

Registered number: 4458380
Charity number: 1095237

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2004

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2004

Directors	Mr Derek Brett Mr Martin Macpherson Ms Anita Tiessen
Company Registered Number	4458380
Charity Registered Number	1095237
Registered Office	2nd Floor 2-12 Pentonville Road London N1 9HF
Secretary	Mr Casey Kelso
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 OER

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

DIRECTORS' REPORT For the year ended 31 March 2004

The Directors, who are also trustees of the charity for the purposes of the Charities Act, submit their annual report and the financial statements of the Child Soldiers Coalition Educational and Research Trust (the Trust) for the year ended 31 March 2004. The Directors confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

Method of appointment or election of Directors

The management of the charity is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

At each AGM all the directors retire from the office but are eligible for re-election by the Trust.

Constitution policies and objectives

The Child Soldiers Educational and Research Trust ("the Trust") is registered as a charitable company. It was incorporated on 11 June 2002 to undertake those aspects of the work of the Coalition to Stop the Use of Child Soldiers ("CSCS Ltd") which are charitable under United Kingdom Law.

The Trust's charitable objects are to relieve, rehabilitate and re-integrate children and persons who are or have been, child soldiers by providing such facilities, services, public education, advice, information and other forms of support as are charitable.

The activities of the Trust are managed on behalf of its directors by the Coalition to Stop the use of Child Soldiers Ltd (CSCS Ltd). The Trust was registered as a charitable entity on 6 January 2003, and remains independent from CSCS Ltd.

Organisational structure and decision making

The worldwide Child Soldiers Coalition (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 established an international Steering Committee to provide overall direction to the coalition, to set broad strategic directions, to define policies and priorities. They are each represented by one designated individual on the Steering Committee. The 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. The International Committee of the Red Cross and UNICEF also participate in the Steering Committee meetings, as official observers. Mr. Martin Macpherson is employed by an organisation which is a member of the Steering Committee; Ms Anita Tiessen serves the Trust in a personal capacity, and is employed by a branch of an organisation which has observer status on the Steering Committee; Mr. Derek Brett attends as honorary treasurer of CSCS Ltd. International Steering Committee meetings are held twice a year.

Following evaluation and consultation among its partner organisations, CSCS Ltd's Steering Committee adopted a 2002-2006 Strategic Plan that defined the broad 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. This document is periodically updated but substantial revision must be agreed upon by the Steering Committee. The trustees have reviewed this strategic plan and agreed to adopt it as the Trust's own strategy in so far as its charitable elements fit within the Trust's objects and powers.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

The Trust jointly employs three staff members with CSCS Ltd, with all activities being carried out in conjunction with the staff at CSCS Ltd, according to the terms of an agreement between the two entities. The Trust reimburses CSCS Ltd for carrying out such commissioned work as the Trust's directors determine.

Review of activities, Financial Position and Future Developments

Great Lakes regional work

Funding from the Oak Foundation was received by the Trust for a project for building the capacity of NGOs in the Great Lakes region of Central Africa to work on child soldier issues. The overall aim of the project was to promote international standards on the prohibition of military recruitment of boys and girls, and promising approaches for demobilisation and rehabilitation through advocacy and capacity building initiatives with local non-governmental organisations (NGOs) in the Great Lakes region and within each country.

The programme officer for Africa undertook two missions to the Great Lakes region during this period, where he met with national coalitions at a regional meeting, and assisted the Regional Coordinator in developing detailed work plans for the coming year. The Programme Officer in London assumed the regional coordinator role until that post was appointed in June 2003, based in an office in Kampala, Uganda. From that date, the new Regional Coordinator travelled to the Democratic Republic of the Congo, Burundi and Uganda to support the creation and capacity-building of national Coalitions in those countries. He did so by launching a sustained program of training, support to local coordination of the National Coalitions, and research visited on specific country situations and priority themes, such as a trip to Northern Uganda and facilitation of a discussion on the needs of girl child soldiers through the organising of a Great Lakes regional strategy workshop in February 2004. Oak Foundation's funding of this programme ended on 31st March 2004. In accordance with note 1.4 to the accounts, the full income from this grant was recognised in the year in which the programme started, which was 2002-03. The costs of this work in 2003-04 were £35,296.

Promising practices in rehabilitation, reintegration, reconciliation and accountability

The Trust also received funding from the Diana, Princess of Wales Memorial Fund for a project 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. Implementation of this three-year project by CSCS Ltd on the Trust's behalf began on 1st April 2003. Much of the work commissioned by the Trust from the 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 Trust will be seeking clarification regarding the timing of future payments and discussing with the donor certain adjustments to the work plan necessitated by these developments. Whatever the outcome, the Directors consider that there are no implications for the overall financial viability of the Trust.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

Funds received towards this work programme were £35,000 in the year. In accordance with note 1.4 to the accounts, this full amount has been recognised as income in the year, and none deferred. The costs of this work in the year amounted to £19,079.

In carrying out the limited work in the "promising practices" project, Coalition staff and volunteers undertook the preparation work for the worldwide research survey of demobilisation projects for child soldiers. This involved creating and testing a detailed mapping questionnaire to track funding for demobilisation initiatives, resources utilised for such work and the human resources involved in carrying out the programmatic work. This preparation work also included writing a detailed work plan and designing a job description and person specification for a consultant to carry out the project, the creation of an induction program that included meetings with Coalition member NGOs, and the writing and placement of the advertisement for the post. A second, shorter questionnaire was later developed and field tested as a pilot survey tool with UNICEF field officers and NGOs from Thailand, Indonesia and Philippines.

Staff members and volunteers initiated and completed a review of the available literature on child soldiers' disarmament, demobilisation and rehabilitation, creating an extensive bibliography on key reports, guidelines, books and evaluations available publicly. With almost 100 entries of key child soldier demobilisation and rehabilitation documents, each were read and concisely summarised for each individual database entry, with electronic versions located, down-loaded and stored.

Work also entailed producing a policy paper regarding the issue of juvenile justice and child soldiers, which was posted on the Coalition's website and circulated to the Coalition's membership worldwide through the Coalition's March 2003 Newsletter.

To facilitate Coalition-wide information sharing on guidelines on good practice in child soldier demobilisation and rehabilitation, a flexible web site was initiated to allow National Coalitions and Regional Coalitions in Africa, Latin America, Middle East and Southeast Asia greater access. This work entailed drafting detailed specifications of design requirements, including a unique site devoted solely to discussing issues related to demobilisation, dissemination of appropriate resources and reporting on numerous meetings on the new website.

Project implementation also included travel to Colombia in November 2003 to meet with Colombia government officials, UN agencies, embassies and IGOs in Colombia on - among other issues - programmes involving the demobilisation of child soldiers. A Latin America Regional Coordination meeting held at the same time consolidated the plans on researching the prevention of recruitment and the proper demobilisation of child soldiers in the region.

Capacity Building initiatives

In the period under consideration, the Diana Fund also funded a related project on building the capacity for child soldiers work by NGOs in Southeast Asia, the Middle East, Latin America and the Great Lakes region of Central Africa. The overall aim of the project was: the strengthening the Coalition worldwide network; 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 on-going programme of work is the facilitation of the creation of regional networks supported by full-time regional coordinators.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

In Southeast Asia, a Regional Coordinator, based in the Philippines, was hired in 2003 through this project. That person carried out research, supported national coalitions in Thailand, Indonesia and the Philippines. In March 2004, the Regional Coordinator helped plan, organise and run a regional coordination meeting of the Southeast Asia Child Soldiers Coalition.

In Latin America, the project supported the continuing role of the Regional Coordinator in promoting new National Coalitions in Brazil and Ecuador and an ambitious regional activity plan. The project Trust supported the Latin America Regional Coordinator's office costs and salary, and formed the core funding used to raise matching grants from UNICEF and other funders. Some costs of regional coordination were met through the project funding.

In the Middle East, the Middle East and North Africa (MENA) NGO Network was based in Amman, Jordan, and the project provided travel and administrative costs for an unpaid volunteer Regional Coordinator. Program activities 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. The project facilitated participation of London-based staff, who organised capacity-building sessions in governance, research techniques and monitoring.

In furtherance of capacity building in Central Africa, the Coalition held its first strategy workshop for the Great Lakes in June 2003 that brought together over forty representatives of local, regional and international organisations working on child soldier issues. National coalitions were formed and a regional action plan developed, with the foundation laid for a Great Lakes coordination mechanism. 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. The Regional Coordinator's salary and the office running costs of the regional secretariat in Kampala, Uganda were supported by this grant.

A Steering Committee meeting in Geneva brought together all the Regional Coordinators for policy discussions, a review of regional developments and a capacity-building workshop on advocacy. The workshop was facilitated by an experienced trainer and provided first-hand practical experience in lobbying at the 59th Session of the Commission on Human Rights.

The project also underwrote the development of an improved website and document database for use by Regional Coordinators, NGO Coalition members and the public in networking on the issue of children in armed conflict. The website will provide a hosted webpage on which each of the National Coalitions will be able to post their latest press releases and other relevant information. The project also provided computer resources, in the form of a laptop, for the Coalition's use.

Funds received towards this work programme were £37,000 in the year. In accordance with note 1.4 to the accounts, this full amount has been recognised as income in the year, and none deferred. The costs of this work in the year amounted to £19,042.

Activities since the year end

In addition to the funded programmes detailed above, activities after the period indicated have included:

- Review and evaluation of the project to plan out how to take forward the activities of the project on reviewing practice in the demobilisation of child soldiers supported by the Diana, Princess of Wales Memorial Fund.
- Detailed plans for dissemination of information on child soldier demobilisation, with specific focus on facilitating debate and discussion over psychosocial approaches to the issue on a website discussion forum.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

Volunteers; Risk Management; Reserves Policy

The Trust has benefited from volunteers working for CSCS Ltd, and will continue to do so.

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, and are developing a risk register and a framework for a formal annual risk review. This will identify and monitor risks faced by the Coalition, help mitigate significant impacts, and help systematically embed such procedures into day-to-day operations. Since most of the Trust's work is undertaken by CSCS Ltd, the directors will develop the Trust's risk review in close co-operation with CSCS Ltd's own risk procedures.

It is the Trust'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 committed costs, or cover a prudent estimate of the costs of winding-up, whichever is greater. Due to the relationship between the Trust and CSCS Ltd, the Trust's unrestricted committed costs are negligible at 31 March 2004, whilst free reserves are £6,560.

Directors' responsibilities

Company and charity law applicable to charities in England and Wales 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 charity and of the surplus or deficit of the charity 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 Trust will continue in operation).

The Directors have overall responsibility for ensuring that the charity 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 charity and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the charity 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 charity 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)

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

Under section 247B of the Companies Act 1985

We have audited the financial statements of Child Soldiers Coalition Educational and Research Trust for the year ended 31 March 2004 set out on pages 9 to 14. 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 on page 11.

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 charity 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 charity 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 charity'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.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST Under section 247B of the Companies Act 1985

OPINION

In our opinion the financial statements give a true and fair view of the state of the charity'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:

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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 11 June 2002 to 31 March 2003 £
INCOMING RESOURCES					
Donations, legacies and similar incoming resources	2	72,000	7,212	79,212	37,186
Bank interest receivable		-	262	262	-
TOTAL INCOMING RESOURCES		<u>72,000</u>	<u>7,474</u>	<u>79,474</u>	<u>37,186</u>
RESOURCES EXPENDED					
<i>Charitable expenditure:</i>					
Costs of activities in furtherance of the charity's objects:					
Regional coordinator costs		21,425	-	21,425	-
Regional conferences and workshops		15,330	-	15,330	-
Fees for programme staff time		18,333	-	18,333	1,278
Other programme costs		15,998	-	15,998	-
Programme support overheads		2,331	-	2,331	612
Resources expended on managing and administering the charity		-	620	620	294
TOTAL RESOURCES EXPENDED		<u>73,417</u>	<u>620</u>	<u>74,037</u>	<u>2,184</u>
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR					
		(1,417)	6,854	5,437	35,002
TOTAL FUNDS AT 1 APRIL 2003		35,296	(294)	35,002	-
TOTAL FUNDS AT 31 MARCH 2004		<u>£ 33,879</u>	<u>£ 6,560</u>	<u>£ 40,439</u>	<u>£ 35,002</u>

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

The notes on pages 11 to 14 form part of these financial statements.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

BALANCE SHEET As at 31 March 2004

	Note	£	31 March 2004 £	£	31 March 2003 £
CURRENT ASSETS					
Cash at bank		69,311		86,186	
CREDITORS: amounts falling due within one year	6	(28,872)		(51,184)	
NET CURRENT ASSETS			<u>40,439</u>	<u></u>	<u>35,002</u>
NET ASSETS	9		<u>£ 40,439</u>	<u>£</u>	<u>35,002</u>
CHARITY FUNDS					
Restricted Funds	8		33,879		35,296
Unrestricted - General Funds	8		6,560		(294)
			<u>£ 40,439</u>	<u>£</u>	<u>35,002</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:

Ms Anita Tiessen

The notes on pages 11 to 14 form part of these financial statements.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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 Trust is a registered charity and a company limited by guarantee. The members of the company are the company secretary, Mr Casey Kelso and the directors, Mr Martin Macpherson, Ms Anita Tiessen and Mr Derek Brett. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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 charity 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 charity 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 Trust is legally entitled to the income, except where funds are received in the current year but restricted to expenditure on programmes of activities wholly occurring in future years, in which case such income is deferred.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all 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.

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).

1.7 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.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	<i>Total Funds 11 June 2002 to 31 March 2003 £</i>
Oak Foundation	-	-	-	37,186
Diana Princess of Wales Memorial Fund	72,000	-	72,000	-
Government of Kuwait	-	5,000	5,000	-
Sundry donations	-	2,212	2,212	-
	<hr/>	<hr/>	<hr/>	<hr/>
Donations, legacies and similar incoming resources	£ 72,000	£ 7,212	£ 79,212	£ 37,186
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	Year ended 31 March 2004 £	<i>11 June 2002 to 31 March 2003 £</i>
Auditors' remuneration	588	294
	<hr/>	<hr/>

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).

4. RESOURCES EXPENDED

As indicated in the directors' report, the Trust's charitable activities are mostly undertaken by CSCS Ltd, which reviews the work of its various programmes and determines the total cost of its work undertaken within the Trust's charitable objects. The costs of these charitable activities are recharged to the Trust to the extent determined by agreement between the two entities. Where this recharge is lower than the total costs of charitable work undertaken by CSCS Ltd, the Trust receives the benefit of any balance, free of charge, as a charitable donation from CSCS Ltd. Such costs incurred in this year of £73,711 have been fully recharged to the Trust, and therefore CSCS Ltd made no separate charitable donation to the Trust under this agreement during this period.

5. TAXATION

As a registered charity, the Trust should not by virtue of statute or concession be chargeable to corporation tax on the income it receives. In light of the provisions concerning charities in the Finance Act 1986, no taxation liability arises.

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

6. CREDITORS:

Amounts falling due within one year

	2004	2003
	£	£
The Coalition to Stop the Use of Child Soldiers	28,284	1,890
Accruals	588	294
Deferred income (note 7)	-	49,000
	<u>£ 28,872</u>	<u>£ 51,184</u>

7. DEFERRED INCOME

	2004	2003
	£	£
Amount bought forward	49,000	-
Amount released in the year	(49,000)	-
Amount deferred in the year	-	49,000
	<u>£ -</u>	<u>£ 49,000</u>

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

CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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

8. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
UNRESTRICTED FUNDS				
General Funds	(294)	7,474	620	6,560
RESTRICTED FUNDS				
Oak Fund	35,296	-	35,296	-
Diana Fund - DDR	-	35,000	19,079	15,921
Diana Fund - Capacity-building	-	37,000	19,042	17,958
Subtotal	35,296	72,000	73,417	33,879
Total of Funds	£ 35,002	£ 79,474	£ 74,037	£ 40,439

The Oak Fund is for a Capacity Building project which took place in the Great Lakes between February 2003 and March 2004.

The Diana Fund (DDR) is for a project to identify the general principals that should be applied in programmes designed to re-integrate child soldiers into their societies.

The Diana Fund (Capacity-building) is for a project on building the capacity for child soldiers work by NGOs in Southeast Asia, the Middle East, Latin America and the Great Lakes region of Central Africa.

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds Year ended 31 March 2004 £	<i>Total Funds 11 June 2002 to 31 March 2003 £</i>
Current assets	33,879	35,432	69,311	86,186
Creditors due within one year	-	(28,872)	(28,872)	(51,184)
Total	£ 33,879	£ 6,560	£ 40,439	£ 35,002

10. RELATED PARTY TRANSACTIONS

The Trust's relationship with CSCS Ltd is described in the directors' report and note 4 above. Note 4 also details relevant transaction amounts. There were no other transactions between the Trust and related parties in the year.

Mr Martin Macpherson is also a director of The Coalition to Stop the Use of Child Soldiers. Further relationships between the Trust's directors and the Coalition's International Steering Committee are also described in the director's report.