International Programmes		
Centre Resolution Conflicts (CRC), DRC	162,704	132,299
Aware Girls, Pakistan	39,384	64,809
Centre for Peacebuilding & Reconciliation (CPBR), Sri Lanka	9,687	27,321
Action for Peace & Development (APD), Burundi	5,000	17,749
Fondation Chirezi (FOCHI), DRC	183,127	17,213
Collaborative for Peace, Sudan & South Sudan	105,189	10,723
Envision Zimbabwe Women's Trust, Zimbabwe	27,463	10,270
Initiative Amahoro Arama (INAMA), Burundi	108,438	9,525
Kapamagogopa Incorporated (KI), Philippines	26,645	8,276
The Sudanese Development Initiative (SUDIA), Sudan	3,000	6,000
Dagropass, Burundi	6,000	
Centar za Izgradnju Mira (Centre for Peacebuilding, CIM), Bosnia & Herzegovina		2,439
Truce 20/20, UK		1,427
Yakjah - Kashmir, India	2,500	500
CAR Peace Exchange	7,200	
Heartbeat, Israel-Palestine	20,345	
Social-Life & Agricultural Development Organisation (SADO), Somalia	88,385	
Genesis, Bosnia Herzegovina	6,715	
Combatants for Peace, Israel-Palestine	6,444	
Rural Women's Peace Link, Kenya	6,952	
Sub-total	<u>815,178</u>	<u>308,551</u>
Restricted Fund Grants - Research & Advocacy		
Shalom Educating for Peace, Rwanda	649	
Centar za Izgradnju Mira (Centre for Peacebuilding, CIM), Bosnia & Herzegovina		2,439
United Nauro-Gor, Papua New Guinea		2,520
War Affected Youth Association (WAYA), Uganda		2,439
Sub-total	<u>649</u>	<u>7,398</u>
TOTAL GRANTS PAYABLE	<u>815,827</u>	<u>315,949</u>

6 Net income/(expenditure) for year

This is stated after charging / (crediting)

		2015 Total £	2014 Total £
Operating lease rentals:	Property	37,355	4,689
Depreciation		169	2,789
Loss / (profit) on disposal of fixed assets			
Auditor's remuneration:	Audit fees	8,088	6,540
	in respect of previous years	427	
Foreign exchange (gains) / losses		161	4,188

7 Staff costs

	2015 Total £	2014 Total £
Salary Costs	390,994	304,933
National Insurance Costs	36,329	27,493
Employer Pension Costs	16,155	15,364
	443,478	347,789
Office and Other Staff Costs	53,020	55,588
	496,498	403,377

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

There were no employees whose annual emoluments were £60,000 or more (2014 - nil).

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

	2015 Total £	2014 Total £
Raising Funds	3.31	3.25
Charitable Activities	7.42	6.09
	10.73	9.33

8 Fixed assets

		Computer equipment £	Fixtures & Fittings £	Total £
Cost	As at 1st January 2015	18,048	4,385	22,433
	Additions during period		1,012	1,012
	Disposals during period			
	As at 31 December 2015	18,048	5,397	23,445
Depreciation	As at 1st January 2015	17,543	4,385	21,928
	Charge for period	169		169
	Disposals during period			
	As at 31 December 2015	17,712	4,385	22,097
Net Book Values	As at 31 December 2015	336	1,012	1,348
	As at 31 December 2014	505		505

9 Debtors

	2015 Total £	2014 Total £
Grant Debtors	78,779	59,615
Prepayments & Other Debtors	89,093	31,858
	<u>167,872</u>	<u>91,473</u>

10A Creditors: amounts falling due within one year

	2015 Total £	2014 Total £
Creditors & Accruals	41,351	17,642
Taxation & Social Security	10,389	12,127
Deferred Income (Note 10b)	40,530	
	<u>92,271</u>	<u>29,769</u>

Within Taxation & Social Security is an amount of £1,710 relating to pension fund liabilities (2014: £1,830).

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

10B Deferred income

	2015 Total £	2014 Total £
Deferred income brought forward		
Released to income in year		
Income deferred in year	40,530	
Deferred income carried forward	<u>40,530</u>	
(Note 10a)		

11 Creditors: amounts falling due after more than one year

	2015 Total £	2014 Total £
Loans due after more than one year:		
Repayable in two to five years	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

These are interest free loans to provide cashflow and longer term security for the charity. They are not repayable on demand and have been made for the sole purpose of allowing the charity to carry on its activities.

12 Movement in funds

	Balance 01/01/15 £	Income £	Expenditure £	Transfers Between Funds £	Balance 31/12/15 £
International Programme Restricted Funds					
Centre Resolution Conflicts (CRC), DRC	74,134	137,028	(203,769)		7,393
Supporting conflict affected communities in north Kivu violence and extremism in KPK					
Supporting women's empowerment and tackling the causes of violence and extremism in KPK	30,030	34,247	(49,559)	3,790	18,508
Supporting local peace committees in South Kordofan	74,843	255,804	(259,615)		71,032
Organisational development support to local peacebuilding organisations	15,728	19,421	(3,884)	(24,000)	7,265
Peace Direct Growth Fund					
Social-Life & Agricultural Development Organisation (SADO), Somalia	14,334	245,225	(159,334)		85,891
Fondation Chirezi (FOCHI), DRC		289,441	(246,645)		57,130
Centre for Peacebuilding & Reconciliation (CPBR), Sri Lanka	388	16,653	(13,027)		4,014
Action for Peace & Development (APD), Burundi	232		(5,013)	8,145	3,364
Yakjah - Kashmir, India			(2,500)	2,500	
Envision Zimbabwe Women's Trust, Zimbabwe	17,280	13,200	(30,700)	220	
Kapamagoppa Incorporated (KI), Philippines	2,594	28,180	(32,274)	1,500	
Supporting violence monitoring and community level peacebuilding					
Initiative Amahoro Arama (INAMA), Burundi	39,289	197,991	(152,384)	(1,882)	83,014
The Sudanese Development Initiative (SUDIA), Sudan			(3,000)	3,000	
Heartbeat, Israel-Palestine		17,565	(23,565)	6,000	
CAR Peace Exchange		18,682	(18,682)		
Genesis, Bosnia Herzegovina			(6,715)	6,715	
Combatants for Peace, Israel-Palestine			(6,444)	6,444	
Rural Women's Peace Link, Kenya			(6,952)	6,952	
Dagropass, Burundi			(6,000)	6,000	
Supporting local peacebuilding in Burundi					
Supporting knowledge sharing among Peace Direct's local partners					
Rwanda Peace Exchange			(22,074)	22,074	
Sub-total International Programme Restricted Funds	268,852	1,273,437	(1,252,137)	47,458	337,610
Research & Advocacy Restricted Funds					
Insight on Conflict	14,204	15,351	(42,599)	20,544	7,500
Supporting the Insight on Conflict website					
Tomorrow's Peacebuilders	2,000	29,410	(8,011)	(20,111)	3,288
Supporting the Tomorrow's Peacebuilders awards programme					
Research*					
Supporting various peacebuilding research and advocacy projects	13,831	125,843	(37,547)	(30,722)	71,405
Sub-total Research & Advocacy Restricted Funds	30,035	170,604	(88,157)	(30,289)	82,193
Sub-total Restricted Funds	298,887	1,444,041	(1,340,294)	17,169	419,803
Unrestricted Funds	74,207	377,641	(326,498)	(17,169)	108,181
Designated Funds - net unrealised exchange gains		23,921			23,921
Arising from net unrealised exchange gains, to be utilised in offsetting any future foreign currency exchange losses					
Total Funds	373,094	1,845,603	(1,666,792)		551,905

* The following funds were consolidated into the Research Restricted Fund as at 01.01.15:
Local first project £4,074; Multi-partner projects £132; British Council Active Citizens Project, Pakistan £9,625; total £13,831

13 Analysis of fund balances between net assets

	2015 Unrestricted Funds £	2015 Restricted Funds £	2015 Designated Funds £	2015 Total Funds £
Tangible Fixed Assets	1,348			1,348
Net Current Assets	146,833	419,803	23,921	590,557
Longterm Loans	(40,000)			(40,000)
	108,181	419,803	23,921	551,905

14 Related party transactions

No trustees were re-imbursed for expenses during the period (2014 £nil) and no trustees received any remuneration from the charity (2014 £nil)

During 2015, donations were received from 6 trustees equalling a total of £943 (2014 £1,459 from 8 trustees)

15 Financial commitments

At 31 December 2015, the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015.

		2015 Total £	2014 Total £
LAND & BUILDINGS	Operating leases which expire within two years The Charity moved offices in January 2016 and was committed to 2 years' rental at 31 December 2015.	37,355	4,529



Peace Direct
Studio 302
203-213 Mare Street
London E8 3QE
+44 (0)20 3422 5549
e: info@peacedirect.org
www.peacedirect.org
f facebook.com/Peacedirect
t twitter.com/peacedirect