
COALITION TO STOP THE USE OF CHILD SOLDIERS
(A company limited by guarantee)

DIRECTORS REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2004

COALITION TO STOP THE USE OF CHILD SOLDIERS

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COALITION TO STOP THE USE OF CHILD SOLDIERS

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2004

Directors	Rory Mungoven (resigned 16/10/2003) Jo Becker Eylah Kadjar-Hamouda (resigned 31/12/2003) Martin Macpherson Andreas Rister (appointed 24/02/2004)
Company Registered Number	04411965
Registered Office	2nd Floor 2-12 Pentonville Road London N1 9HF
Secretary	Casey Kelso
Constitution	Company limited by guarantee, with memorandum and articles of association
Auditors	Gotham Erskine Chartered Accountants & Registered Auditors Friendly House 52 - 58 Tabernacle Street London EC2A 4NJ
Bankers	Natwest Bank plc PO Box 8036 218 Upper Street London N1 1SP
Solicitors	Charity Law Services 130 Barnsbury Road London N1 0ER
Members of Steering Committee	Amnesty International Human Rights Watch International Federation Terres des Hommes World Vision International Quaker United Nations Office - Geneva Jesuit Refugee Service Save the Children UK (for the International Save the Children Alliance) Defence for Children International

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT For the year ended 31 March 2004

The Directors submit their annual report and the financial statements of the Coalition to Stop the Use of Child Soldiers (the Company) for the year ended 31 March 2004. The Directors confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

The Company is not a charity but the Directors have decided that the accounts should be prepared under the disclosure provisions of the Charity SORP as the type of income and operations is similar to that of a charitable entity.

Method of appointment or election of Directors

The management of the Company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association. At each Annual General Meeting all Steering Committee members resign but are eligible for re-appointment.

The Company is run by the directors who are appointed by the steering committee members of the Coalition. The directors of the Company come from organisations who are members of the steering committee.

Constitution policies and objectives

The Company is limited by guarantee and was incorporated on the 09 April 2002 and took over the assets and liabilities of an unincorporated association of the same name on the same date.

The objects of the Company are the promotion, adoption, implementation of national, regional and international legal standards (including the Optional Protocol to the Convention on Rights of the Child) which prohibit the military recruitment and use in hostilities of any person younger than eighteen years of age.

Aims and organisation

The Coalition to Stop the Use of Child Soldiers ('the Company') was incorporated on 9th April 2002, and leads a world wide network of organisations established since 1998 ('the Coalition'). Prior to incorporation, the role of the Company had been undertaken by an unincorporated entity, whose assets, liabilities and staff were transferred to the Company on incorporation.

The Coalition's mission statement, as agreed by the Steering Committee in February 2004, is to be a coalition to stop the use of boys and girls as child soldiers - to prevent their recruitment and use; to secure their demobilisation; and to promote their rehabilitation and reintegration into their communities. The Company's objects are focussed specifically on the promotion, adoption and implementation of national, regional and international legal standards regarding child soldiers; other aspects of the Coalition's work are reflected in the objects of the Child Soldiers Coalition Educational and Research Trust ('the Trust'), a registered charity with which the Company has a close relationship (see below).

The Company, the Trust, and other members of the Coalition work together in an integrated way, through advocacy and public education, through research and monitoring, and through network development and capacity-building.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

The principles upon which the Coalition's work is founded are as follows:

- upholding the rights-based framework provided by the Convention on the Rights of the Child;
- supporting a "straight-18" ban on military recruitment, training and participation, whether voluntary, compulsory or forced;
- campaigning on a global basis, with a focus on industrialised and developing countries alike;
- holding to account both governments and non-governmental armed groups;
- ensuring gender sensitivity, with appropriate consideration for girl child soldiers;
- promoting the participation of children in our work through appropriate consultation and action;
- promoting holistic strategies which address the full spectrum of issues from prevention and non-violent resolution of conflict, to demobilisation, rehabilitation and reintegration;
- fostering mutual support and collaboration among our National Coalitions and partner organisations;
- being accountable to the children and communities on whose behalf we work.

The organisational structure of the Coalition was formed in 1998 by leading non-governmental organisations, to combine their separate efforts to end the military recruitment and participation in armed conflict of all children under 18 years of age. The eight founding members are: Amnesty International, Defence for Children International, Human Rights Watch, Jesuit Refugee Service, Quaker United Nations Office (Geneva), the International Save the Children Alliance, International Federation Terre des Hommes, and World Vision International. These founding members established an international Steering Committee to establish strategy and define policies and priorities. The Coalition pursues these objectives by establishing partnerships, and also co-ordinating and supporting the work of regional and National Coalitions around the world. Following incorporation of the Company, this Steering Committee became the Steering Committee of the Company as defined in the Company's Articles of Association.

Regional Coordinators are appointed in designated regions, to coordinate the overall activities of National Coalitions and other members within their region. They also act as regional advisors to the Steering Committee. In regions of the world where the Coalition's networks are less developed, regional focal points or representatives may be appointed temporarily and asked to advise the Steering Committee.

International Steering Committee meetings are held twice a year. The founding members are each represented by one designated individual at the international level. The International Committee of the Red Cross and UNICEF also attend Steering Committee meetings, as official observers. One or more meetings per year are attended by the Regional Coordinators (or regional focal points/representatives) and by staff responsible for regional work. Each year the Steering Committee elects a Management Group from among its members. The Management Group consists of four persons, who hold bi-monthly meetings with executive staff on management issues.

Relationship between the Company and the Child Soldiers Coalition Educational and Research Trust

In the period under review, activities have been undertaken primarily by the Company according to the decisions of its directors, the Steering Committee, and donors. It is expected that the Company's future activities that are specifically tied to charitable work will be funded by The Child Soldiers Coalition Educational and Research Trust ('the Trust'), a registered charity. The Trust was incorporated on 11th June 2002 and registered as a charity on 6 January 2003. Its purpose is to fund those aspects of the work of the Company which are charitable under United Kingdom Law, and also to undertake those aspects of the Coalition's work which are not within the objects of the Company.

The Trust employs staff in a shared agreement with the Company, as most of its activities are carried out on its behalf by the Company's staff, according to the terms of an agreement between the two entities. The Trust reimburses the Company for carrying out such commissioned work as the Trust's directors determine. In the year to 31st March 2004, such work amounted to £73,417 in value.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

Strategy

Following evaluation and consultation among its partner organisations, the Steering Committee adopted a 2002-2006 Strategic Plan that defined directions for its work in 2002 and 2003, with longer-term objectives of ensuring the global adoption, implementation and enforcement of international standards for the protection of children. Under each of the three major areas of work, the Coalition defined the following objectives:

- . *Advocacy and Public Education:* Securing universal ratification and adherence to the Optional Protocol
 - supporting advocacy for ratification on and in priority countries;
 - sustaining campaign appeals on individual countries and armed groups;
 - raising worldwide awareness and providing public education on child soldiers;
 - integrating and mainstreaming the issue of child soldiers into the work of international bodies and agencies.

- . *Research and Monitoring:* Deepening our research base and capacity for monitoring
 - building a monitoring network, particularly in conflict zones, to sustain and improve the Global Report 2004;
 - developing research, advocacy and action on priority themes;
 - providing systematic briefings to UN Security Council, International Labour Organisation, UN Committee on the Rights of the Child and other mechanisms;
 - participating in collaborative research and monitoring initiatives such as an NGO watchlist for the UN Security Council and the Special Representative of the Secretary General's research agenda on children and armed conflict.

- . *Network Development and Capacity-Building:* Strengthening our network and promoting its long-term sustainability
 - improving systems of communication, servicing and support at all levels within the Coalition;
 - continuing programs of coalition development and capacity building in priority regions and countries in Latin America, Middle East and Southeast Asia, and extending this program in South Asia, the Great Lakes and West Africa regions;
 - increasing the involvement of international and regional organisations in the Coalition's steering committee and specialist working groups;
 - securing core funding to sustain the coordinating functions of the Company and the Trust;
 - strengthening relations with parallel humanitarian networks such as small arms and landmines and play a role in international advocacy networks on children and armed conflict.

These three areas of work - campaigning and advocacy, research and monitoring, networking and capacity-building - should be seen as fully integrated. For instance, capacity-building efforts in a particular country will be aimed at strengthening the Coalition's international monitoring network and furthering its campaign goals. Equally, international campaigning on a particular country will be directed in support of strengthening and supporting local Coalition partners.

Review of activities in the year

Since the adoption in 2001 of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict and its coming into force in 2002, the Coalition has continued to pursue activities in 2003-2004 to develop the capacity of affiliated non-governmental organisations at the national level to continue advocacy for ratification and for the promotion of non-involvement of children in armed conflict. This was achieved through an integrated program of research, campaigning and advocacy, and coalition development and capacity building. Our major achievements in the past financial year include:

- . Preparations for the Global Report on Child Soldiers Use.
In contrast with the first-ever Global Report on the Use of Child Soldiers, published in 2001, the production of the Global Report 2004 has involved collaborative research with local Coalitions which are intended to result in NGOs involved in our umbrella organisation increasing their capacity to research, monitor and document child soldier issues in their own and neighbouring countries.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

Some seven consultants and several volunteers, along with the Programme Officers, have compiled individual country assessments covering children and armed conflict issues in almost 200 countries in every region of the world, bringing together the most current information on the issue.

· **Mobilising international support**

The Coalition actively worked with Mr Olara Otunnu, the UN Under-Secretary-General and Special Representative of the Secretary-General for Children and Armed Conflict, with UNICEF, and with other leading NGOs on the Secretary-General's annual report to the UN Security Council on children and armed conflict. As part of a small working group, the Coalition had significant input into the report, released in November 2003, and through its lobbying on the subsequent statements at the Security Council's open debate, held on 14 January 2004 in its third Open Debate on Children and Armed Conflict.

The result was UNSC Resolution 1539 of March 2004, in which Secretary-General Kofi Annan was asked to designate UN focal points in specific conflict zones for initiating dialogue with identified parties to armed conflict with the aim of developing action plans to end their recruitment or use child soldiers. The Security Council action was grounded in research coordinated by the Coalition that was carried out cooperatively with its National Coalitions in the Middle East and North Africa, South and Southeast Asia, Central and West Africa, and Latin America from June to September. That research was published in September 2003.

The Coalition has contributed, through its advocacy at various UN and European Union meetings, to adoption on 8 December 2003 by the European Union's General Affairs and External Relations Council of the EU Guidelines on Children and Armed Conflict, which identify as priority actions ending the use of children in armies and armed groups, protecting children from the effects of armed conflict, and an end to impunity.

The Coalition participated actively in ministerial meetings of the Human Security Network countries, and played a part on 10 May 2003, of the "Support Strategy for Children Affected by Armed Conflict", which involved Coalition input to the grouping that includes Austria, Canada, Chile, Greece, Ireland, Jordan, Mali, Netherlands, Norway, Slovenia, Switzerland and Thailand.

The Coalition also contributed its advocacy through National Coalitions to the growing trend to ratification of the Optional Protocol. As of 7 March 2004, there were 69 parties to the Optional Protocol and 115 signatories.

· **Continued Coalition-building in Southeast Asia**

In Southeast Asia, the Coalition has held a number of workshops and meetings designed to build capacity and coordinate activities. In Thailand in June 2003, participants formulated a program plan to promote the end of the use of child soldiers in Myanmar. The National Coalition in Indonesia conducted a basic training for fourteen researchers in North Sumatra in August 2003. In Thailand another Coalition partner launched an educational campaign in November 2003, while in the Philippines the National Coalition held its 2nd National Consultation Workshop that same month.

By March 2004, the Southeast Asia Coalition held a joint regional conference with UNICEF on issues around the demobilisation of child soldiers, as well as two separate NGO-only workshops in Thailand.

· **Coalition capacity building programmes launched in Africa**

In June 2003, the Coalition launched its Great Lakes regional activities at a three-day workshop on the recruitment and use of children as soldiers in that region, with more than 40 representatives of local, regional and international organisations from Uganda, Burundi, Democratic Republic of Congo, Rwanda and Kenya.

To foster coordination among Great Lakes National Coalitions and build up a strong regional child soldiers' network, the Child Soldiers Coalition appointed the Great Lakes Regional Coordinator early September 2003 with a regional secretariat in Uganda. The Regional Coordinator has facilitated a number of meetings and activities, such as the National Coalition in the Democratic Republic of the Congo in September 2003, as well as the Burundi National Coalition meeting in March 2004.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

The Regional Coordinator's also actively worked with the Uganda Coalition in developing prevention strategies to end the abduction of children in Northern Uganda and in advocacy to prevent recruitment.

· **Building upon strengths in Latin America**

Six of the 21 country members of the Organisation of American States have a National Coalition to stop the use of child soldiers or a focal point for action or research (Brazil, Colombia, Ecuador, Paraguay, Peru and Venezuela). The Latin America Child Soldiers Coalition has organised itself to plan regional work through meetings in Panama in April 2004 and in Colombia in November 2003. One outcome was the decision to undertake a study on the influence of the Colombian armed conflict in parts of Ecuador and Venezuela. This research is ongoing. In Colombia, local organisations worked through the National Coalition to hold six workshops on prevention of recruitment in October, November and December 2003.

· **Developing capacity in the Middle East**

The Middle East - North Africa (MENA) Regional Network to Stop the Use of Children as Soldiers held regional meetings in June 2003 and October 2003 to review research guidelines for fact-finding and documentation, and to establish a Regional Steering Committee and also to nominate a new Regional Coordinator. Participating organisations from Jordan, Qatar, Yemen, Sudan, Egypt, Algeria and the Palestinian Occupied Territories helped to cement the network's directions by adopting a regional strategy that emphasised, in particular, advocacy with the Arab League and the consolidation of the Coalition's work in Sudan and Israel and the occupied territories of Palestine.

· **Campaigning on specific countries and regions of the world**

The Coalition launched a number of targeted campaigning actions during the year, including protesting the reservation made by the United Kingdom upon its ratification of the Optional Protocol in June 2003, a letter writing appeal to the League of Arab States to pro-actively encourage its members in the Middle East to stop the recruitment and use of children as soldiers, and an appeal to Communist Party of Nepal - Maoist, in Nepal, to end their recruitment and use of thousands of child soldiers there.

· **Global networking through the Coalition Newsletter and website**

The Coalition publishes the Child Soldiers newsletter with news and information on the issue and campaign worldwide. The newsletter is distributed in English, Spanish, French and German in print or electronic versions to more than 5,000 subscribers. The Coalition upgraded its website in the 2003 - 2004 financial year to provide new and updated information on the child soldiers issue as it occurs in more than 180 countries.

· **Briefings and background papers**

The Coalition is systematically briefing the UN Security Council, the UN Committee on the Rights of the Child (CRC) and the UN Commission on Human Rights as they review country situations involving child soldiers. In 2003, the Coalition submitted two briefings covering a total of 18 countries to the CRC, and contributed to a briefing regarding the very first submission of a report - by New Zealand - on adherence to the Optional Protocol to the Convention on the Rights of the Child regarding the involvement of children in armed conflict. A further briefing was submitted to the CRC on 1 February 2004 on another nine country situations. We also undertook thematic research papers and projects on the rehabilitation of child soldiers, juvenile justice for children who are both victims and perpetrators of human rights abuses, and on the voluntary nature of adolescent participation in armed groups.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

Fundraising and volunteers

Significant financial support was obtained from several national governments and from international grant-making organisations. Steering Committee organisations contributed annual subscriptions of £18,403 in respect of the year. These funds were enhanced by sales of the Global Report 2001, and by small donations from individuals and groups in the United Kingdom and abroad, indicating the broad base of popular support enjoyed by the Coalition. Our thanks go to all those who contributed financially.

Volunteers contribute significantly to the Coalition's work. Last year the Company benefitted from several dedicated volunteers working in areas of administration, research, newsletter production, translation, and the preparation of printed resources both for regional co-ordinators, and for governments intending to ratify the UN Optional Protocol. Our thanks go out to those who helped in these ways.

Plans for the future, and events since the year end

The Coalition will be undertaking substantial work on behalf of The Trust, which has received funding to document promising practices in rehabilitation, reintegration, reconciliation and accountability of child soldiers. The objectives of this project are to undertake comprehensive research on the issue of re-integration and rehabilitation of child soldiers, to facilitate the sharing of experiences and skills amongst re-integration programs, and thus to increase general knowledge of these issues. This programme is being implemented over three years from the year beginning 1st April 2003, and substantially all activities will be undertaken by the Company on the Trust's behalf.

In a related grant, the Trust has received funds for strengthening the Coalition worldwide network and promoting its long-term sustainability through improvements in systems of communication and support at all levels within the Coalition; diversification of the range and role of international and regional partner organisations in the Coalition; and development of systems and structures for participation and communication within the Coalition at all levels. This programme is being implemented by the Coalition on behalf of the Trust in the year beginning 1st April 2003.

Both these grants were secured by the Trust from the Diana, Princess of Wales Memorial Fund. Much of the work commissioned by the Trust from CSCS Ltd was postponed after 10th July 2003, when the Diana, Princess of Wales Memorial Fund notified beneficiaries that, as a result of a legal suit against it, all further grant payments were suspended. Implementation of our work continued, but on a scale which could if necessary be funded from other sources; in particular, any recruitment of new staff has been deferred. The Diana, Princess of Wales Memorial Fund has subsequently released payments, although not fully in accordance with the original agreed timetable for this grant. Such payments were received in January and April 2004.

The Company therefore expects to be implementing this work on behalf of the Trust during 2004/05 and 2005/06. The Directors are of the opinion that the current situation of the Diana Fund will not impact negatively on the on-going financial viability of the Company.

In addition to programmes detailed above, plans for future periods include:

- Launch of the Global Report in November 2004, with simultaneous releases at events in Southeast Asia, Latin America, the Great Lakes region of Africa, the Middle East and in Europe.
- Advocacy using the Global Report 2004 to be conducted at the UN Security Council, European Union and other regional inter-governmental bodies such as the Organisation of American States and the Africa Union.
- Use of the Global Report as the baseline data for further research, as the basis for future submissions to the Committee on the Rights of the Child and other international forums, as well as the development and capacity building of the Coalition's worldwide network to advocate for protecting children in their own countries and to produce their own research reports.

COALITION TO STOP THE USE OF CHILD SOLDIERS

DIRECTORS' REPORT (continued) For the year ended 31 March 2004

Financial Results, risk management and reserves policy

The directors examine the major strategic, business and operational risks when preparing and updating strategic plans and budgets, and when considering upcoming operations. In particular, the directors are aware of the risks arising from working internationally, and with young people. The directors have also implemented a timetable to develop a risk register and a framework for a formal annual risk review, to identify and monitor risks faced by the Coalition, to mitigate significant impacts, and to systematically embed such procedures into day-to-day operations.

It is the Coalition's policy to maintain free reserves (those unrestricted reserves not invested in fixed assets or designated for specific purposes) at a level which can finance at least four months of unrestricted support costs (see note 5 to the financial statements), and also at least four months of unrestricted expenditure on management and administration (see note 6 to the financial statements). This level is considered sufficient to enable the directors to take corrective action in the event of unexpected shortfalls in funding or increases in expenditure. Such costs totalled approximately £2,700 per month in the year. Free reserves at 31 March 2004 were approximately £49,000, thereby covering more than four months of expenditure.

Directors' responsibilities

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Company will continue in operation).

The Directors have overall responsibility for ensuring that the Company has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Auditors

A resolution proposing that Gotham Erskine be re-appointed as auditors of the Company will be put to the Annual General Meeting.

This report was approved by the Directors on 21 June 2004 and signed on its behalf, by:

Casey Kelso (Secretary)

COALITION TO STOP THE USE OF CHILD SOLDIERS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COALITION TO STOP THE USE OF CHILD SOLDIERS

Under section 247B of the Companies Act 1985

We have audited the financial statements of Coalition to Stop the Use of Child Soldiers for the year which comprise the Statement of Financial Activities and Balance Sheet, with the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) 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 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

As described in the Statement of Directors' Responsibilities the Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the 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 Directors' remuneration and transactions with the Company is not disclosed. We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT 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 judgements made by the Directors in the preparation of the financial statements, 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 considered 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 the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2004 and of the 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.

Gotham Erskine

Chartered Accountants
& Registered Auditors

Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

Date:

COALITION TO STOP THE USE OF CHILD SOLDIERS

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2004

	Note	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	Total Funds 9 April 2002 to 31 March 2003 £
INCOMING RESOURCES					
Donations, legacies and similar incoming resources	2	191,124	122,021	313,145	210,136
Activities in furtherance of the company's objects		-	19,142	19,142	13,969
Bank interest		-	346	346	253
TOTAL INCOMING RESOURCES		191,124	141,509	332,633	224,358
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Fund raising costs	3	-	15,556	15,556	9,833
<i>Charitable expenditure:</i>					
Subscriptions to related organisations	4	-	2,882	2,882	-
Costs of activities in furtherance of the company's objects:					
Africa		25,808	16,913	42,721	52,257
Asia and Middle East		41,633	25,527	67,160	41,592
Europe		-	5,330	5,330	1,419
Latin America		7,551	16,303	23,854	32,107
Conferences and Events		-	1,216	1,216	7,010
Research and publications		69,285	762	70,047	24,843
Support costs	5	9,849	22,558	32,407	36,053
Management and administration	6	763	10,414	11,177	16,549
TOTAL RESOURCES EXPENDED	7	154,889	117,461	272,350	221,663
NET INCOMING RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		£ 36,235	£ 24,048	£ 60,283	£ 2,695

COALITION TO STOP THE USE OF CHILD SOLDIERS

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2004

		Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	<i>Total Funds 9 April 2002 to 31 March 2003 £</i>
	Note				
NET INCOMING RESOURCES, BROUGHT FORWARD		36,235	24,048	60,283	2,695
Transfers between Funds	14	105	(105)	-	-
NET INCOMING RESOURCES		36,340	23,943	60,283	2,695
NET MOVEMENT IN FUNDS FOR THE YEAR		36,340	23,943	60,283	2,695
TOTAL FUNDS AT 1 APRIL 2003		-	27,890	27,890	25,195
TOTAL FUNDS AT 31 MARCH 2004		£ 36,340	£ 51,833	£ 88,173	£ 27,890

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

The notes on pages 13 to 22 form part of these financial statements.

COALITION TO STOP THE USE OF CHILD SOLDIERS

BALANCE SHEET As at 31 March 2004

	Note	£	31 March 2004 £	£	31 March 2003 £
FIXED ASSETS					
Tangible fixed assets	10		3,464		2,441
CURRENT ASSETS					
Debtors	11	28,856		1,890	
Cash at bank and in hand		115,127		44,669	
		<u>143,983</u>		<u>46,559</u>	
CREDITORS: amounts falling due within one year	12	(59,274)		(21,110)	
NET CURRENT ASSETS			<u>84,709</u>		<u>25,449</u>
NET ASSETS	15		<u>£ 88,173</u>		<u>£ 27,890</u>
CHARITY FUNDS					
Restricted Funds	14		36,340		-
Unrestricted - Designated Funds	14		3,464		-
Unrestricted - General Funds	14		48,369		27,890
			<u>£ 88,173</u>		<u>£ 27,890</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the directors on 21 June 2004 and signed on their behalf, by:

Martin Macpherson

The notes on pages 13 to 22 form part of these financial statements.

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The Company is a company limited by guarantee. The members of the company are the directors named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff time.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	-	25%	reducing balance
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1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure)result.

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Finnish Foreign Ministry	81,322	-	81,322	-
Swedish Government	-	53,806	53,806	-
Government of the Netherlands	31,250	15,000	46,250	60,000
Swiss Government	21,569	18,131	39,700	12,786
Irish Government	34,258	-	34,258	-
New Zealand Agency for International Development	-	17,378	17,378	15,185
UK Department for International Development	14,300	-	14,300	-
Trocaire	-	10,232	10,232	9,635
German Government	8,425	-	8,425	-
Luxembourg Government	-	6,811	6,811	-
Quakers Geneva Meeting	-	214	214	325
Danish Foreign Ministry	-	-	-	26,156
Norwegian Government	-	-	-	25,970
Unicef	-	-	-	21,580
Radda Barnen	-	-	-	19,989
Terre des Hommes	-	-	-	6,439
World Vision	-	-	-	3,036
Austrian Government	-	-	-	1,220
QUNO/hilfe	-	-	-	1,948
Other donations	-	449	449	5,867
Donations, legacies and similar incoming resources	£ 191,124	£ 122,021	£ 313,145	£ 210,136

In the year the Department for International Development gave funding of £14,300 towards the publication of a report. This grant was treated as restricted income and was fully expended during the year.

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

3. FUND RAISING COSTS

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	Total Funds 9 April 2002 to 31 March 2003 £
Consultants	-	3,244	3,244	-
Materials	-	122	122	-
Overheads	-	547	547	408
Accommodation and subsistence	-	733	733	-
Travel	-	175	175	-
Salaries and national insurance	-	10,620	10,620	9,344
Depreciation	-	115	115	81
Total	£ -	£ 15,556	£ 15,556	£ 9,833

4. SUBSCRIPTIONS TO RELATED ORGANISATIONS

	Number	Total Year ended 31 March 2004 £	Number	Total 9 April 2002 to 31 March 2003 £
Women's Commission for Refugee Women and Children, Watchlist on Children and Armed Conflict	1	£ 2,882		£ -

5. SUPPORT COSTS

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	Total Funds 9 April 2002 to 31 March 2003 £
Staff costs	6,252	34,303	40,555	25,700
Depreciation	-	1,154	1,154	764
Premises costs	-	16,439	16,439	12,255
Office costs	3,597	5,441	9,038	8,905
Finance and legal costs	-	957	957	1,573
Expenses recharged to the Trust	-	(17,614)	(17,614)	-
Transfer to cost of generating funds	-	(11,282)	(11,282)	(9,833)
Transfer to management and administration costs	-	(6,840)	(6,840)	(3,311)
Total	£ 9,849	£ 22,558	£ 32,407	£ 36,053

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

6. MANAGEMENT AND ADMINISTRATION

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	Total Funds 9 April 2002 to 31 March 2003 £
Staff costs	-	6,535	6,535	9,749
Depreciation	-	53	53	49
Auditors' remuneration	-	2,773	2,773	2,115
Auditors' remuneration - non audit	400	353	753	529
Overheads	-	252	252	3,311
Governance costs	363	448	811	796
Total	£ 763	£ 10,414	£ 11,177	£ 16,549

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs 2004 £	Depreciation 2004 £	Other Costs 2004 £	Total Year ended 31 March 2004 £	Total 9 April 2002 to 31 March 2003 £
Costs of generating funds:					
Fund raising costs (note 3)	10,620	115	4,821	15,556	9,833
Charitable expenditure:					
Subscriptions to related organisations (note 4)	-	-	2,882	2,882	-
Africa	37,641	-	5,080	42,721	52,257
Asia and Middle East	30,317	-	36,843	67,160	41,592
Europe	4,375	-	955	5,330	1,419
Latin America	13,030	-	10,824	23,854	32,107
Conferences and events	-	-	1,216	1,216	7,010
Research and publications	16,435	-	53,612	70,047	24,843
Support costs (note 5)	23,400	986	8,021	32,407	36,053
Management and administration (note 6)	6,535	53	4,589	11,177	16,549
Subtotal charitable expenditure	131,733	1,039	124,022	256,794	211,830
Total resources expended	£ 142,353	£ 1,154	£ 128,843	£ 272,350	£ 221,663

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

8. NET INCOMING RESOURCES

This is stated after charging:

	Year ended 31 March 2004 £	9 April 2002 to 31 March 2003 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,154	813
Auditors' remuneration - statutory audit	2,773	2,115
Auditors' remuneration - other	753	529
	<u> </u>	<u> </u>

During the year, no Directors received any remuneration (2003 - £NIL).

During the year, no Directors received any benefits in kind (2003 - £NIL).

During the year, no Directors received any reimbursement of expenses (2003 - £NIL).

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

9. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	Year ended 31 March 2004 £	<i>9 April 2002 to 31 March 2003 £</i>
Wages and salaries	118,132	107,306
Social security costs	12,496	9,556
Consultants	7,750	1,934
Recruitment	2,249	662
Staff travel	382	3,734
Other staff costs	1,344	2,061
	£ 142,353	£ 125,253

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

	Year ended 31 March 2004 No.	<i>9 April 2002 to 31 March 2003 No.</i>
	5	3

No employee received remuneration amounting to more than £50,000 in either year.

All staff time is for direct charitable purposes, except that the equivalent of approximately 12% of the Co-ordinator's time and 20% of the Finance Manager's time is spent on the cost of generating funds and 6% of the Co-ordinator's time and 20% of the Finance Manager's time is spent on the management and administration of the charity.

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

10. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 April 2003	3,254
Additions	3,281
Disposals	(1,472)
	5,063
At 31 March 2004	5,063
Depreciation	
At 1 April 2003	813
Charge for the year	1,154
On disposals	(368)
	1,599
At 31 March 2004	1,599
Net book value	
At 31 March 2004	£ 3,464
	£ 2,441
At 31 March 2003	£ 2,441

11. DEBTORS

	2004 £	2003 £
Due within one year		
Trade debtors	522	-
Amounts owing from Child Soldiers Coalition Educational and Research Trust	28,284	1,890
Other debtors	50	-
	£ 28,856	£ 1,890
	£ 28,856	£ 1,890

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

**12. CREDITORS:
Amounts falling due within one year**

	2004	2003
	£	£
Trade creditors	6,245	10,597
Other creditors	-	8,398
Accruals and subscriptions in advance	21,785	2,115
Deferred income (See note 13)	31,244	-
	£ 59,274	£ 21,110

13. ACCRUALS AND DEFERRED INCOME

	2004	2003
	£	£
Amount deferred in the year (see note 12)	£ 31,244	£ -

Income is deferred where funds are received in the current year but restricted to expenditure on the programme of activities occurring in future years

14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
DESIGNATED FUNDS					
Fixed Asset Fund	-	-	-	3,464	3,464
GENERAL FUNDS					
General Funds	27,890	141,509	(117,461)	(3,569)	48,369
Total unrestricted funds	27,890	141,509	117,461	(105)	51,833

The fixed asset fund has been established to represent the net book value of unrestricted tangible fixed assets. Each year an amount will be transferred to or from the fund representing the movement in the net book value of unrestricted tangible fixed assets in the year.

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Finnish grant	-	81,322	(81,322)	-	-
Dutch grant	-	31,250	(25,607)	-	5,643
Research and publications	-	78,552	(47,960)	105	30,697
Subtotal	-	191,124	(154,889)	105	36,340
Total of Funds	£ 27,890	£ 332,633	£ (272,350)	£ -	£ 88,173

Restricted funds are funds given for specific purposes. The movement on the restricted funds during the year are detailed above. For a description of the restricted funds refer to the review of activities in the Directors' Report.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	Total Funds 9 April 2002 to 31 March 2003 £
Tangible fixed assets	-	3,463	3,463	2,441
Current assets	36,340	107,645	143,985	46,558
Creditors due within one year	-	(59,275)	(59,275)	(21,109)
Total	£ 36,340	£ 51,833	£ 88,173	£ 27,890

16. RELATED PARTY TRANSACTIONS

The 'Child Soldiers Coalition Educational and Research Trust Ltd', a charitable company (Company Number - 4458380) works closely with the 'Coalition to Stop the Use of Child Soldiers'. Martin Macpherson is a director of both companies. There were payments made in the year totalling £73,891 in respect of costs incurred on Trust's projects, recharged salary and overhead costs. There was also grant income received in the year by the Trust on behalf of the Coalition totalling £42,684. At the year end the Trust owed the Coalition £28,284 (see note 11). The directors consider that the charges were made on an 'at arms length basis'

All the directors are employed by companies that are members of the Steering Committee of the Coalition. These organisations paid subscriptions of £11,868 in the year. The Coalition also paid these companies for various services in the year totalling £26,684.

The Company rents its premises from one of the members of the steering committee at annual rent of £14,155. This is considered to be a fair charge.

COALITION TO STOP THE USE OF CHILD SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

17. TAXATION

The company is not a charity but the directors consider there is no liability to tax on grant funded activities as they are not in the nature of a trade. Bank interest receivable is taxable but the amount is below the current tax threshold.