



The foundation

Life & Peace Institute

Organisation no. 817602-2302

Annual Report for 2012

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Management report

The Institute's Vision and Mission

The Life & Peace Institute (LPI) is an international and ecumenical centre for peace research and action. According to its statutes, the purpose of the foundation is *"to conduct scientific research on the questions of international conflict, and on the possibilities for collaboration among nations"*.

LPI envisions a world where peace, justice and non-violent relations prevail through people's active work and commitment.

The Mission Statement of the Institute is (Strategic Plan 2010-2016):

LPI supports and promotes non-violent approaches to conflict transformation through a combination of research and action that entails the strengthening of existing local capacities and enhancing the preconditions for building peace.

Through a combination of research and action, LPI's activities underline the importance of nonviolent conflict transformation (CT), contribute to a deeper understanding of the different causes of conflict, boast an inclusive community-based approach to peacebuilding, and foster the development of conflict preventive measures.

Organisation

An international board governs the Institute. Following a change in the statutes for the Institute the number of board members was reduced to six members and the president starting from January 2012. The board conducts at least five meetings per year to develop guidelines concerning the programmes, structure, management, research and other activities of the Institute. It also accepts the annual budget and adopts the implementation plan. The Christian Council of Sweden appoints the board for a four-year term. The membership of the board is constituted with the aim of providing balanced representation. For example, denominational membership, gender, as well as expertise within such disciplines as theology, peace and conflict studies, political science, and other relevant areas are considered.

The Executive Committee is appointed annually by the board to be of service to the board in between the board meetings, when called upon. (* *Executive Committee member*)

The new board for the period 2012-2015 was appointed in December 2011 by the Christian Council of Sweden,

LPI board members 2012

| | |
|--------------------------|---|
| Revd. Gustaf Ödquist* | President of Board, Church of Sweden |
| Dr. Thomas Bamat | Senior Advisor, Catholic Relief Services, USA |
| Revd. Dr. Myra Blyth | Fellow and Tutor at Regent's Parks Collage, University of Oxford, England |
| Sr. Marie-Laure Dénès OP | Representative in the Department of Politics, Economics, Europe, French Bishops' Conference, France |



Revd. Vebjørn Horsfjord* Research Fellow/ PhD, Norway

Ms Kati Jääskeläinen Evangelical Lutheran Church of Finland
Ms Alice Nderitu Commissioner at the National Cohesion and Integration
Commission, Kenya

Board member Ms Kati Jääskeläinen has resigned from the board with reference to change of position in Finland, and the Christian Council of Sweden is looking for her replacement to appoint.

2012 was also the year when the International Advisory Council (the board members and additionally up to eight advisors) met for the first time in October in Nairobi. The Advisory council's function and mandate is in its making and will be further explored during the next meeting.

The Institute's head office is based in Uppsala, Sweden. There are currently three offices responsible for peacebuilding programmes in Africa: Nairobi in Kenya; Bukavu in Democratic Republic of Congo (DRC); and Khartoum in Sudan. The activities during 2012 have been carried out within six these different programmes (Ethiopia, DRC, Somalia, Sudan, a programme for Peacebuilding with regional partners and a Common programme for methodology and communication. Due to the instability in Somalia, this programme has been operating as a satellite from Nairobi since 2008 and in Ethiopia our staff has been stationed with our partners.

The Institute's policies underpin the importance of a diverse staff in terms of cultural background and expertise, in all of its various offices.

The overall responsibility for planning, coordination and administration rests with the Executive Director, who is supported in his/her work by the Senior Management Team.

Strategic Priorities

LPI focuses on three interrelated strategic priorities, seeking to implement them in a coherent and complementary way:

Civil society support and engagement

LPI supports civil society organisations with a special emphasis on faith-based organisations in their conflict transformation work, through capacity building and joint engagement in research and action.

Policy work and awareness-raising

LPI engages directly and in collaboration with others on awareness-raising and policy work. It strives to enhance awareness of civil society conflict transformation processes, as well as raise pertinent policy issues deriving from the work in the field.

Cross-fertilisation of conflict transformation theory and practice

LPI engages in knowledge transfer, and makes the conflict transformation knowledge and experiences of LPI and its partners available for peacebuilding practitioners and research



communities. At the same time, it gathers relevant theories and experiences from other contexts and organisations, and communicates them within LPI and to its partners.

Programme implementation 2012

2012 was the third year following the Board's approval of the Strategic Plan 2010-2016. The implementation of the plan is divided in two parts, 2010-2012 and 2013-2016. During 2012 LPI continued the implementation of the six different programmes and the associated focus on work on the African continent. The developments in the conflict transformation programmes focused on consolidation of the work with present partners and deepening the understanding on how and where it can be best applied. More on our work can be found on our website, www.life-peace.org and in the detailed narrative reporting for 2012. In parallel to the work the new plan for the implementation period 2013-2016 was developed and forms the basis for recourse mobilisation for the coming years.

Future Developments

The Peacebuilding with Regional Partners Programme has developed into a conflict transformation programme focusing on Kenya, and into a new programme with a regional dimension of the Horn of Africa with its main focus towards policy issues for the region.

The need for a regional view on conflict transformation in the Great Lakes, related to the LPI programme based in DRC, has been considered necessary and has been included in the implementation plan for 2013-2016.

Due to changes in the pattern of support to the LPI's programmes, some of the programmes are operationally in a transition period during 2013 and will have to adjust the original implementation plan towards the changed level of financial support.

Donors and partners

LPI would like to express its warmest gratitude for the funds received and project support from its donors. In 2012, these included:

- Swedish International Development Cooperation Agency/Sida
- Swedish Mission Council
- The Church of Sweden
- The Evangelical Lutheran Church of Finland
- The European Commission
- Bread for the World
- The Norwegian Ministry for Foreign Affairs
- Folke Bernadotte Academy
- The Belgian Ministry for Foreign Affairs
- Church collections in Swedish dioceses and parishes
- Kvinna till Kvinna, Sweden

Staff

LPI would also like to express its sincere appreciation to all its employees who have displayed continued committed and positive attitudes in sometimes demanding working conditions.



The financial development of the foundation

All figures in thousands SEK

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Income | 29 354 | 37 604 | 28 420 | 23 309 | 27 635 | 28 352 | 31 121 | 34 178 |
| Expenditure | 29 456 | 37 064 | 28 859 | 24 086 | 27 690 | 28 292 | 30 230 | 33 754 |
| Equity | 1 855 | 2 395 | 2 063 | 1 438 | 1 456 | 1 518 | 2 559 | 2 981 |

| Statement of Income and Expenditures | Note | 2012 | 2011 |
|---|-------------|----------------|----------------|
| Income | | | |
| Project grants | 2 | 30 553 | 27 393 |
| General grants | 3 | 3 261 | 3 409 |
| Collection/donations | 4 | 364 | 297 |
| Other revenues | | | 22 |
| Total income | | 34 178 | 31 121 |
| Expenditures | | | |
| Appropriation of fund | | -7 064 | -8 244 |
| External costs in field offices | | -12 031 | -8 549 |
| Personnel costs | 5, 6 | -14 615 | -13 393 |
| Depreciation | 7 | -44 | -44 |
| Total expenditures | | -33 754 | -30 230 |
| Operating income | | 424 | 891 |
| Other Financial cost | | | |
| Exchange differenses | | -67 | |
| Interest income | | 65 | 150 |
| Total Financial cost | | -3 | 150 |
| Net result for the year | | 422 | 1 041 |

| Balance sheet | Note | 2012 | 2011 |
|---|-------------|---------------|---------------|
| Assets | | | |
| Fixed assets | | | |
| Tangible fixed assets | | | |
| Equipment | 7 | 59 | 103 |
| Total fixed assets | | 59 | 103 |
| Current assets | | | |
| Current receivables | | | |
| Receivable funds | 8 | | 259 |
| Current receivables | | 203 | 116 |
| Prepaid expenses and accrued income | 9 | 456 | 165 |
| Total | | 658 | 540 |
| Cash and bank balances | | 18 007 | 14 748 |
| Total current assets | | 18 665 | 15 288 |
| Total assets | | 18 725 | 15 391 |
| Equity and liabilities | | | |
| Equity | | | |
| Capital at the beginning of the year | | 2 559 | 1 518 |
| Net result for the year | | 422 | 1 041 |
| Total equity | | 2 981 | 2 559 |
| Provisions | 10 | 2 419 | 2 568 |
| Current liabilities | | | |
| Account payable-trade | | 164 | 224 |
| Other current liabilities | | 912 | 62 |
| Grant, periodized and/or subject to refunding | 2 | 10 432 | 8 710 |
| Accrued expenses and deferred income | 11 | 1 817 | 1 268 |
| Total current liabilities | | 13 326 | 10 264 |
| Total equity and liabilities | | 18 725 | 15 391 |
| Pledged assets | | none | none |
| Contingent liabilities | | none | none |

Note 1 Accounting and valuation principles

Amount in 1.000 SEK

Accounting Principles

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general recommendation of the Swedish Accounting Standards Board.

Receivables

Receivables are recorded with the amount that after an individual evaluation is expected to be paid.

Foreign currency

Receivables and payables in foreign currency are recorded at the closing day rate.

Fixed assets

Depreciation of fixed assets is calculated on the original acquisition values based on the expected economic life of the assets. Computers are depreciated over 3-5 years and other inventory over 5-10 years.

Inventory, machinery and other equipment bought in projects are debited at time of purchase.

Interest

Interest credited donors is accounted directly as debt and is not booked on the statement of income and expenditure.


Revenue recognition

Revenue is recognized to the actual value of the consideration received or receivable.

Gifts and donations are income obtained without agreement with the donor and where the donor does not require formal reporting.

Grants are income as a result of a contract and the donor usually requires some form of feedback

Gifts are usually recorded on a cash basis. To the extent that there are promises known at the balance sheet date of grants/gifts, they are recognized after individual assessment.

The project grants include grants that are destined for specific programs / projects and associated with a condition requiring repayment obligation if the condition is not met. 

The other contributions include contributions that are not bound to specific programs / projects.

Revenue recognition of grants is made when the foundation with reasonable certainty determines that repayment will not happen.

No grants are netted against expenses.

Provisions

The provisions referred to are obligations on the balance sheet date that is certain or likely to occur but uncertain in amount or to the time when they are realizable *WV*

| Note 2 Project grants | 2012 | 2011 |
|---|----------------|----------------|
| Used project grants during the year | | |
| Belgian Ministry of Foreign Affairs | 175 | 640 |
| Bread for the World, Germany | 395 | 311 |
| Dag Hammarskjöld foundation, Sweden | | 101 |
| EU | 1 554 | 1 316 |
| UN Pooled Fund, DRC | | 129 |
| Folke Bernadotte Academy, Sweden | 324 | 221 |
| Norwegian Church Aid | | 98 |
| Norwegian Ministry of Foreign Affairs | 2 275 | 2 368 |
| Swedish International Development Coop Agency, Sida | 23 981 | 21 138 |
| Church of Sweden, International departement | 800 | 800 |
| Swedish Mission Council | 923 | 114 |
| Swiss Ministry of Foreign Affairs | | 139 |
| Other income | 126 | 18 |
| Total | 30 553 | 27 393 |
| Balanced grants and grants to be repaid | | |
| Belgian Ministry of Foreign Affairs | 2 719 | |
| Folke Bernadotte Academy, Sweden | | 204 |
| Norwegian Ministry of Foreign Affairs | | 2 275 |
| Swedish International Development Coop Agency, Sida | 4 155 | 5 651 |
| Bread for the World, Germany | 327 | 374 |
| Swedish Mission Council | 877 | |
| EU | 960 | |
| Kvinna till Kvinna, Sweden | 1 017 | |
| Grant to repay | 377 | 206 |
| Total | 10 432 | 8 710 |
| Project grants have been used for | | |
| Peacebuilding with Regional partners | -4 039 | -3 491 |
| Somalia programme | -9 279 | -7 261 |
| Ethiopian programme | -2 454 | -2 402 |
| DRC programme | -9 074 | -8 908 |
| Sudan programme | -3 249 | -2 605 |
| Common programme activities | -2 836 | -2 823 |
| Total | -30 931 | -27 489 |

| Note 3 | General grants | 2012 | 2011 |
|---------------|---|--------------|--------------|
| | Swedish International Development Coop Agency, Sida | 2 778 | 2 778 |
| | Church of Sweden | 300 | 300 |
| | Swedish Mission Council | 144 | |
| | Norwegian Church Aid | | 312 |
| | Folke Bernadotte Academy, Sweden | 21 | |
| | Evangelical Lutheran Church of Finland | 18 | 19 |
| | Total | 3 261 | 3 409 |

Note 4 **Collection/donations**

| | | | |
|--|--|------------|------------|
| | National collections, Church of Sweden | 328 | 238 |
| | Other collection/donations | 37 | 59 |
| | Total | 364 | 297 |

Note 5 **Salaries and other remuneration by country**

Salaries and other remuneration by country

| | | | |
|-----------------|---|---------------|---------------|
| Sweden | | | |
| | Executive Director | 621 | 613 |
| | Other employees | 3 868 | 3 892 |
| Ethiopia | | | |
| | Employees | 710 | 1 098 |
| Kenya | | | |
| | Employees | 3 168 | 1 967 |
| DRC | | | |
| | Employees | 1 672 | 1 902 |
| Sudan | | | |
| | Employees | 1 170 | 1 011 |
| | Pension costs | 884 | 936 |
| | Social costs | 1 585 | 1 623 |
| | Total salaries and remunerations | 13 679 | 13 042 |
| | Other personnel costs | 936 | 351 |
| | Total personnel costs | 14 615 | 13 393 |

Note 6 Average number of employees per country

| | 2012 | | 2011 | |
|--------------|-----------|--------------|-----------|--------------|
| | Employees | Where of men | Employees | Where of men |
| Sweden | 12 | 5 | 13 | 4 |
| Ethiopia | 2 | 1 | 2 | 1 |
| Kenya | 15 | 10 | 9 | 5 |
| DRC | 12 | 8 | 11 | 7 |
| Sudan | 8 | 4 | 8 | 4 |
| Total | 49 | 28 | 43 | 21 |

Note 7 Equipment

| | 2012 | 2011 |
|---|-------------|-------------|
| Opening acquisition costs | 447 | 447 |
| Change during the year | | |
| Purchase | | |
| Closing accumulated acquisition cost | 447 | 447 |
| Opening depreciation | -344 | -300 |
| Changes during the year | | |
| Depreciation | -44 | -44 |
| Closing accumulated depreciation | -388 | -344 |
| Closing residual value according to plan | 59 | 103 |

| Note 8 | Receivable funds | 2012 | 2011 |
|---------------|-------------------------|-------------|-------------|
| | Bread for the World | | 259 |
| | Total | | <u>259</u> |

Note 9 Prepaid expenses and accrued income

| | | | |
|--|-------------------|------------|------------|
| | Prepaid rent | 187 | 98 |
| | Preliminary taxes | | 7 |
| | Other items | 269 | 61 |
| | Total | <u>456</u> | <u>166</u> |

Note 10 Provisions

| | | | |
|--|---|--------------|--------------|
| | Provision for severance payments in Sudan | 27 | |
| | Reserve remaining expenses in connection with closed project in Nairobi | 903 | 905 |
| | Provision estimated taxes employees abroad | 1 489 | 1 663 |
| | Total | <u>2 419</u> | <u>2 568</u> |

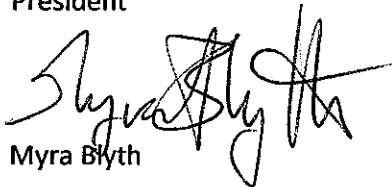
Note 11 Accrued expenses and deferred income

| | | | |
|--|---|--------------|--------------|
| | Accrued holiday pay including social fees | 513 | 456 |
| | Other items | 1 304 | 813 |
| | Total | <u>1 817</u> | <u>1 269</u> |

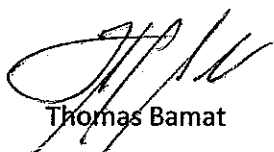
Uppsala 2013-05-23



Gustaf Ödquist
President



Myra Blyth



Thomas Bamat



Vebjørn Horsfjord



Marie-Laure Dénès Op



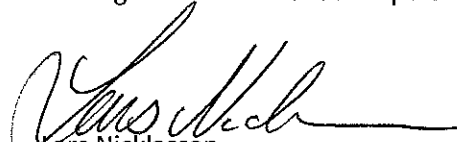
Alice Nderitu

Our audit report was submitted 2013-06-30

Öhrlings PricewaterhouseCoopers AB



David Axelson Fisk



Lars Nicklasson
Authorised Public Accountant

Auditor's report

To the Board of Directors of Stiftelsen Liv & fredinstitutet
corporate identity number 817602-2302

Report on the annual accounts

We have audited the annual accounts of Stiftelsen Liv & fredinstitutet for the year 2012.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with generally accepted auditing standards. For the Authorized Public Accountant this implies that the audit has been conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that the Authorized Public Accountant comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the foundation as of 31 December 2012 and of its financial performance for the year then ended in accordance with the Annual Accounts Act.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also examined the administration of the Board of Directors and the Executive Director of Stiftelsen Liv & fredinstitutet for the year 2012.

Responsibilities of the Board of Directors and the Executive Director

The Board of Directors and the Executive Director are responsible for the administration according to the Foundations Act and the Foundation's Regulations

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the administration according to the Foundations Act and the Foundation's Regulations based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' and the Executive Director' administration, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the foundation in order to determine whether any member of the Board of Directors or the Executive Director are liable for damages to the foundation or whether just cause for dismissal exists for any member of the Board of Directors.

We also examined whether any Board member or the Executive Director has, in any other way, acted in contravention of the Foundations Act, Foundation's Regulations or the Annual Accounts Act.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the members of the Board of Directors or the Executive Director have not acted in contravention of the Foundations Act or the Foundation's Regulations or the Annual Accounts Act .

Uppsala 2013-06-30


David Axelson-Fisk

Öhrlings PricewaterhouseCoopers AB

Lars Nicklasson
Authorized Public Accountant