

**CHILD SOLDIERS COALITION  
EDUCATIONAL AND RESEARCH  
TRUST**

**(Company limited by guarantee no. 4458380  
registered charity no. 1095237)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2006**

**CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST**  
(Company limited by guarantee no. 4458380, registered charity no. 1095237)

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**REPORT AND FINANCIAL STATEMENTS**  
For the year ended 31 March 2006

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## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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### LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2006

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|---------------------------------|--|
| <b>Directors</b>                | Derek Brett<br>Martin Macpherson<br>Anita Tiessen  |
| <b>Company Secretary</b>        | Andrew Lowton  |
| <b>Director/Chief Executive</b> | Victoria Forbes Adam   |
| <b>Company reg. no.</b>         | 4458380  |
| <b>Charity reg. no.</b>         | 1095237  |
| <b>Registered office</b>        | 2nd Floor<br>2-12 Pentonville Road<br>London<br>N1 9HF   |
| <b>Auditors</b>                 | Gotham Erskine<br>Chartered Accountants & Registered Auditors<br>Friendly House<br>52 - 58 Tabernacle Street<br>London<br>EC2A 4NJ |
| <b>Bankers</b>                  | Natwest Bank plc<br>PO Box 8036<br>218 Upper Street<br>London<br>N1 1SP  |
| <b>Solicitors</b>               | Charity Law Services<br>130 Barnsbury Road<br>London<br>N1 0ER   |

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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### DIRECTORS' REPORT

(including the Trustees' Annual Report)

For the year ended 31 March 2006

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The Directors, who are also the 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 for the year. 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 (revised 2005)'.

#### Structure, governance and management

The Child Soldiers Coalition Educational and Research Trust is registered as a charitable company. It was incorporated in 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 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 directors retire from the office but are eligible for re-election.

The worldwide Child Soldiers Coalition (the Coalition) was formed in 1998 by leading non-governmental organizations, to combine their separate efforts to end the military recruitment and participation in armed conflict of all children below 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. Current 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 of Terre des Hommes, and World Vision International. Handicap International, the International Committee of the Red Cross, the International Labour Organization and UNICEF participate as observers in the Steering Committee's twice-yearly meetings.

The Steering Committee of the Coalition is committed to ensuring that all new Directors / trustees receive an excellent induction both to the work of the Coalition and the Trust, and to the roles and responsibilities of their positions. No such appointments have been made in the year under review.

Some of the Trust's activities are managed on behalf of its Directors by the Coalition to Stop the use of Child Soldiers Ltd (CSCS Ltd). The Trust remains independent from CSCS Ltd. Following recent changes in the Charity Commission's treatment of human rights work, and following the Strategic Review carried out in 2005, the Steering Committee intends to apply to the Charity Commission to merge both entities under new, expanded charitable objects.

#### Risk

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 have developed a risk register and a framework for a formal annual risk review. This identifies and monitors risks faced by the Coalition, helps mitigate significant impacts, and helps systematically embed such procedures into day-to-day operations.

**DIRECTORS' REPORT**

(including the Trustees' Annual Report)

**For the year ended 31 March 2006**

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**Objectives and activities**

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.

Strategic Review and Strategic Plan 2006-2010

In 2005 the Baring Foundation funded a major review of the Coalition's and Trust's strategy, policy and objectives. The review process involved consultation with member organizations and key stakeholders worldwide on its recent performance and in defining priority activities for the future. Following the consultation, Steering Committee members and staff worked to develop a Strategic Plan for work over the next five years (to 2010). The plan, which was adopted by the Steering Committee at its February 2006 meeting, sets out the organization's operational aims and provides some details on activities to support these over the next period. The operational aims are as follows:

- \*\* To campaign for the universal ratification (with a minimum age of 18 for voluntary recruitment) and effective implementation of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict.
- \*\* To advocate against the recruitment and use of child soldiers by armed political groups and to secure the release of those children in their ranks.
- \*\* To end the culture of impunity for those who recruit and use child soldiers.
- \*\* To promote improved and effective practices of disarmament, demobilization, rehabilitation and reintegration (DDR) for child soldiers.

A fifth aim concerns internal organizational changes:

- \*\* To clarify the organizational structure and support needed to implement the Strategic Plan

There are two main areas of activity to attain this objective. Firstly, to improve the efficacy of operations at the International Secretariat, including through increased staff support for financial management, operational administration and fundraising. Secondly, to review and rationalize the Coalition's governance structure, and provide better support to regional and national structures.

The review process was supported by consultants who compiled responses to the stakeholder consultation and carried out a separate operational review of the Secretariat. The process was funded by the Baring Foundation through the Trust.

The Trust benefits occasionally from volunteers. In the year under review, a clinical psychologist has provided consultancy services, partly on a voluntary basis. She has contributed greatly to the Coalition's work on psychosocial aspects of demobilization and the reintegration of children affected by armed conflict. Other specialist volunteers are occasionally used, but the Trust does not routinely use non-specialist volunteers, due to current space constraints.

**DIRECTORS' REPORT**

(including the Trustees' Annual Report)

**For the year ended 31 March 2006**

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**Achievements and performance**

**INTERNATIONAL PROGRAMS**

Ending children's involvement in armed political groups

In mid 2005 the Coalition embarked on a major innovative project, funded jointly by the Trust and the Company, to address the recruitment and use of children by armed political groups. At the core of the project is an international forum, to be held in July 2006, which will bring together Coalition partners and a diverse range of practitioners with direct experience in this field. The forum will aim to contribute to increased knowledge, better collaboration and more effective strategies for ending the use of children by armed political groups.

From mid-2005 Coalition staff members were involved in the research and preparation of a report to be circulated to the forum's 45 participants in advance of the meeting. The document will be used as a resource tool to examine the various ways in which governments and other organizations have approached armed groups. Six consultants were employed to prepare case studies on a selection of armed opposition groups fighting government forces. The case studies examine the political and socioeconomic context in which the groups emerged, their military and political objectives, the possible rationale for their recruitment and use of child soldiers as well as the impact of any significant initiatives to influence these practices.

Consultants also worked on separate chapters to provide a review of strategies to influence or encourage armed groups to respect human rights and child rights norms. Such approaches have included dialogue on specific questions such as ending the use of landmines, or have occurred in the context of broader peace negotiations. Dialogue to obtain agreement on the delivery of humanitarian assistance to war-torn areas represents another approach. UN entities and human rights organizations have also investigated and denounced specific human rights abuses by such groups and have lobbied for changes in policy and practice.

Advocacy at the European Union

The appointment of an outreach officer based in Brussels, in July 2005 greatly enhanced the capacity of the Coalition to engage with the European Union (EU) and to lobby for implementation of its Guidelines on Children Involved in Armed Conflict, which were adopted in December 2003. The guidelines call for EU engagement on this issue and set out a range of actions (dialogue, interventions, support to projects, preventive approaches, early warning mechanisms) to influence and assist governments to take action.

The outreach officer has provided numerous briefings to the governments holding the EU presidency and others on priorities and needs of current and former child soldiers in various countries. He has also assisted national coalition partners in countries such as the Philippines to develop their own lobbying strategies and to develop their knowledge about EU institutions and how they function. The trips will serve as preparation for visit by representatives from Coalition partners in these areas to Brussels during 2006-07. The post and its related activities are jointly funded via the Trust and the Company.

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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### DIRECTORS' REPORT

(including the Trustees' Annual Report)

For the year ended 31 March 2006

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#### REGIONAL ACTIVITIES

##### Africa - Great Lakes Region

In the Great Lakes Coalition member organizations in Burundi, Democratic Republic of the Congo (DRC) and Uganda are working on a 21-month project which began in July 2005 and will continue to March 2007. Following the resignation (for personal reasons) of the Regional Coordinator in September 2005, an international consultant was employed. She started work in January 2006 and has since travelled between the three countries to work "hands on" with member organizations. The project is jointly funded via the Trust and the Company. Activities throughout the year focused on preparation of a series of capacity building and public education events and materials. The core activities are:

*Workshops on monitoring and reporting on child soldiers.* The workshops involve sections on how to set up a monitoring system, how to use a standard format for reporting on individual cases or incidents, how to produce a balanced and objective report on individual cases as well as general patterns of recruitment and use.

*Local advocacy and community strategies to protect children.* The meetings bring together regional and local military commanders, armed group leaders (when feasible), local government authorities and civil society actors. The meetings will seek the release of children currently associated with armed groups as well as developing community strategies for preventing recruitment. Awareness-raising meetings with families and community representatives will be held in selected locations to focus on problems with the reintegration of former child soldiers.

*Building public awareness: radio programs and public information.* Coalition partners are planning a series of radio programs for broadcasting on public, private or community radio stations. The programs will respond to local needs and address current issues. These might include national laws banning child recruitment, community prevention strategies, action to assist children's return to their communities and so on. A series of accessible and informative materials on child rights and legal protection (international and national laws) relating to child recruitment and use will also be produced.

By March 2006 awareness-raising events had been held in Burundi and the DRC, including showings of a video about child soldiers in Burundi, followed by discussion on ways to protect children from involvement in armed conflict. Production of posters and leaflets was under way and the first training sessions are planned for July.

##### West Africa

The West Africa program was initiated in late 2004 and developed apace throughout 2005-06. Funded by the Baring Foundation via the Trust, the Coalition's project manager – based in Dakar, Senegal – worked throughout the year on a major survey of child demobilization and reintegration programs in Cote d'Ivoire, Guinea, Liberia and Sierra Leone. The survey, which was completed in March 2006, is a unique document which maps a vast array of initiatives, from those run by international organizations to grassroots programs at the local level. The survey has made a valuable contribution to children's charities in the region by identifying programming needs and priorities not yet fully addressed. The Coalition's project manager has visited Brussels and several Scandinavian countries where he met government officials, donor organizations and children's aid organizations to present the reports' findings and highlight programming needs in the region.

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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### DIRECTORS' REPORT

(including the Trustees' Annual Report)

**For the year ended 31 March 2006**

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From early April 2005 the Coalition began to support the creation of a network of community based organizations in the region. The network, to which the Coalition provides partial financial support, will seek better coordination of work with former child soldiers by local NGOs, carry out research and serve as a mechanism for building the capacity of local organizations. The network comprises organizations from the four countries mentioned above.

#### Coordinating regional work

The Trust has continued to partially fund the Coalition's regional coordinator posts in the Great Lakes region of Africa and in Southeast Asia. The coordinators provide support and advice to national coalition members as well as initiating regional advocacy projects. In the Philippines, for example, the regional coordinator played a major role in organizing a forum in November 2005 in Manila in which Coalition representatives from the region looked at ways to approach non-state armed groups to end their use of child soldiers.

#### Assisting former child soldiers - researching needs and priorities

The Diana Princess of Wales Memorial Fund continued to fund Coalition members mapping of DDR projects, identifying projects – from the community to the international level – working to assist former child soldiers reintegrate with their families and communities. The survey results are widely disseminated to governments, donors and aid organizations as they provide vital information on existing capacity, priorities and needs in this field. During the year mapping was carried out in Southeast Asia (along the Thai-Myanmar border and in the Philippines), in Latin America and, as noted, in West Africa.

The Coalition's DDR bibliography – available on its website – now runs to hundreds of documents with information and analysis on programs to assist former child soldiers all over the world. The organization's psychosocial webpage has developed throughout the year. Edited and facilitated by a nationally-recognized British clinical psychologist, its purpose is to foster a constructive inter and intra-disciplinary dialogue on relevant psychosocial issues in the area of children and armed conflict. In 2005-06 the Trust increasingly funded translations of key documents from the bibliography and the webpage into French and Spanish.

#### **Financial review**

Substantial financial support was obtained from grant making organizations. These funds were enhanced by small donations from individuals and groups in the United Kingdom and elsewhere, indicating the broad base of popular support enjoyed by the Coalition. The Coalition's thanks go to all those who contributed financially. As a result, both income and expenditure have risen substantially in the year under review. Financial information is set out in the statutory accounts appended to this report.

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 2006, whilst free reserves are £2,459.

**DIRECTORS' REPORT**

(including the Trustees' Annual Report)

**For the year ended 31 March 2006**

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**Plans for future periods**

Strategic planning – initiated by last year's review – will continue throughout 2006-07 and will focus on linking all the Coalition's activities to the four strategic objectives defined in the plan. A related objective will be to clarify the roles and responsibilities of each national coalition, their relationship to the International Secretariat, and the nature and substance of activities carried out in the name of the Coalition across the world.

The Coalition's major project to address child soldier recruitment and use in non-state armed groups will form a key part of our work in 2006-07, and further actions closely linked to the project will be carried out over the next two years. The international forum on this topic will be held in July 2006 in Geneva. It is anticipated that a major publication will result from the forum. A public event will be held towards the end of 2006 to launch the report. It will draw international attention to this issue and publicize the Coalition's future actions to end child recruitment by non-state armed groups.

Program activities will continue across the regions. In the Great Lakes training on monitoring and reporting on child recruitment use will be ongoing throughout the year, along with a range of public education and community awareness raising activities. Advocacy at the European Union will continue, with a focus on strengthening the knowledge and capacity of national coalitions to lobby for child soldier needs in their own countries with EU representatives in their own countries, as well as through visits to Brussels which will be sponsored and coordinated by the Coalition's EU outreach officer. Our network of community-based organizations in West Africa was established with a block grant from the Baring Foundation in 2005-06. It is anticipated that the network will gather strength during the forthcoming year, and will start to engage in its own advocacy and capacity building activities to address the needs of former child soldiers in the region.

From an organisational perspective, the Steering Committee are committed to improving the efficiency of the Coalition's London operations. It has been identified that the most effective way to do so is to merge the two component entities that make up the International Secretariat, namely the Trust and the Coalition to Stop the Use of Child Soldiers Ltd. Since recent changes in Charity Commission guidance, the Directors understand that all the work of the International Secretariat can be deemed charitable. During 2006/07, an application will be made to the Charity Commission to merge both entities under new, expanded charitable objects.

**Statement of 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 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 Charity will continue in operation).

**DIRECTORS' REPORT**

(including the Trustees' Annual Report)

**For the year ended 31 March 2006**

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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 Companies Act 1985. 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**

The auditors, Gotham Erskine have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

**Small company special provisions**

The report of the Directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Directors on 21 June 2006 and signed on its behalf by:

Andrew Lowton  
Secretary

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

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We have audited the financial statements of Child Soldiers Coalition Educational and Research Trust for the year ended 31 March 2006 which comprise Statement of Financial Activities, Summary of Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirement of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the Company's Directors, 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 Directors 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Child Soldiers Coalition Educational and Research Trust for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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) (Companies (Northern Ireland) Order 1986). We also report to you if, in our opinion, the Trustees' Annual 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 trustees' remuneration and transactions is not disclosed.

We read the Directors's Annual 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 International Standards on Auditing (UK and Ireland) 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the Company's affairs as at 31 March 2006, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- \* have been properly prepared in accordance with the Companies Act 1985.

**Gotham Erskine**  
Chartered Accountants  
& Registered Auditors  
Date:

Friendly House  
52-58 Tabernacle Street  
London, EC2A 4NJ

**CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**

**(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)**

**For the year ended 31 March 2006**

|   | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>Funds  | <i>Total<br/>Funds</i> |
|---|-----------------------|---------------------|-----------------|------------------------|
| Note  | 2006                  | 2006                | 2006            | 2005                   |
|   | £                     | £                   | £               | £                      |
| <b>INCOMING RESOURCES</b>                                     |                       |                     |                 |                        |
| Incoming resources from generated funds:                      |                       |                     |                 |                        |
| Voluntary income  | 2                     | 420                 | 159,972         | 160,392                |
| Bank interest receivable                                      |                       | 1,939               | 1,939           | 879                    |
| <b>TOTAL INCOMING RESOURCES</b>                               |                       | <b>2,359</b>        | <b>159,972</b>  | <b>162,331</b>         |
| <b>RESOURCES EXPENDED</b>                                     |                       |                     |                 |                        |
| Cost of activities in furtherance of the<br>Charity's objects |                       |                     |                 |                        |
| Regional Programmatic Work                                    |                       | 218                 | 109,986         | 110,204                |
| Research and Publication                                      |                       | -                   | 20,870          | 20,870                 |
| Advocacy and Development                                      |                       | -                   | 15,894          | 15,894                 |
| Other costs   |                       | 371                 | -               | 371                    |
| Governance costs  |                       | 1,933               | -               | 1,933                  |
| <b>TOTAL RESOURCES EXPENDED</b>                               |                       | <b>2,522</b>        | <b>146,750</b>  | <b>149,272</b>         |
| Net income/(expenditure) before transfer                      |                       | (163)               | 13,222          | 13,059                 |
| Transfer between funds  | 9                     | (4,203)             | 4,203           | -                      |
| <b>NET MOVEMENT IN FUNDS</b>                                  |                       | <b>(4,366)</b>      | <b>17,425</b>   | <b>13,059</b>          |
| TOTAL FUNDS AT 1 APRIL 2005                                   |                       | 7,477               | 41,699          | 49,176                 |
| <b>TOTAL FUNDS AT 31 MARCH 2006</b>                           |                       | <b>£ 3,111</b>      | <b>£ 59,124</b> | <b>£ 62,235</b>        |
|   |                       | <b>£ 49,176</b>     |                 |                        |

The annexed notes form part of these financial statements

**CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST (company limited by guarantee)**

**BALANCE SHEET**  
As at 31 March 2006

|   | Notes | 2006            | 2005            |
|---|-------|-----------------|-----------------|
|   |       | £               | £               |
| <b>FIXED ASSETS</b>                                   |       |                 |                 |
| Tangible assets                                       | 6     | 652             | 870             |
| <b>CURRENT ASSETS</b>                                 |       |                 |                 |
| Debtors   | 7     | 29,306          | 13,820          |
| Cash at bank and in hand                              |       | 51,835          | 67,344          |
|   |       | <u>81,141</u>   | <u>81,164</u>   |
| <b>CREDITORS: amounts falling due within one year</b> | 8     | (19,558)        | (32,858)        |
| <b>NET CURRENT ASSETS</b>                             |       | <u>61,583</u>   | <u>48,306</u>   |
| <b>NET ASSETS</b>                                     |       | <u>£ 62,235</u> | <u>£ 49,176</u> |
| <b>FUNDS</b>  |       |                 |                 |
| Restricted funds                                      | 9     | 59,124          | 41,699          |
| Unrestricted funds:                                   |       |                 |                 |
| Designated funds                                      | 9     | 652             | 870             |
| General fund  | 9     | 2,459           | 6,607           |
|   |       | <u>£ 62,235</u> | <u>£ 49,176</u> |

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005). They were approved by the Directors on 21 June 2006 and signed on their behalf by:-

\_\_\_\_\_ MARTIN MACPHERSON,

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

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1. ACCOUNTING POLICIES

***Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP (Statement of Recommended Practice: "Accounting and Reporting by Charities (revised February 2005)") and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The effects of events relating to the year ended 31 March 2006 which occurred before the date of approval of the financial statements by the Directors has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2006 and the results for the year ended on that date.

***Company status***

Child Soldiers Coalition Educational and Research Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The members of the company are the company secretary, Andrew Lowton and the directors, Martin Macpherson, Anita Tiessen and Derek Brett.

***Fund accounting***

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

***Incoming resources***

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

When 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.

***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. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Trustees' meetings, audit and strategic planning.

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

#### ***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

#### 2. VOLUNTARY INCOME

|   | Unrestricted<br>Funds<br>2006<br>£ | Restricted<br>Funds<br>2006<br>£ | Total<br>Funds<br>2006<br>£ | <i>Total<br/>Funds<br/>2005<br/>£</i> |
|---|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Baring Foundation   | -                                  | 64,067                           | 64,067                      | -                                     |
| Diana Princess of Wales Memorial Fund                                       | -                                  | 30,000                           | 30,000                      | 58,000                                |
| Rowan Charitable Trust  | -                                  | 3,000                            | 3,000                       | -                                     |
| Ryklow Charitable Trust   | -                                  | 500                              | 500                         | -                                     |
| Tinsley Charitable Trust  | -                                  | 1,000                            | 1,000                       | -                                     |
| Joffe Charitable Trust  | -                                  | 5,000                            | 5,000                       | -                                     |
| Westcroft Trust   | -                                  | 750                              | 750                         | -                                     |
| Joseph Rowntree Charitable Trust  | -                                  | 8,250                            | 8,250                       | -                                     |
| Allan & Nesta Ferguson Charitable Trust                                     | -                                  | 10,000                           | 10,000                      | -                                     |
| Austin & Hope Pilkington Charitable Trust                                   | -                                  | 3,000                            | 3,000                       | -                                     |
| Oak Foundation  | -                                  | 31,330                           | 31,330                      | -                                     |
| Denis Buxton Trust  | -                                  | 75                               | 75                          | -                                     |
| Coalition to Stop the Use of Child Soldiers<br>(re The Philanthropic Trust) | -                                  | 3,000                            | 3,000                       | -                                     |
| Other donations   | 420                                | -                                | 420                         | -                                     |
|   | <u>£ 420</u>                       | <u>£ 159,972</u>                 | <u>£ 160,392</u>            | <u>£ 58,000</u>                       |

#### 3. NET INCOMING RESOURCES

|                                       | Year ended<br>31-Mar<br>2006<br>£ | <i>Year ended<br/>31-Mar<br/>2005<br/>£</i> |
|---------------------------------------|-----------------------------------|---|
| Depreciation of tangible fixed assets | 218                               | 290   |
| Auditors' remuneration                | 1,763                             | 705   |
|                                       | <u>1,981</u>                      | <u>995</u>                                  |

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

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#### 4. RESOURCES EXPENDED

As referred to in the Directors' report, some of the Trust's charitable activities are undertaken by CSCS Ltd. 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 £37,928 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. DIRECTORS

During the year, no Directors received any remuneration or any benefits in kind (2005 - £NIL). One Director received reimbursement of expenses of £170 (2005 - £NIL).

#### 6. TANGIBLE FIXED ASSETS

|                       | Plant and<br>machinery<br>£ |
|-----------------------|-----------------------------|
| <b>Cost</b>           |                             |
| At 1 April 2005       | 1,160                       |
| At 31 March 2006      | <u>£ 1,160</u>              |
| <b>Depreciation</b>   |                             |
| At 1 April 2005       | 290                         |
| Charge for the year   | 218                         |
| At 31 March 2006      | <u>£ 508</u>                |
| <b>Net book value</b> |                             |
| At 31 March 2006      | <u>£ 652</u>                |
| At 31 March 2005      | <u>£ 870</u>                |

#### 7. DEBTORS

##### Due within one year

The Coalition to Stop the Use of Child Soldiers (note 11)  
Sundry debtors  
Prepayments

|   | 2006<br>£       | 2005<br>£       |
|---|-----------------|-----------------|
| The Coalition to Stop the Use of Child Soldiers (note 11) | 1,776           | -               |
| Sundry debtors  | -               | 13,820          |
| Prepayments   | 27,530          | -               |
|   | <u>£ 29,306</u> | <u>£ 13,820</u> |

**CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2006

| <b>8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>  | <b>2006</b>     | <i>2005</i>     |
|---|-----------------|-----------------|
|   | £               | £               |
| The Coalition to Stop the Use of Child Soldiers (note 11) | -               | 2,154           |
| Accruals  | <b>2,049</b>    | 704             |
| Deferred grant income                                     | <b>17,509</b>   | 30,000          |
|   | <u>£ 19,558</u> | <u>£ 32,858</u> |
| <u>Deferred income</u>                                    |                 |                 |
| Balance at 1 April 2005                                   | <b>30,000</b>   | -               |
| Amount released to incoming resources                     | <b>(30,000)</b> | -               |
| Amount deferred in the year                               | <b>17,509</b>   | 30,000          |
| Balance at 31 March 2006                                  | <u>£ 17,509</u> | <u>£ 30,000</u> |

**9. STATEMENT OF FUNDS**

|                         | <b>Brought Forward</b> | <b>Incoming Resources</b> | <b>Resources Expended</b> | <b>Transfers and investment gains/(losses)</b> | <b>Carried Forward</b> |
|-------------------------|------------------------|---------------------------|---------------------------|--|------------------------|
|                         | £                      | £                         | £                         | £  | £                      |
| <b>DESIGNATED FUNDS</b> |                        |                           |                           |  |                        |
| Fixed Assets            | <u>£ 870</u>           | <u>£ Nil</u>              | <u>£ (218)</u>            | <u>£ Nil</u>                                   | <u>£ 652</u>           |

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.

|  | <b>Brought Forward</b> | <b>Incoming Resources</b> | <b>Resources Expended</b> | <b>Transfers and investment gains/(losses)</b> | <b>Carried Forward</b> |
|--|------------------------|---------------------------|---------------------------|--|------------------------|
|  | £                      | £                         | £                         | £  | £                      |
| <b>RESTRICTED FUNDS</b>                    |                        |                           |                           |  |                        |
| DDR Mapping                                | 27,862                 | 30,000                    | (58,996)                  | 1,134  | -                      |
| Regional Network                           |                        |                           |                           |  |                        |
| Capacity Building                          | 13,837                 |                           | (13,837)                  | -  | -                      |
| Armed Opposition Groups                    | -                      | 19,750                    | -                         | -  | 19,750                 |
| EU Advocacy                                | -                      | 14,825                    | (6,112)                   | -  | 8,713                  |
| West Africa Network                        | -                      | 56,567                    | (34,544)                  | -  | 22,023                 |
| Great Lakes capacity-building for advocacy | -                      | 31,330                    | (22,692)                  | -  | 8,638                  |
| Strategic Review                           | -                      | 7,500                     | (10,569)                  | 3,069  | -                      |
|  | <u>£ 41,699</u>        | <u>£ 159,972</u>          | <u>£ (146,750)</u>        | <u>£ 4,203</u>                                 | <u>£ 59,124</u>        |

## CHILD SOLDIERS COALITION EDUCATIONAL AND RESEARCH TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

- The DDR mapping project identified gaps, funding needs and overlaps in programmatic DDR work primarily in West Africa.
- The Regional Network Capacity Building project strengthened the infrastructure of the national and regional coalitions in several regions.
- The Armed Opposition Groups project is focussed around an international forum of experts scheduled for July 2006, with associated research and follow up projects.
- The EU Advocacy project is strengthening the Coalition's influence within the EU, and helping to build the strength of national coalitions in Europe.
- The West Africa Network project has helped partners to initiate a new community-based organisation to campaign against the use of child soldiers in the region. This involves giving grants to the West Africa Network.
- The Great Lakes capacity-building project is strengthening the advocacy skills of partners in the
- The Strategic Review included consultations with stakeholders and the development of the Coalition's strategic plan to 2010.

|                         | Brought Forward | Incoming Resources | Resources Expended | Transfers and investment gains/(losses) | Carried Forward |
|-------------------------|-----------------|--------------------|--------------------|---|-----------------|
|                         | £               | £                  | £                  | £                                       | £               |
| <b>SUMMARY OF FUNDS</b> |                 |                    |                    |   |                 |
| Designated Funds        | 870             | -                  | (218)              | -                                       | 652             |
| General Funds           | 6,607           | 2,359              | (2,304)            | (4,203)                                 | 2,459           |
|                         | <u>7,477</u>    | <u>2,359</u>       | <u>(2,522)</u>     | <u>(4,203)</u>                          | <u>3,111</u>    |
| Restricted Funds        | 41,699          | 159,972            | (146,750)          | 4,203                                   | 59,124          |
|                         | <u>£ 49,176</u> | <u>£ 162,331</u>   | <u>£ (149,272)</u> | <u>£ Nil</u>                            | <u>£ 62,235</u> |

### 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                               | Unrestricted Funds |                |                  | Total Funds     | Total Funds     |
|-------------------------------|--------------------|----------------|------------------|-----------------|-----------------|
|                               | Designated Funds   | General Funds  | Restricted Funds |                 |                 |
|                               | 2006               | 2006           | 2006             | 2006            | 2005            |
|                               | £                  | £              | £                | £               | £               |
| Tangible fixed assets         | 652                | -              |                  | 652             | 870             |
| Current assets                | -                  | 22,017         | 59,124           | 81,141          | 81,164          |
| Creditors due within one year |                    | (19,558)       |                  | (19,558)        | (32,858)        |
|                               | <u>£ 652</u>       | <u>£ 2,459</u> | <u>£ 59,124</u>  | <u>£ 62,235</u> | <u>£ 49,176</u> |

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2006**

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**11. RELATED PARTIES**

The Trust's relationship with the Coalition to Stop the Use of Child Soldiers and the amount of the transactions are described in the Directors' report and note 4 above. There were no other transactions between the Trust and related parties in the year.

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.