

STANDING INTERNATIONAL FORUM
ON ETHNIC CONFLICT, GENOCIDE
AND HUMAN RIGHTS

INTERNATIONAL ALERT
(Limited by Guarantee)

REPORT AND ACCOUNTS
31 DECEMBER 1994

Company Registration Number: 2153193
Registered Charity Number 327553



INTERNATIONAL ALERT

ADMINISTRATIVE DETAILS

AS AT 31 DECEMBER 1994

Board of Trustees:	Rodolfo Stavenhagen, Chairman Amir Bhatia, Honorary Treasurer (elected 30 June 1994) Asbjorn Eide Joel Joffe (elected 30 June 1994) Lord Judd of Portsea (elected 30 June 1994) Leah Levin Marie-Angelique Savane (elected 30 June 1994) William Spencer
Principal Officers:	Kumar Rupesinghe, Secretary General Peter Brearley, Director of Finance & Support Services and Company Secretary
Auditors:	Sayer Vincent Chartered Accountants 23 Angel Gate City Road London EC1V 2PT
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 incorporated on 6 August 1987. Registered as a charity on 24 September 1987.
Registered Office:	1 Glyn Street London SE11 5HT

INTERNATIONAL ALERT

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 1994

Objectives

International Alert works to prevent and resolve internal conflict and to break the vicious cycle of violence and conflict within countries struggling to restore peace and social justice.

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 draw upon 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, development and human rights NGOs, religious bodies and trusts.

In 1994 International Alert was active within parts of Africa, the states and republics of the former Soviet Union, Latin America, Asia and the South Pacific. 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.

Accounts

International Alert's accounts for 1994 are presented in a format which separately identifies general and restricted income and associated expenditure. The notes to the accounts give a detailed breakdown of expenditure and of how this is split between programme costs and fundraising and support services costs.

Results for the year

Total income during the year ended 31 December 1994 was £1,767,000. This is double the income in the previous year and was achieved largely as a result of increased support of International Alert's work by donors in Denmark, the European Commission, Germany, the Netherlands, Norway and Sweden. There was continuing support from donors in Canada, Finland, Japan, the United Kingdom and the United States of America. The higher income enabled International Alert to increase both its level of operations (total expenditure of £1,543,000 was 95% higher than in the previous year) and its reserves at the end of the year. Reserves at 31 December 1994 of £412,000 were 120% higher than at the beginning of the year but still represented only one and a half months of planned expenditure in the following year. Trustees have recognised that the dependence of International Alert on a small number of large donations which are received unevenly during the year requires the building up of reserves to prevent volatility in the level of operations brought about by temporary shortfalls in funding.

Trustees

A list of Trustees is given in this report. Four new Trustees were elected to the Board in 1994 - Amir Bhatia, Joel Joffe, Lord Judd of Portsea and Marie-Angelique Savane. Rodolfo Stavenhagen and William Spencer retired by rotation and were re-elected as Trustees. The full Board met four times in 1994. In addition there were seven meetings of the Management Advisory Committee of the Board which is made up of Trustees based in the United Kingdom and is chaired by Lord Judd.

The 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.

The growth in the number of staff during the year (from an average weekly number of 11.25 in 1993 to 22.87 in 1994) led to a thorough review at the end of the year into the effectiveness of organisational structures, meetings and newsletters in keeping employees and volunteers informed about the charity's work. Changes have been implemented in 1995 to deal with the shortcomings revealed by the review.

Contracts

There were no contracts of significance in which a Trustee is or was materially interested either during or at the end of the financial year.

Statement of Trustees' responsibilities

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those accounts the Directors are required to:

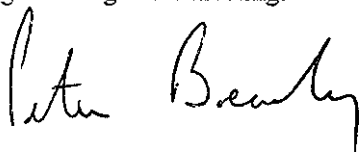
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Companies Act 1985, a resolution regarding the re-appointment of Sayer Vincent will be proposed at the forthcoming annual general meeting.

By order of the Board
Peter Brearley
Secretary
22 April 1995



REPORT OF THE AUDITORS

TO THE MEMBERS OF

INTERNATIONAL ALERT

We have audited the accounts on pages 5 to 11 in accordance with the accounting policies on page 7.

Respective responsibilities of the Trustees and Auditors

As described on page 3 the Company's Trustees are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1994 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sayer Vincent
Chartered Accountants
Registered Auditors

23 Angel Gate
City Road
London EC1V 2PT

25 April 1995



INTERNATIONAL ALERT

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	General £'000	Restricted £'000	1994 Total £'000	1993 Total £'000
Income					
Grants received	2(a)	1,151	607	1,758	861
Other income received	2(b)	1		1	12
Interest received		8		8	6
Total income		1,160	607	1,767	879
Expenditure					
Programme operation costs	3	551	519	1,070	577
Programme support costs	3	81	75	156	75
Total programme costs		632	594	1,226	652
Fundraising	3	42		42	10
Support services	3	275		275	131
Total fundraising & support services		317	0	317	141
Total expenditure		949	594	1,543	793
Surplus for the year	5	211	13	224	86
Funds brought forward		3	185	188	102
Funds carried forward		214	198	412	188

All of the Company's operations are classed as continuing. The Company had no recognised gains or losses other than the surplus for the year. The movement on reserves is shown above.

The notes on pages 7 to 11 form part of these financial statements.


INTERNATIONAL ALERT

BALANCE SHEET

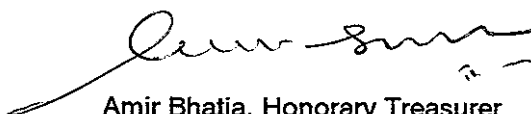
AS AT 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
Fixed assets	6	75	52
Current assets			
Debtors & prepayments	7	53	96
Cash & bank		474	129
		<u>527</u>	<u>225</u>
Creditors			
Amounts falling due within one year	8	182	84
		<u>345</u>	<u>141</u>
Net current assets			
		420	193
Total assets less current liabilities			
Maintenance provision	9	(8)	(5)
		<u>412</u>	<u>188</u>
Net assets			
Funds			
General funds		214	3
Restricted funds		198	185
Total funds		<u>412</u>	<u>188</u>

Approved by the Board of Trustees on 22 April 1995
and signed on their behalf by



Rodolfo Stavenhagen, Chairman



Amir Bhatia, Honorary Treasurer

The notes on pages 7 to 11 form part of these financial statements.

INTERNATIONAL ALERT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994

1 Accounting policies

- a) The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. The recommendations of SORP 2 "Accounting by Charities" have been followed.

b) Income

- i) Grant income is credited to Income and Expenditure account in the year it relates to.
ii) Donations are accounted for as and when received.

c) Restricted funds

Restricted funds represent amounts received for specific programmes.

d) Support costs

Support costs are apportioned to programme expenditure to reflect the amount of staff time and direct costs on programmes.

e) Depreciation

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	-25%
Fixtures and fittings	-20%
Improvements	-20%

f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are accounted for in the income and expenditure account.

g) Taxation

No provision has been made for taxation since the company obtained charitable status following incorporation.

h) Pension contributions

The organisation as an employer contributes to personal pension plans of its employees. The contributions are set at 10% of gross salary and are available to all employees who have successfully completed a 6-month probation period.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994

i) Operating leases

Rentals payable under operating leases where substantially all the risks and rewards of ownership remain with the lessor are charged to the income and expenditure account in the period in which they fall due.

2 **Income**

	<u>1994</u>	<u>1993</u>
a) <u>Grant income</u>	<u>£'000</u>	<u>£'000</u>
UK	52	81
Non-UK	1,706	780
Total grant income	<u>1,758</u>	<u>861</u>
b) <u>Other income</u>	<u>£'000</u>	<u>£'000</u>
Donations	-	1
Rent	<u>1</u>	<u>11</u>
Total other income	<u>1</u>	<u>12</u>

INTERNATIONAL ALERT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994

3 Expenditure

	Programme	Fund-raising	Support	1994 Total	1993 Total
	£'000	£'000	£'000	£'000	£'000
Direct costs					
Local staff & consultants	138		31	169	87
Travel - international	187		10	197	122
Travel - other	16	1	2	19	
Entertainment & hospitality	16		3	19	7
Accommodation	85		2	87	28
Local facilities rental and fees	32			32)	22
Local telephone & fax	6			6)	
Printing, translation & editorial	51		1	52	15
Total programme direct costs	531	1	49	581	281
Employment costs					
Staff salaries	347	25	125	497	230
Staff NI & pension	64	5	30	99	24
Interns & volunteers	37		9	46	21
Temps	2		9	11	14
Total employment costs	450	30	173	653	289
Variable office costs					
Telephone & fax	52	1	4	57	33
Postage & e-mail	12	1	2	15	11
Couriers	6		2	8	3
Stationery & copying	19	1	4	24	46
Total variable office costs	89	3	12	104	93
Support costs					
Professional fees	12	1	3	16	16
Rent & rates	28	2	9	39	26
Light & heat	7	1	2	10	3
Cleaning	4		1	5	3
Maintenance	15	1	7	23	8
Insurance	2		1	3	2
Bank charges/interest	2		1	3	2
Leasing costs	6		2	8	7
Depreciation	22	1	7	30	16
Training & staff welfare	8	1	3	12	6
Recruitment	32	1	5	38	22
Subscriptions, books etc	13			13	10
Sundry	5			5	9
Total support costs	156	8	41	205	130
Total expenditure	1,226	42	275	1,543	793

INTERNATIONAL ALERT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
4 Staff costs		
Salaries and Wages	554	265
Social Security and Pension Costs	99	24
Total	<u>653</u>	<u>289</u>

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

Management and Administration	8.44	4.25
Programmes	14.43	7

Volunteers

Thirty one volunteers provided help throughout the year.

5 Surplus for the year	<u>£'000</u>	<u>£'000</u>
This is stated after charging:		
Audit Fees	5	10
Underprovision in Previous Years	2	1
Total	<u>7</u>	<u>11</u>
Depreciation	<u>30</u>	<u>16</u>

6 Tangible fixed assets	<u>Improvements</u>	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
COST				
At 1 January 1994	1	47	29	77
Additions	13	26	14	53
At 31 December 1994	<u>14</u>	<u>73</u>	<u>43</u>	<u>130</u>
DEPRECIATION				
At 1 January 1994	-	18	7	25
Charge for Year	3	18	9	30
At 31 December 1994	<u>3</u>	<u>36</u>	<u>16</u>	<u>55</u>
NET BOOK VALUE				
At 31 December 1994	<u>11</u>	<u>37</u>	<u>27</u>	<u>75</u>
At 1 January 1994	<u>1</u>	<u>29</u>	<u>22</u>	<u>52</u>

INTERNATIONAL ALERT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994

		<u>1994</u>	<u>1993</u>
		<u>£'000</u>	<u>£'000</u>
7	Debtors		
	International Alert (Netherlands)	-	25
	Grant Income	19	24
	Sundry Debtors	25	46
	Prepayments	9	1
	Total	<u>53</u>	<u>96</u>
8	Creditors	<u>£'000</u>	<u>£'000</u>
	Taxation and Social Security	23	22
	Sundry creditors and accruals	71	62
	Grants received in advance	88	-
	Total	<u>182</u>	<u>84</u>
9	Maintenance provision	<u>£'000</u>	<u>£'000</u>
	Balance at 1 January 1994	5	2
	Transfer from income and expenditure account	3	3
	Balance at 31 December 1994	<u>8</u>	<u>5</u>

10 Operating leases

i) Office premises

The organisation's office premises are held under a 5 year operating lease which expires after 30 September 1997. The annual commitment of £40,000 commenced on 14 September 1993.

ii) Office equipment

The organisation holds the following operating leases:

<u>Equipment</u>	<u>Lease Term</u>	<u>Expiry Date</u>	<u>Total Commitment</u>
			<u>£'000</u>
Photocopier	6 years	12.01.95	13
Photocopier	3 years	11.11.95	3
Telephone System	3 years	28.10.95	6
Franking Machine	5 years	03.12.97	5
Facsimile Machine	3 years	10.03.96	2