

INTERNATIONAL ALERT

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

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2000



Company Registration Number: 2153193
Registered Charity Number: 327553



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INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

ADMINISTRATIVE DETAILS AS AT 31 DECEMBER 2000

Board Of Trustees: Leah Levin, Chair (UK)*
Pauline Neville-Jones, Vice Chair (UK) appointed as Trustee 12.5.00*
Philip Deer, Vice Chair (Australia) appointed as Trustee 12.5.00*
Tahir Maher, Honorary Treasurer (UK) appointed as Trustee 12.5.00*
Michael Ignatieff (Canada) appointed as Trustee 12.5.00
Lieutenant General Arnold Quainoo (Ghana)
Tim Lankester (UK)
Claes Cronstedt (Sweden)
Marianne Heiberg (Norway)*
Ahmedou Ould-Abdallah (Mauritania)
Peter Nobel (Sweden)
John Tirman (USA)
Josephine Verspaget (The Netherlands)
Lord Judd of Portsea (UK) retired as Trustee 12.5.00*
Amir Bhatia OBE (UK) retired as Trustee 12.5.00*
Lord Joffe CBE (UK) retired as Trustee 12.5.00
General Sir David Thorne (UK) deceased 23.4.00

* = Member of Management Advisory Committee

Principal Officers: Kevin Clements - Secretary General
Martin Honeywell - Deputy Secretary General
and Company Secretary

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

Bankers: National Westminster Bank Plc
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: 1 Glyn Street
London SE11 5HT

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 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 unite 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, sets 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 2000 International Alert was active within parts of Africa, Eurasia and South Asia. International Alert was also involved in thematic programmes which address issues of early warning, preventive diplomacy, conflict resolution training, self-determination and minority rights, networking and citizen-based peacemaking throughout the world.

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

Results For The Year

Total incoming resources during the year ended 31 December 2000 were £2,720,000 (1999: £2,259,400), an increase of 20% compared with 1999. Total resources expended were £2,528,000 (1999: £2,462,000), an increase of 3%. Unrestricted reserves at 31 December 2000 totalled £251,000 (1999: £191,000). This is lower than the targeted level, based on our policy on reserves, which is described in note 1 to the accounts (see page 8). Further increases to unrestricted reserves will be made until the targeted level is reached.

Trustees

A list of Trustees is given in this report. The Board of Trustees met three times in 2000. In addition there were four meetings of the Management Advisory Committee of the Board which is made up of Trustees based in the United Kingdom plus Ms Marianne Heiberg and chaired by the Chair of Trustees.

The charitable company is 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.

Employees

The Trustees would like to record their appreciation of the commitment to International Alert's objectives of all staff and also the many volunteers and interns who willingly give their time to the immense benefit of the charity.

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2000 (Continued)

Contracts

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

Statement Of 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 state of the affairs of the charitable company and of the incoming resources and application of resources including income and expenditure for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The Trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible 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

Sayer Vincent resigned as auditors during the year. Horwath Clark Whitehill were appointed in their place and 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 Board



Leah Levin
Chair

4 May 2001

REPORT OF THE AUDITORS

TO THE MEMBERS OF

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

We have audited the financial statements on pages 6 to 14 in accordance with the accounting policies on pages 8 and 9.

Respective Responsibilities Of The Trustees And Auditors

As described on page 4 the charitable company's Trustees, who are Directors under Company Law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis Of Opinion

We conducted our audit in accordance with 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 judgements 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 the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated 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 the charitable company's affairs as at 31 December 2000 and of the incoming resources and application of resources including income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

4 May 2001

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

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2000

		Unrestricted	Restricted	2000 Total	1999 Total
	Notes	£'000	£'000	£'000	£'000
Income And Expenditure					
Incoming Resources					
Grants Receivable		787	1,907	2,694	2,210
Other Income Receivable		5	5	10	33
Interest Receivable		10	6	16	16
Total Incoming Resources		<u>802</u>	<u>1,918</u>	<u>2,720</u>	<u>2,259</u>
Resources Expended					
<i>Direct Charitable Expenditure</i>					
Programme Operation Costs		-	1,702	1,702	1,534
Programme Support Costs		446	174	620	740
		<u>446</u>	<u>1,876</u>	<u>2,322</u>	<u>2,274</u>
<i>Other Expenditure</i>					
Fundraising And Publicity		147	-	147	123
Management And Administration		59	-	59	65
		<u>206</u>	<u>-</u>	<u>206</u>	<u>188</u>
Total Resources Expended	2	<u>652</u>	<u>1,876</u>	<u>2,528</u>	<u>2,462</u>
Net Incoming/(Outgoing) Resources For The Year					
	3	150	42	192	-203
Transfer re: FEWER	12	-	-	-	38
Transfers Between Funds	12	<u>-90</u>	<u>90</u>	<u>-</u>	<u>-</u>
Net Movement On Funds After Transfers		60	132	192	-165
Funds at 1 January 2000		191	182	373	538
Funds At 31 December 2000		<u>251</u>	<u>314</u>	<u>565</u>	<u>373</u>

The notes on pages 8 to 14 form part of the financial statements.

INTERNATIONAL ALERT (A COMPANY LIMITED BY GUARANTEE)

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

BALANCE SHEET AS AT 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Fixed Assets	6	<u>7</u>	<u>2</u>
Current Assets			
Debtors & Prepayments	7	129	88
Cash At Bank And In Hand		<u>573</u>	<u>379</u>
		<u>702</u>	<u>467</u>
Creditors			
Amounts Falling Due Within One Ye	8	<u>144</u>	<u>96</u>
Net Current Assets		<u>558</u>	<u>371</u>
Total Assets Less Current Liabilities		<u>565</u>	<u>373</u>
Maintenance Provision	9	-	-
Total Net Assets		<u>565</u>	<u>373</u>
Funds	11, 12		
Unrestricted		251	191
Restricted		314	182
Total Funds		<u>565</u>	<u>373</u>

These financial statements were approved by the Board of Trustees on 4 May 2001.

Signed on behalf of the Board of Trustees by:



Leah Levin - Chair



Tahir Maher - Honorary Treasurer

The notes on pages 8 to 14 form part of the financial statements.

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting Policies

- a) The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The recommendations of the Statement of Recommended Practice: Accounting by Charities issued in October 1995 have been followed.
- b) All income is 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 identified 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 grants and other income received or generated for charitable purposes.
- e) Unrestricted funds are held by the charitable company to fund fixed assets and working capital and to provide an ability to respond rapidly to opportunities arising in a very dynamic environment. Unrestricted reserves at the year end are being built up in accordance with the policy approved by Trustees in December 2000 to cover 2 months of total budgeted expenditure and to cover the net book value of fixed assets, (or £500,000 if greater). In the opinion of the Trustees the reserves of the charity are sufficient to meet its obligations on a fund by fund basis.
- f) Staff and support costs are allocated to activities to reflect the amount of staff time and direct costs on those activities.
- g) Grants to partners are accounted for when payable.
- h) 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%
Fixtures and fittings	20%
Property Improvements	20%

Assets over a capitalisation limit of £1,500 are treated as fixed assets. Those under £1,500 are written off to expenditure.
- i) Management and administration costs of the charitable company are those costs related to statutory compliance, Board meetings and audit. It includes a proportion of the costs of administrative staff based on estimated time spent.
- j) 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.
- k) No provision has been made for taxation since all of the company's income is charitable and it obtained charitable status following incorporation.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

- l) The charitable company as an employer contributes to personal pension plans of its employees. The contributions are set at 10% of basic salary and are available to all employees whose contracts are for more than six months and who have successfully completed the first six months of their employment.
- m) 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

	Programme Costs £'000	Fundraising & Publicity £'000	Management & Admin £'000	2000 Total £'000	1999 Total £'000
Employment costs (Note 4)	1043	118	20	1181	1,108
Consultants	228			228	174
Travel & Subsistence	321	12	21	354	431
Grants to local partners (Note 5)	184			184	98
Conference & training	73			73	157
Print, translation etc	96			96	31
Telephone, fax & post	89	1		90	82
Professional fees	12		18	30	45
Bank charges	5			5	6
Office costs	231	7		238	223
Depreciation	3			3	31
Staff training & welfare	26	1		27	42
Recruitment	11	8		19	21
Loss on foreign exchange	-			-	12
Martin Ennals Repayment	-			-	19
Accruals no longer required	-			-	(18)
	<u>2322</u>	<u>147</u>	<u>59</u>	<u>2528</u>	<u>2,462</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

3 Net Incoming/(Outgoing) Resources

The figures for net incoming/(outgoing) resources for the year are arrived at after charging the following expenses:

	2000 £'000	1999 £'000
Auditors Remuneration:		
-audit fees	8	9
-fees for other services	-	7
Operating lease charges	111	111
Depreciation	<u>3</u>	<u>31</u>

4 Staff Costs And Numbers

	2000 £'000	1999 £'000
Staff costs during the year were as follows:		
Salaries, wages and allowances	1003	961
Social security costs	98	89
Pension costs	80	58
Total staff costs	<u>1181</u>	<u>1,108</u>
Total staff emoluments (i.e. total staff costs less social security)	<u>1,083</u>	<u>1,019</u>

The average weekly number of employees during the year was as follows:

	No.	No.
Programmes Operations	27	22
Programmes Support	9	10
Fundraising & publicity	4	4
Management and administration	<u>2</u>	<u>1</u>
	<u>42</u>	<u>37</u>

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

- between £40,000 and £49,999	1	1
- between £50,000 and £59,999	-	-
- between £60,000 and £69,999	2	1
- between £80,000 and £89,999	<u>-</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

5 Grants to Local Partners

	2000 £'000	1999 £'000
CAP (Burundi)	31	22
Ministry of Human Rights (Burundi)	11	27
Ministry of Justice (Burundi)	-	8
CAFOB (Burundi)	16	23
Pro-Femmes (Rwanda)	-	17
Inter-Faith Council (Liberia)	-	1
Press Union of Liberia	1	-
Justice and Peace Commission (Burundi)	2	-
Observatoire de l'Action Gouvernementale (Burundi)	16	-
CPDHPG (Burundi)	17	-
AAWORD Senegal	17	-
REDEPAZ (Colombia)	1	-
National Peace Council (Sri Lanka)	13	-
Caucasus NGO Forum (Eurasia)	27	-
CCM Khazakstan (Eurasia)	1	-
Non-Violence International (Eurasia)	2	-
Tbilisi Resource Centre (Eurasia)	1	-
ISAR Azerbaijan (Eurasia)	1	-
Grants under £1,000	27	-
	<u>184</u>	<u>98</u>

6 Tangible Fixed Assets

	Improvements £'000	Office Equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost				
At 1 January 2000	39	102	66	207
Additions	-	8	-	8
Disposals		(102)	(66)	(168)
At 31 December 2000	<u>39</u>	<u>8</u>	<u>0</u>	<u>47</u>
Accumulated depreciation				
At 1 January 2000	37	102	66	205
Charge for the year	2	1	-	3
Released on Disposals	-	(102)	(66)	(168)
At 31 December 2000	<u>39</u>	<u>1</u>	<u>0</u>	<u>40</u>
Net book values				
At 31 December 2000	<u>0</u>	<u>7</u>	<u>-</u>	<u>7</u>
At 31 December 1999	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>

There were no commitments for capital expenditure at 31 December 2000 (1999: Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

7	Debtors	2000 £'000	1999 £'000
	Grant income	94	44
	Sundry debtors	9	18
	Prepayments and accrued income	26	26
		<u>129</u>	<u>88</u>

8 Creditors: Amounts Falling Due Within One Year

Taxation and social security	30	-
Accruals	47	63
Sundry creditors	67	33
	<u>144</u>	<u>96</u>

9 Maintenance Provision

Balance 1 January 2000	-	10
Expended during the year	-	(10)
Balance 31 December 2000	<u>-</u>	<u>-</u>

10 Operating Lease Commitments

At 31 December 2000 the company had annual financial commitments in respect of non-cancellable operating leases expiring as follows:

<u>Equipment</u>	Land and buildings £'000	Office equipment £'000
In 2-5 years	-	5
Greater than 5 years	106	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

11 Analysis Of Net Assets Between Funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fixed assets	5	2	7
Current assets	296	406	702
Creditors	(50)	(94)	(144)
Total net assets	251	314	565

12 Movement On Funds

The overall movement on the funds of the charitable company is shown below. The restricted funds of the charity comprise unexpended balances of grants held on trust to be applied for specific purposes. Negative figures arise where commitments have yet to be received for projects which have already commenced.

	At 1 January 2000 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	At 31 December 2000 £'000
<i>Restricted Funds</i>					
Advocacy	126	414	(521)	35	54
Better Peace Practice	-	38	(34)	-	4
Colombia	-	41	(35)	-	6
Corporates	-	43	(95)	10	(42)
Eurasia	(26)	217	(199)	15	7
Great Lakes	52	531	(484)	13	112
Rapid Response	4	-	-	-	4
Sierra Leone	3	-	-	-	3
Sri Lanka	-	198	(109)	-	89
West Africa	23	250	(191)	10	92
Women's Peace	-	186	(208)	7	(15)
	182	1918	(1876)	90	314
<i>Unrestricted Funds</i>					
General Fund	191	802	(652)	(90)	251
<i>Total Funds</i>	373	2720	(2528)	-	565

INTERNATIONAL ALERT

Standing International Forum on Ethnic Conflict, Genocide and Human Rights

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

The deficits on Corporates and Women's Peace are expected to reduce to £14,000 and £8,000 respectively when additional funding is received. If further restricted income is not obtained to offset these deficits, a transfer will be made from unrestricted funds.

The Great Lakes Programme works in the Great Lakes region of Africa. Its work includes dialogue and trust-building and capacity strengthening.

Transfers between funds relate to unrestricted grants allocated to programmes.

The 1999 transfer to FEWER arose when FEWER, a restricted project in 1998, became a separate legal entity at the beginning of 1999.

13 Trustees' Remuneration

The Trustees received no remuneration in 2000 (1999 - £ Nil). Costs of travel, accommodation and related expenses reimbursed to thirteen Trustees (1999: eleven) amounted to £19,286 (1999: £16,171). During 2000 there were thirteen Trustees coming from the United Kingdom, Norway, Sweden, The Netherlands, Ghana and the United States of America. The full Board met three times and the Management Advisory Committee met four times.

14 Trustees Indemnity Insurance

A sum of £1,877 (1999 - £171) was paid in the year in respect of trustee indemnity insurance. The cover commenced in December 1999..