

# INTERNATIONAL ALERT

STANDING INTERNATIONAL FORUM  
ON ETHNIC CONFLICT, GENOCIDE  
AND HUMAN RIGHTS  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 2002



Company Registration Number 2153193  
Registered Charity Number 327553



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## INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

### LEGAL AND ADMINISTRATIVE INFORMATION

#### Trustees

- \* Leah Levin, Chair (UK)
- \* Pauline Neville-Jones, Vice Chair (UK)
- \* Philip Deer, Vice Chair (Australia)
- \* Tahir Maher, Honorary Treasurer (UK)
- Arnold Quainoo (Ghana)
- Claes Cronstedt (Sweden)
- \* Marianne Heiberg (Norway)
- Ahmedou Ould-Abdallah (Mauritania)
- John Tirman (USA)
- Josephine Verspaget (The Netherlands) resigned 27 September 2002
- Francis Deng (Sudan)
- Mary Kaldor (UK) resigned 27 September 2002
- Henny van der Graaf (Netherlands) appointed 10 May 2002
- Kamal Hossein (Bangladesh) appointed 10 May 2002
- Wigberto Tañada (Philippines) appointed 10 May 2002
  
- \* Member of Management Advisory Committee

#### Principal officers

Kevin Clements	Secretary General
Martin Honeywell	Deputy Secretary General
Susan McCready	Chief Operating Officer and Company Secretary
Andrew Webb	Director of Development

#### Auditors

Horwath Clark Whitehill  
Chartered Accountants and Registered Auditors  
25 New Street Square  
London EC4A 3LN

#### Bankers

National Westminster Bank  
PO Box 35  
10 Southwark Street  
London SE1 1TT

#### Solicitors

Bates Wells & Braithwaite  
61 Charterhouse Street  
London EC1M 6HA

#### Status

Company limited by guarantee without share capital, governed by Memorandum and Articles of Association, incorporated on 6 August 1987, registered as a charity on 24 September 1987.

#### Registered Office

346 Clapham Road  
London SW9 9AP

## **INTERNATIONAL ALERT**

**Standing International Forum on Ethnic Conflict, Genocide and Human Rights**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002**

The trustees present their report for the year ended 31 December 2002 for the purposes of section 45 of the Charities Act 1993 and directors' report for the purposes of section 234 of the Companies Act 1985.

The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000).

#### **Objectives**

International Alert exists to relieve poverty, suffering and distress. It works to educate the public by promoting research into the causes and effects of conflict, the maintenance of human rights and development of economic well being, and to promote conciliation and resolution of such conflict.

#### **Activities**

The organisation devises non-governmental bridge-building initiatives to bring together peoples divided by internal conflict. It seeks to transform violent conflict into constructive dialogue and negotiations, which will restore peace and social justice. Working with all parties, including government and opposition groups, International Alert analyses the root causes of internal conflict, enables mediation and dialogue to take place, promotes standards of conduct to avoid violence, and helps develop the skills necessary to resolve conflict non-violently.

International Alert informs governments, inter-government and international agencies, non-government organisations and the public about the need to work together to prevent or resolve violent conflicts. It also aims to focus international opinion in order to help resolve conflict in the earliest stages, and takes all practical steps possible to persuade the parties in conflict to seek alternative problem-solving methods to deal with their differences.

International Alert relies on grants and donations to sustain its work. Donors include intergovernmental organisations, governments, development and human rights NGOs, religious bodies, trusts, foundations and individuals.

In 2002 International Alert was active in Africa, Eurasia, South Asia and South America. In addition, non-regional thematic programmes related to security, gender, development and corporate business.

In 2003 International Alert will continue its well established programmes in Africa and Eurasia and will develop its work in Asia.

A detailed review of activities for the year and future developments is contained in the Annual Review.

#### **Results for the year**

Total incoming resources during the year ended 31 December 2002 were £5.1 million (2001: £3.6 million). 2002 incoming resources included £525,000 received in December 2002 from International Alert's landlord at 1 Glyn Street. An agreement (beneficial to International Alert) was agreed to vacate the Glyn Street premises 3 years before the term of the lease was to expire.

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)**

#### **Results for the year (continued)**

The net movement on unrestricted funds after transfers was a surplus of £433,000. This included a surplus of £385,000 which arose directly from the move to new premises. Out of this surplus, a designated fund of £270,000 has been created. It will be used to fund initiatives to develop International Alert as an organisation.

The net movement on restricted funds was a surplus of £426,000. The balance of restricted funds at the year end was £834,000. Incoming restricted resources were £3,752,000, including over £1 million that was received in the last two months of the year.

Total charitable expenditure in 2002 was £4.1 million (2001: £3.2 million). This was an increase of 28%. £621,000 was spent on grants to partner organisations (2001: £266,000). £2,502,000 was spent on programme operation costs (2001: £2,248,000). Programme operation costs comprised costs of staff, consultancy, travel, and implementation of field programmes and thematic programmes related to security, gender and development.

#### **Reserves Policy**

Unrestricted funds are primarily a contingent buffer that can be used for example to fund fixed assets, to provide a degree of stability in a period of adverse funding, manage fluctuations in cash flow or to respond rapidly to opportunities that may present themselves. Unrestricted reserves have been built up in accordance with the policy initially approved by the trustees in 2000 and confirmed in 2002. This policy is that general unrestricted reserves should be equal to, at least, two months of total budgeted expenditure plus the net book value of fixed assets, or £500,000, whichever is the greater. At December 2002 this policy would require unrestricted reserves of £1,007,000.

General unrestricted reserves at 31 December 2002 were £545,000, which is lower than the targeted level. Further increases to unrestricted reserves will be made until the targeted level is reached. In the opinion of the trustees reserves are sufficient to meet obligations.

#### **Grant Making Policy**

International Alert makes grants to individuals and to organisations engaged in conflict resolution and related work. In all cases it is ascertained that the charitable purposes of International Alert will be furthered by the grant and it is ascertained that the grant is in line with the agreed strategy for the particular programme of work within which the grant falls.

Before any grant is agreed International Alert ensures that it is able to monitor the use of the grant, ensure that the required work is done, and ensure that the funds are properly managed and spent for the purposes intended.

#### **Risk Management**

The Board is responsible for the management of risks, and is assisted by senior charity staff. In 2000 the Board commissioned an external consultant to carry out a risk assessment. In 2002 a further, internal review was carried out. As a result of these reviews systems have been established to mitigate identified risks.

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)**

#### **Risk Management (continued)**

Key controls include:

- formal agenda for Board activities;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational and governance structure and lines of reporting;
- continual review of risk;
- as much as possible, securing employees against possible harm;
- formal written policies; and
- hierarchical authorisation and approval levels.

Through the risk management processes established, the trustees are satisfied that the major risks identified are being adequately addressed. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **Trustees**

A list of trustees is given on page 2. The Board of trustees met 3 times in 2002. In addition there were 4 meetings of the Management Advisory Committee of the board, which is made up of trustees based in the United Kingdom plus Marianne Heiberg, and is chaired by the chair of the Board of trustees.

The charity is a company limited by guarantee and has no share capital. In the event of winding up each member is liable to contribute a sum not exceeding £5 whilst a member or within 12 months of ceasing membership.

There were no contracts in which a trustee had an interest either during or at the end of the financial year.

New trustees are elected by the board of trustees, and serve for a period of 3 years. Thereafter, trustees may be re-elected for one further term of three years.

#### **Trustees' responsibilities**

Company law requires the trustees, who are directors under Company Law, to prepare financial statements for each financial year which give a true and fair view of the charitable company's financial activities during the year and of its financial position at the year-end.

In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)**

#### **Trustees' responsibilities (continued)**

state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and

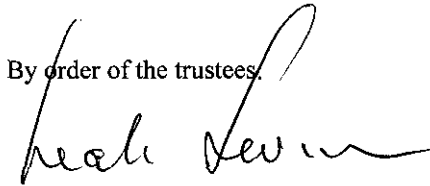
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company, and which enable the trustees to ensure that the financial statements comply with the Companies Act 1985. They are responsible also for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

Horwath Clark Whitehill have expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the trustees.



Leah Levin  
Chair  
29 April 2003

## **INTERNATIONAL ALERT**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL ALERT**

We have audited the financial statements of International Alert for the year ended 31 December 2002, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes set out on pages 11 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters, which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the directors and auditors**

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' responsibilities on pages 5 and 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.*

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Unqualified opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 December 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill  
Chartered Accountants and Registered Auditors  
29 April 2003

25 New Street Square  
London  
EC4A 3LN

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### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2002.

		Unrestricted Funds	Restricted Funds	2002 Total	2001 Total
	Notes	£'000	£'000	£'000	£'000
<b>Incoming resources</b>					
<b>Activities to further the charity's objectives</b>					
Grants receivable	3	773	3,703	4,476	3,561
Miscellaneous income		56	49	105	26
Bank interest		24	-	24	33
		<u>853</u>	<u>3,752</u>	<u>4,605</u>	<u>3,620</u>
<b>Other incoming resources</b>					
Lease termination	4	525	-	525	-
<b>Total incoming resources</b>		<u>1,378</u>	<u>3,752</u>	<u>5,130</u>	<u>3,620</u>
<b>Less: Cost of generating funds</b>					
Fundraising costs		202	-	202	152
<b>Net incoming resources available for charitable application</b>		<u>1,176</u>	<u>3,752</u>	<u>4,928</u>	<u>3,468</u>
<b>Charitable expenditure</b>					
Grants to partner organisations	6	-	621	621	266
Programme operation costs		-	2,502	2,502	2,248
Programme support costs		589	283	872	679
Managing and administering the charity		74	-	74	50
<b>Total charitable expenditure</b>		<u>663</u>	<u>3,406</u>	<u>4,069</u>	<u>3,243</u>
<b>Total resources expended</b>	2	<u>865</u>	<u>3,406</u>	<u>4,271</u>	<u>3,395</u>
<b>Net incoming resources before transfers</b>		<u>513</u>	<u>346</u>	<u>859</u>	<u>225</u>
Transfers between funds	13	(80)	80	-	-
<b>Net incoming resources after transfers</b>		<u>433</u>	<u>426</u>	<u>859</u>	<u>225</u>
Funds brought forward at 1 January 2002		382	408	790	565
<b>Funds carried forward at 31 December 2002</b>		<u>815</u>	<u>834</u>	<u>1,649</u>	<u>790</u>

The Statement of Financial Activities includes all gains and losses recognised in the current and preceding year.

The notes on pages 11 to 19 form part of these financial statements.



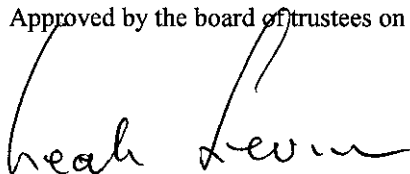
## INTERNATIONAL ALERT

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### BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	8	<u>126</u>	<u>10</u>
		126	10
<b>Current Assets</b>			
Debtors	9	249	40
Deposits		1,767	677
Cash at bank and in hand		<u>232</u>	<u>308</u>
		2,248	1,025
<b>Creditors</b>			
Amounts falling due within one year	10	725	245
<b>Net current assets</b>		<u>1,523</u>	<u>780</u>
<b>Total net assets</b>	12	<u>1,649</u>	<u>790</u>
<b>Funds</b>			
Unrestricted			
General funds		545	382
Designated funds		<u>270</u>	<u>-</u>
	13	815	382
Restricted		834	408
	13	<u>1,649</u>	<u>790</u>

Approved by the board of trustees on 29 April 2003 and signed on its behalf by:



Leah Levin  
Chair

Tahir Maher  
Honorary Treasurer



The notes on pages 11 to 19 form part of these financial statements.

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### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
<b>Net cash inflow from operating activities</b>	14a	<b>1,141</b>	<b>386</b>
<b>Return on investments</b>			
Deposit interest received		<b>24</b>	<b>33</b>
<b>Capital Expenditure</b>			
Purchase of tangible fixed assets		<b>(151)</b>	<b>(7)</b>
<b>Cash inflow before use of liquid resources</b>		<b>1,014</b>	<b>412</b>
<b>Management of liquid resources</b>			
Cash added to deposits		<b>1,090</b>	<b>677</b>
<b>(Decrease) in cash at bank and in hand</b>	14b	<b>(76)</b>	<b>(265)</b>

The notes on pages 11 to 19 form part of these financial statements.

## INTERNATIONAL ALERT

### Standing International Forum on Ethnic Conflict, Genocide and Human Rights

#### NOTES TO THE FINANCIAL STATEMENTS

##### 1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice*, issued in October 2000.
- b) Incoming resources are accounted for when receivable. Grants receivable are credited to the Statement of Financial Activities as soon as the conditions of receipt have been satisfied.
- c) Restricted funds are grants received for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to these funds together with a fair allocation of support costs. Funds unspent at the year-end which will be spent in future accounting periods are carried forward as restricted funds.
- d) Unrestricted funds are funds which can be freely used in accordance with International Alert's charitable objectives at the discretion of the trustees. Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- e) Grants to partners are accounted for when payable.
- f) Depreciation is provided in order to write off the cost of the assets over their estimated useful lives on a straight line basis at the following rates:-

Office equipment and computers	25%
Property improvements	20%

Assets over a capitalisation limit of £1,500 are treated as fixed assets. Those not over £1,500 are written off to expenditure.

- g) Expenditure is classified under the two principal categories of Cost of Generating Funds and Charitable Expenditure, rather than the type of expense.

Charitable expenditure comprises all expenditure directly related to the objects of the charity including direct staff costs attributable to each activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources.

Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements such as board meetings and audit. They include a proportion of the costs of administrative staff based on estimated time spent.

Costs of generating funds comprise salaries, direct costs and overheads of staff engaged in fundraising.

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

- h) Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities at the year-end are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are accounted for in the Statement of Financial Activities.

## INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 1. Accounting policies (continued)

- i) No provision has been made for taxation since all income is charitable and charitable status was obtained following incorporation.
- j) The charitable company as an employer contributes to personal pension plans of its employees. The contributions are equal to 10% of basic salary and are available to all employees whose contracts are for more than a year and who have successfully completed the first six months of their employment.
- k) Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities in the period in which they fall.

#### 2. Total resources expended

	Fund-raising	Grants to Partners	Programmes and Support	Management & Admin.	2002 Total	2001 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Employment costs (note 5)	108	-	1,459	20	1,587	1,442
Temporary staff	5	-	48	-	53	45
Consultants	51	-	350	-	401	244
Travel and subsistence	13	-	240	18	271	324
Grants to partners (note 6)	-	621	-	-	621	266
Conferences and training	5	-	459	1	465	478
Print, translation etc	1	-	109	-	110	108
Telephone, fax, post	3	-	115	2	120	103
Audit	-	-	5	10	15	22
Professional fees	-	-	43	18	61	19
Bank charges	-	-	12	-	12	8
Operating leases	-	-	152	-	152	119
Office costs	3	-	252	3	258	150
Depreciation	-	-	35	-	35	4
Staff training and welfare	3	-	38	2	43	44
Recruitment	10	-	57	-	67	19
	<u>202</u>	<u>621</u>	<u>3,374</u>	<u>74</u>	<u>4,271</u>	<u>3,395</u>

## INTERNATIONAL ALERT

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. Grants receivable

	2002 £'000	2001 £'000
Bread for the World. Germany.	79	42
British Council. UK.	3	21
C S Mott Foundation. USA.	-	34
Christian Aid. UK.	17	1
CIDA. Canada.	73	238
Comic Relief. UK.	305	205
Community Fund. UK.	190	91
Compton Foundation. USA.	19	20
Cordaid. Netherlands.	51	-
Danchurchaid. Denmark.	-	13
David's Trust. UK.	3	-
Department for International Development. UK.	1,554	593
Doctors of the World. UK.	17	-
Eurasia Foundation. USA.	10	17
European Commission.	386	165
Ford Foundation. USA.	123	378
Foreign and Commonwealth Office. UK.	100	-
Hewlett Foundation. USA.	121	137
ICCO. Netherlands.	25	33
IDRC. Canada.	23	2
Joseph Rowntree Charitable Trust. UK.	19	49
MacArthur Foundation. USA.	-	35
Ministry of Foreign Affairs and International Trade. Canada.	10	13
Ministry of Foreign Affairs. Denmark.	191	184
Ministry of Foreign Affairs. Finland.	86	85
Ministry of Foreign Affairs. Netherlands.	375	325
Ministry of Foreign Affairs. Norway.	87	67
Ministry of Foreign Affairs. Republic of Ireland.	28	28
Misereor. Germany.	41	93
NOVIB Foundation. Netherlands.	128	143
Olof Palme International. Sweden.	35	24
Ploughshares Fund. USA.	-	29
Risso Kosei-Kai. Japan.	26	28
Rockefeller Foundation. USA.	-	21
SIDA. Sweden.	311	363
Trocaire. Republic of Ireland.	16	11
Westminster Foundation for Democracy. UK.	16	20
Other Grants.	8	53
	<u>4,476</u>	<u>3,561</u>

#### 4. Termination of lease

International Alert vacated premises at 1 Glyn Street at the end of November 2002, three years before the term of the lease was to expire. In compensation for this, International Alert was paid £525,000 by the landlord. International Alert moved to new leased premises at 346 Clapham Road.

## INTERNATIONAL ALERT

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 5. Staff numbers and costs

The average numbers of employees throughout the year were as follows:

	2002 No.	2001 No.
Programmes operations	38	34
Programmes support	10	10
Fundraising	4	4
Management and administration	2	2
	<u>54</u>	<u>50</u>

Staff costs during the year were as follows:

	2002 £'000	2001 £'000
Salaries	1,329	1,202
Employer's National Insurance contributions	126	117
Pension costs	132	123
	<u>1,587</u>	<u>1,442</u>

The numbers of employees receiving emoluments in the following ranges were:

	2002 No.	2001 No.
between £50,000 and £59,999	1	-
between £60,000 and £69,999	1	1
between £70,000 and £79,999	1	-
Between £80,000 and £89,999	-	1

#### 6. Grants to local partners

	2002 £'000	2001 £'000
Press Union of Liberia. Liberia	23	14
CAFOB. Burundi.	22	31
FRC. Burundi.	7	7
UK All Party Parliamentary Group on Great Lakes. UK	3	4
Dialogue pour la Paix. DRC.	58	18
Caucus NGO Forum. Eurasia.	149	21
Amipaix. DRC.	2	9
Observatoire de l'Action Gouvernementale. Burundi.	25	24
Compagnie des Apôtres de la Paix. Burundi.	37	25
Forum of Women Parliamentarians. Burundi.	4	0
International Human Rights Law Group. Burundi.	3	0

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Standing International Forum on Ethnic Conflict, Genocide and Human Rights

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Grants to local partners (continued)

	2002 £'000	2001 £'000
Association des Femmes pour les Initiatives de la Paix. Mali.	8	0
Amani Forum. Great Lakes Region of Africa.	12	17
Réseau des Femmes pour un Développement Associatif (RFDA). DRC	7	0
Centre for Justice and Peace Studies. Liberia.	16	0
Pro Femmes Twese Hamwe. Rwanda.	4	0
Indian Institute for Peace and Disarmament. India.	5	0
International Physicians to Prevent Nuclear War. USA.	18	0
Fundación Gamma Ideal. Colombia.	6	0
Women's Institute for Further Development. Trinidad.	15	0
Foundation for Security and Development in Africa. Ghana.	21	0
IEPADES. Guatemala.	12	0
VIVA RIO. Brasil.	12	0
CEFI. Burundi.	9	0
Norwegian Church Aid. Norway.	4	0
Filip Skirovski, Skopje. Macedonia.	2	0
Gaston Ortigas Peace Institute. Philippines.	5	0
Conference Mundial. Canada.	5	0
IANSA South Pacific / Australasia. New Zealand.	8	0
Physicians for Social Responsibility. Kenya.	4	0
People with Disabilities. Uganda.	7	0
Kenya Coalition Against Landmines. Kenya.	10	0
Mano River Union. Liberia.	3	0
Young Journalists' Network. Georgia.	1	0
Caucus Dialogue. Georgia.	6	0
South Asia Partnership International. Sri Lanka.	16	0
Kigali Women's Peace Initiative. Rwanda.	3	0
The Britain Russia Centre. UK.	5	0
Forum of Burundian Women Parliamentarians. Burundi.	3	0
Association Caucus Dialogue. Georgia.	6	0
Business Development Alliance. Azerbaijan.	12	0
Réseau des Femmes pour la Défense des Droits et la Paix (RFDP). DRC.	11	0
Search for Common Ground. Burundi.	0	5
Association des Femmes pour la Paix. Burundi.	0	17
Peace Building Through Media. Liberia.	0	4
Commission for Refugees, Women and Children. International.	0	1
Centre pour les Droits des Hommes. Burundi.	0	45
National Peace Council for Sri Lanka. Sri Lanka.	0	5
Movement Multinational. Georgia.	0	4
Foundation for Development of Human Resources, Tbilisi. Georgia.	0	1
ISAR. Azerbaijan.	0	9
International Organisation for Migration. Azerbaijan.	0	2
Grants less than £1,000	32	3
	<b>621</b>	<b>266</b>

## INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 7. Trustees' remuneration

Trustees received no remuneration in 2002 (2001: nil). In 2002 costs of travel, accommodation and related expenses reimbursed to nine trustees amounted to £14,330 (in 2001 eleven trustees received £9,365).

#### 8. Tangible fixed assets

	Property Improvements £'000	Office Equipment and Computers £'000	Total £'000
Cost			
At 1 January 2002	39	15	54
Additions	143	8	151
Disposals	(39)	-	(39)
At 31 December 2002	143	23	166
Accumulated depreciation			
At 1 January 2002	39	5	44
Charge for the year	29	6	35
Released on disposals	(39)	-	(39)
At 31 December 2002	29	11	40
Net book values			
At 31 December 2002	114	12	126
At 31 December 2001	0	10	10

There were no commitments for capital expenditure at 31 December 2002 (2001: Nil).

#### 9. Debtors

	2002 £'000	2001 £'000
Grant income	212	0
Prepayments	24	30
Sundry debtors	13	10
	249	40



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 10. Creditors

	2002 £'000	2001 £'000
Trade creditors	95	89
Taxation and social security	41	36
Accrued expenditure	32	59
Deferred income	467	-
Sundry creditors	90	61
	<u>725</u>	<u>245</u>

#### 11. Commitments

At 31 December 2002 the charitable company had commitments totalling £2.8 million under non-cancellable operating leases. Details are as follows.

Premises are held under a 20 year lease which commenced at 17 September 2002 and which expires at 16 September 2022. Payment of rent, at £145,000 per annum, commences at 15 August 2003. There will be rent reviews at 31 December 2005, 31 December 2010 and 31 December 2015, when the rent will be adjusted to a market rate. Rent from 1 January 2006 will not be less than £150,000 per annum. The equivalent annual cost commitment till 31 December 2005, with the benefit of the rent payment free period from 17 September 2002 to 14 August 2003, is £104,886.

Three photocopiers are held under three and four year leases which expire between 31 December 2003 and 31 December 2005. The total commitment is £15,000.

Office equipment is held under a six year lease which expires at 31 March 2007. The total commitment is £4,000.

The table below summarises lease cost commitments.

	Land and Buildings £'000	Photocopiers £'000	Office Equipment £'000
Within one year	105	8	1
Within two to five years	510	7	3
Over five years	2,207	-	-

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 12. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fixed assets	126	0	126
Current assets	783	1,465	2,248
	<u>909</u>	<u>1,465</u>	<u>2,374</u>
Less: Creditors	94	631	725
	<u>815</u>	<u>834</u>	<u>1,649</u>

#### 13. Movement on Funds

The overall movement on funds is shown below. The restricted funds comprise unexpended balances of grants held on trust to be applied for specific purposes.

	At 1 January 2002 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers between Funds £'000	At 31 December 2002 £'000
<b>Restricted funds</b>					
Africa	217	1,317	(1,264)	5	275
Asia and the Americas	14	92	(140)	23	(11)
Eurasia	(83)	847	(570)	0	194
Global Issues	256	1,422	(1,354)	52	376
Better Peace Practice	4	26	(30)	0	0
IA development	0	48	(48)	0	0
	<u>408</u>	<u>3,752</u>	<u>(3,406)</u>	<u>80</u>	<u>834</u>
<b>Unrestricted funds</b>	382	1,378	(865)	(80)	815
<b>Total Funds</b>	<u>790</u>	<u>5,130</u>	<u>(4,271)</u>	<u>-</u>	<u>1,649</u>

Transfers between funds are unrestricted grants allocated to programmes.

The deficit on Asia and the Americas is expected to be eliminated when further funds are received.

The Africa, Asia and the Americas, and Eurasia funds cover practical regional and country specific programmes in these areas. The Global Issues funds cover thematic programmes relating to security, gender, development and corporate business.

Unrestricted funds of £815,000 at 31 December 2002 comprised general funds of £545,000 and a designated fund of £270,000. The designated fund is for organisational development. It will be used

## INTERNATIONAL ALERT

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**13. Movement on Funds (continued)**

to meet costs of initiatives to develop International Alert and to make it a more effective organisation.

**14. Notes to the Cash Flow Statement**

**(a) Reconciliation of net movement in funds to net cash inflow from operating activities.**

	2002 £'000	2001 £'000
Net incoming resources after transfers	859	225
Less investment income – interest received	(24)	(33)
Depreciation	35	4
Decrease in debtors	(209)	89
Increase in creditors	480	101
Net cash inflow	<u>1,141</u>	<u>386</u>

**(b) Analysis of net cash resources.**

	2001 £'000	Cash- flow £'000	2002 £'000
Cash at bank and in hand	308	(76)	232
Deposits	677	1,090	1,767
Overdrafts	0	0	0
Net funds	<u>985</u>	<u>1,014</u>	<u>1,999</u>