

PEACE BRIGADES INTERNATIONAL
ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2008

INDEX

Page	1-8	Report of the International Council
	9	Independent Auditors' Report
	10	Statement of Financial Activities
	11	Balance Sheet
	12	Cash Flow Statement
	13-24	Notes to the Accounts

PEACE BRIGADES INTERNATIONAL
REPORT OF THE INTERNATIONAL COUNCIL

LEGAL AND ADMINISTRATIVE DETAILS

Directors	<p>Andrew Kendle Resigned February 2008 Calina Restemann Appointed February 2008 Cristina Barbeito Appointed November 2008 Deborah Smith Appointed March 2008 Esther Vink Appointed December 2008 Joke Edenburg Vice President, Resigned November 2008 Liam Mahony Secretary & Treasurer Lotti Buser Montserrat Garcia Resigned November 2008 Roger Nash Rohan Martyres Sergi Bach Stephen Davies Steven Molnar President Tiffany Easthom Resigned June 2008 William Fairbairn Resigned November 2008</p>
Registered Addresses	<p>717 N Main St. PO Box 1222, Walla Walla, WA 00362, UNITED STATES of AMERICA</p> <p>Development House, 56-64 Leonard Street, London EC2A 4LT, UNITED KINGDOM</p>
Date of incorporation	6 th July 1982
USA Constitution Registered No.	Charitable Organisation, 501(c)(3) of the Internal Revenue Code 91-1179750
UK Constitution Registered No.	Overseas Company, s.691 of the Companies Act 1985 FCO19368
UK Bank USA Bank	<p>The Co-operative Bank, 9 Prescott Street, London E1 8BE Cadence Bank, PO Box 1187, Starkville, MS 39760</p>
Auditors	Critchleys Chartered Accountants, Greyfriars Court, Paradise Square, Oxford, OX1 1BE, United Kingdom

PEACE BRIGADES INTERNATIONAL**REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)****REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

The International Council, who are also the directors of Peace Brigades International (PBI), submit their annual report and audited financial statements for the year ended 31 December 2008.

INTRODUCTION

PBI is an international, non-profit organisation, incorporated under the laws of the State of Washington, USA on 6 July 1982, which has been granted tax-exempt status under section 501(c)(3) of the US Internal Revenue Code under tax registration number 91-1179750.

PBI is registered as an overseas company registered number (FCO19368) in the United Kingdom, under s.691 of the Companies Act 1985.

PBI International Secretariat and projects in Colombia, Guatemala, Indonesia, Nepal and Mexico fall within the jurisdiction of the non-profit corporation in the State of Washington. In addition, there are 14 PBI country groups and three PBI Associate groups. While recognition by PBI and use of the PBI name depends on each Country and Associate Group's adherence to PBI principles, mandate and bylaws, PBI Country and Associate Groups are independent bodies that determine their own structure and are legally responsible for their own actions. These financial statements do not include the accounts of PBI Country Groups.

MISSION STATEMENT

PBI works to open a space for peace in which conflicts can be addressed non-violently. PBI applies a strategy of international presence and concern that supports local initiatives and contributes to developing a culture of peace and justice. We act on request of local organisations and groups working for human rights, social change and development of civil society, which use non-violent means in regions where there is oppression and conflict.

The aim of PBI's international presence is to accompany both political and social processes through a joint strategy of deterring violence and promoting active non-violence. PBI's international teams of volunteers use methods such as protective accompaniment, peace education, independent observation and analysis of the conflict situation. In addition, PBI learns about, develops and models forms of non-violent intervention. PBI, where possible, initiates contacts with all the parties to a conflict in order to establish and inform of our presence. PBI supports this work through a broad international network of organisations and individuals. PBI's identity is built upon non-hierarchical structures and consensual processes.

Adopted at PBI General Assembly, Sweden, July 1998

PEACE BRIGADES INTERNATIONAL**REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)****MANAGEMENT**

The highest decision-making body of PBI is the General Assembly (GA) that meets every three years and is made up of representatives of PBI projects and country groups. The last GA took place in November 2008.

The International Secretariat is made up of the International Council, International Finance Committee, International Office and technical committees responsible for publications, personnel, gender and diversity, volunteer support, advocacy, fundraising and security. Together they are responsible for governance, management, strategic direction, coordination, finances, fundraising, policy development and monitoring, organisational development and international publications.

The governing body of PBI is the International Council (IC) made up of representatives of projects, the International Finance Committee, country groups and 3-4 at-large members with no representative responsibilities. All members of the IC are directors of the PBI non-profit corporation. The IC is responsible for governance and management of the International Secretariat and projects and oversight of the implementation of strategic plans and policies determined by the triennial General Assembly. The London based International Office is staffed by four part-time workers responsible for organisational development, internal coordination, finances, publications and administration.

RISK MANAGEMENT

The International Personnel Committee (IPC) is responsible for policy development and oversight of all those employed or contracted by the International Secretariat and projects. In 2008 the IPC was extended to include those responsible for personnel management in each of the projects. In particular, further work was undertaken to make sure that personnel policies were in place for all relevant staff and those contracted by the International Secretariat and projects to undertake specific pieces of work.

All projects have security policies and protocols in place based on risk assessments undertaken in the countries in which they are operating. The International Council established an Emergency Response Committee responsible for organisational oversight and ensuring implementation of the protocols.

The strengthening of the IFC and the appointment of the International Finance Manager have meant that significant progress has been made in ensuring greater financial controls and accountability.

REVIEW OF ACTIVITIES

The main focus of PBI's work continues to be its well-developed protective accompaniment programme. This programme has two complementary components: our teams of international volunteers in the field who physically accompany human rights defenders and carry out local and national advocacy and networking and our network of 14 country groups and three associate groups who complement the field presence by developing and managing a network of political supporters, members, donors, sympathetic organisations and media contacts that we can rely on for support and advocacy. In this way global political pressure together with physical accompaniment opens space for human rights defenders, civil society organisations and communities to carry out their work.

In 2008 our main activities continued to be our established protective accompaniment programmes in Colombia, Guatemala, Indonesia, Mexico and Nepal and the governance, management and coordination role of the International Secretariat. The key themes on which projects focused were: impunity and the rule of law, human rights violations related to economic interests, indigenous rights, women human rights defenders, criminalisation of human rights defenders, and land rights.

Peace Brigades International expresses thanks and respect to all its staff and volunteers who contribute their time to its many activities. It is not practicable to quantify the value of the many hundreds of unpaid skilled hours that volunteers in the field, in country groups and in the International Secretariat contribute each year to further the work of PBI but their time is critical to the effectiveness of the organisation's work.

PEACE BRIGADES INTERNATIONAL

REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)

KEY ACHIEVEMENTS IN 2008

The key achievements of PBI in 2008 are presented by entity, starting with the International Secretariat and for each of the international Projects.

ISEC

Within the framework of PBI's strategic plan 2005 – 2011, the International Secretariat (ISEC) achieved the following in 2008:

The triennial internal and external evaluations of all PBI projects and the International Secretariat were carried out and implementation plans based on the recommendations were developed.

We organised the six day PBI triennial General Assembly in Germany bringing together 67 representatives and observers from across PBI that reviewed the previous three years, agreed the strategic direction for the whole organisation for 2008 – 2011, and approved a proposal to strengthen PBI organisational identity and effectiveness including a major restructuring of governance and management bodies.

The International Finance Committee (IFC) was extended to include finance personnel from each project as well as a number of non-representative members, to ensure greater effectiveness in the oversight of project and ISEC finances. As a result there were no financial crises in any part of the organisation and the Nepal Project has stabilised. Other achievements included the production of the 2007 global audit, and the creation of an International Finance Manager and administrative support post at the International Office, increasing the capacity of this area.

Fundraisers from across PBI formed the International Fundraising Committee to improve coordination of fundraising. The group worked on two major funding applications and drafted a comprehensive set of fundraising norms that was approved by the General Assembly. Overall the funding situation of the organisation is very healthy, with income increasing by 33% in the three years from 2005 to 2007.

The Volunteer Support Working Group developed a comprehensive policy approved by the General Assembly to support the emotional well-being of field volunteers. The policy sets minimum standards of mental-health support provision that all PBI constituencies should strive to adhere to and serves as a starting point for them to develop best practice at the local level.

Another significant development, coordinated by the International Office, was the setting up of an Advocacy Committee with representatives from all projects and six country groups, to work on a three-year global advocacy strategy. This is an exciting project, which aims to improve the coherence, clout and impact of PBI's public advocacy and to seek funding for implementation.

There were further tangible improvements to the website, including the re-launch of three more country group sites and new technical features to facilitate local content management. As a result the site is more user-friendly and the information more up-to-date, increasing accessibility and outreach and continuing to improve PBI's public image.

There were two key achievements in the area of country group development. The first of these was the launch of a Country Group Fund, which aims to support country groups strengthening through the disbursement of loans and grants for activities that strengthen groups individually and collectively - three country groups benefited directly in 2008. The Fund was also used to finance the production of an in-depth report and a series of recommendations that will form the basis of a three-year strategic plan for country group development.

The gender and diversity mainstreaming process initiated in 2006 progressed during the course of the year. Most significant was a proposal to amend PBI's official and internal documents to incorporate considerations of gender and diversity. This resulted in the General Assembly approving an amendment of the text of PBI's core principle of non-violence and delegating the IC to consider further amendments in 2009.

PEACE BRIGADES INTERNATIONAL

REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)

KEY ACHIEVEMENTS IN 2008 (CONTINUED)

COLOMBIA PROJECT

The Colombia project has 53 volunteers and staff working for the protection of human rights defenders. These volunteers physically accompany organisations involved in the struggle against impunity, as well as those who highlight the role of economic interests in the violation of human rights and support grassroots peace initiatives. Volunteers also advocate internationally to provide legitimacy to this protection.

Key achievements in 2008 include:

- Raising the international profile of the effect of biofuel production on human rights including activating support networks in support of members of the Inter-church Justice and Peace Commission (CIJP) who had suffered multiple threats as a result of their work with the communities displaced by oil palm plantations producing biofuel.
- A special publication to highlight malicious criminal charges against human rights defenders, in Colombia, Mexico and Guatemala, with the support of North American and European embassies and international televised coverage
- Contributing to the Human Rights First (HRF) white paper on baseless criminal charges
- Attending the meeting of the European Union Working Party on Human Rights (COHOM) to present the human rights situation in Colombia; the meeting resulted in a public statement by the EU and 36 other countries on the legitimacy of the work of human rights defenders in Colombia
- An increase in the number of organisations accompanied without increasing the number of volunteers in the field
- Strengthening advocacy in Bogota, Brussels, Geneva and Washington DC

GUATEMALA PROJECT

The Guatemala Project has 15 volunteers and staff working for the protection of human rights defenders in Guatemala. The priorities for this project are impunity, land rights, and globalisation and human rights.

Key achievements in 2008:

- Played an active role in advocating for the International Commission against Impunity in Guatemala (CICIG), along side a network of European NGOs
- Conducted an exploratory mission to El Peten where access to justice is complicated by isolation
- Publication of a special report on "The State of Compliance with the Peace Accord on Strengthening Civil Power" to engage the international community in monitoring compliance with the Accord
- Expanded accompaniment to three new organisations, including the Center for Human Rights Legal Action who work to seek justice in cases of genocide and other crimes committed during the civil war
- Together with European country groups organised a speaker tour of France, Spain, Belgium, Germany, and Switzerland by OASIS, a Guatemalan organisations working on the prevention of HIV/AIDS and in defence of sexual diversity. The speaker tour raised awareness of the harassment and intimidation suffered by gay, bisexual, transgender and transsexual population.

PEACE BRIGADES INTERNATIONAL

REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)

KEY ACHIEVEMENTS IN 2008 (CONTINUED)

INDONESIA PROJECT

The Indonesia Project has 28 volunteers in Jakarta and Papua working for the protection of human rights defenders. The priorities for this project are to support local peace and human rights initiatives with communities in areas of deep-rooted conflict. Volunteers accompany organisations committed to ending impunity for past and continuing human rights violations. The Indonesia Project also works to protect land rights and the environment, specifically ensuring indigenous rights to access are respected and resources are used sustainably.

Key achievements in 2008 include:

- Closing the field team in Aceh because the security situation had improved and civil society had developed exceptional capacity to conduct peace building without the project's involvement
- Production of a 30 minute documentary showcasing PBI's work in Aceh as a tool to promote the principles of peace education and protective accompaniment
- Communities in Papua reported feeling "a lot safer" due to PBI's presence and increased independent peace activity
- Workshops for participants from 28 organisations on Mainstreaming Protection for Human Rights Defenders

MEXICO PROJECT

The Mexico Project has 10 volunteers in Guerrero and Oaxaca working for the protection of human rights defenders. The focus themes for this project are impunity and access to justice, indigenous rights, militarisation, and natural resources and development projects.

Key achievements in 2008 include:

- Expanded support for indigenous communities in remote areas of Guerrero where there was previously little access to human rights protection
- Opened a new team in Oaxaca to enhance support of civil society organisations where the situation for human rights has dramatically deteriorated; provision of security workshops for ten different organisations in Oaxaca
- Provided accompaniment to a community radio station with an indigenous audience, enabling it to provide some of the only independent coverage of political elections, and encouraging people to participate in the process by voting
- Publication of a special report on Human Rights Defenders in the State of Guerrero

NEPAL PROJECT

The Nepal Project has 15 volunteers from nine countries working for the protection of human rights defenders in Nepal. This project accompanies organisations working against impunity and injustice, with an expanded focus on women's rights, and economic, social and cultural rights.

Key achievements in 2008:

- Significantly increased an international support network to enhance the protective accompaniment strategy with advocacy in Nepal and internationally
- Increased presence in south west Nepal, the most under-developed region and most affected by the war
- Contributed to the development of EU Guidelines on Human Rights Defenders in Nepal, with participation in the working group to review the situation for human rights defenders and guidelines implementation process

PEACE BRIGADES INTERNATIONAL**REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)****LOOKING FORWARD TO 2009**

2009-11 is an exciting and challenging period for PBI. Economic and political developments in Latin America and Asia are impacting significantly on the human rights situation in our Project countries. Similarly, our country groups are facing advocacy, fundraising and capacity challenges in Europe, North America, and elsewhere. Finally, following a comprehensive evaluation of our operations over the last three years, PBI is restructuring to strengthen the organisation to deal with the challenges facing us and the Human Rights Defenders, civil society organisations and communities that we accompany.

REVIEW OF ACCOUNTS AND RESOURCES

During the year ended 31 December 2008, the activities of the organisation resulted in net incoming resources of \$48,752. This resulted in total funds (restricted and unrestricted) of \$1,718,573 being carried forward at 31 December 2008. Of this total carried forward \$1,231,387 is held by the five projects to fund future work, \$35,000 for Country Group Development/Fund Raising, a further \$152,867 is invested in fixed assets and the balance of \$299,319 is held in the Common Fund.

The total income of the organisation in 2008 was \$3,822,094 (2007: \$3,819,830), which is a slight increase compared to the previous year. The funds to support the projects were raised in 13 countries by the Country Groups, the detail of which is shown in note 12 to the accounts. The funding base for the organisation is a good balance of Trust, Foundation and Government funding. Significant new funders in the year included Zivik (Germany), the Project Counselling Services and PBI Luxembourg. Increased support also came from the BMZ and from PBI in Germany and Norway and we recognise the continued significant support of various Spanish governmental organisations.

The total expenditure of the organisation in 2008 was \$3,801,864 (2007: \$3,457,006) an increase of 10% from 2007. The disparity between the change in income and expenditure levels is because there was a large surplus in 2007 which included income received in advance to support spending in 2008.

The overall financial situation is continuously monitored to ensure the organisation operates at a level of activity appropriate to available funding. PBI's policy is to ensure a minimum of overall reserves between 20-25% of current expenditure. At the end of 2008 the reserves, not represented by fixed assets, were \$1,565,706 which is 41% of the expenditure in the year. The level of reserves does differ between the projects, however overall the level is considered sufficient to manage cash flow issues and to deal with emergencies both practical and financial.

RESERVES POLICY

PBI's reserves are maintained at a level sufficient to meet the cash flow needs of the organisation, and to provide additionally an adequate cash fund for emergencies.

The Common Fund is held at ISEC and the following policy was agreed in 2008:

- a) That a portion of the fund equivalent to a % of the ISEC budget will be set aside as the ISEC cash reserve.
- b) That a second amount will be calculated as a loan fund to cover projects in moments when expected income is late in arriving and there are short-term cash-flow needs.
- c) That a third amount be set aside for un-budgeted emergencies

The International Finance Committee will elaborate this policy by quantifying the amounts for each part of the fund in 2009.

The remainder of the PBI reserves are maintained by the individual Projects. PBI Financial Guidelines recommend levels equivalent to at least 20% of the annual expenditure.

PEACE BRIGADES INTERNATIONAL

REPORT OF THE INTERNATIONAL COUNCIL (CONTINUED)

GOVERNANCE

Organisation

The General Assembly of Peace Brigades International meets every three years to define the strategic direction of the organisation. The International Council is responsible for ensuring the implementation of the decisions made by the General Assembly and for day-to-day governance of the organisation. The detailed mandate and composition of both the General Assembly and the International Council are laid down in the By Laws of Peace Brigades International.

Statement of responsibilities

The International Council is responsible for producing accounts in accordance with United Kingdom Generally Accepted Accounting Practice.

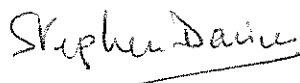
It is the International Council's responsibility to prepare accounts for each financial year which give a true and fair view of the state of affairs of the entity and of the results of the entity for that year. In preparing those accounts, the International Council is required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The International Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the entity and are also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Meeting Schedule

The International Council met twice in 2008 to review and plan the company's activities and had regular monthly conference calls to manage and monitor the organisation's work.

This report was approved by the International Council on 18th February 2010 and signed on its behalf by



Stephen Davies
International Council

INDEPENDENT AUDITORS' REPORT**TO THE INTERNATIONAL COUNCIL OF PEACE BRIGADES INTERNATIONAL**

We have audited the accounts of Peace Brigades International for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the International Council, as a body. Our audit work has been undertaken so that we might state to the International Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Peace Brigades International and the International Council as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF INTERNATIONAL COUNCIL AND AUDITORS

As described in the Statement of International Council's Responsibilities the International Council is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view. We also report to you if, in our opinion, the International Council's Report is not consistent with the accounts, if the entity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the International Council's 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 Audit Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the entity'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 accounts 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 accounts.

OPINION

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of Peace Brigades International's affairs as at 31 December 2008 and of its incoming resources and resources expended for the year then ended.

Critchleys
Chartered Accountants
Registered Auditors

Oxford

8/10/10

PEACE BRIGADES INTERNATIONAL
 STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Project Funds 2008 \$	International Secretariat 2008 \$	Total 2008 \$	Total 2007 \$
INCOMING RESOURCES					
Government income	12	1,067,199	-	1,067,199	1,755,820
Foundation/Trust income		1,292,165	35,000	1,327,165	1,442,284
PBI country groups		1,086,895	89,919	1,176,814	488,581
Other income		<u>242,714</u>	<u>8,202</u>	<u>250,916</u>	<u>133,145</u>
Total incoming resources		<u>3,688,973</u>	<u>133,121</u>	<u>3,822,094</u>	<u>3,819,830</u>
RESOURCES EXPENDED					
Project costs	2	3,427,012	-	3,427,012	3,233,438
International Secretariat costs	3	<u>-</u>	<u>374,852</u>	<u>374,852</u>	<u>223,568</u>
Total resources expended		<u>3,427,012</u>	<u>374,852</u>	<u>3,801,864</u>	<u>3,457,006</u>
Net incoming resources before transfers	5	261,961	(241,731)	20,230	362,824
Transfers	6	<u>(198,078)</u>	<u>198,078</u>	<u>-</u>	<u>-</u>
Net incoming resources after transfers		63,883	(43,653)	20,230	362,824
Foreign exchange translation gain	10	<u>28,522</u>	<u>-</u>	<u>28,522</u>	<u>111,150</u>
Net incoming resources expended after transfers and foreign exchange movements		92,405	(43,653)	48,752	473,974
Funds brought forward		<u>1,291,849</u>	<u>377,972</u>	<u>1,669,821</u>	<u>1,195,847</u>
Funds carried forward		<u>1,384,254</u>	<u>334,319</u>	<u>1,718,573</u>	<u>1,669,821</u>

All activities are continuing. There are no gains and losses other than those recognised above.

PEACE BRIGADES INTERNATIONAL
BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	\$	2008	\$	\$	2007	\$
FIXED ASSETS							
Tangible fixed assets	7		152,867			142,998	
CURRENT ASSETS							
Debtors	8	500,233			876,317		
Cash at bank and in hand		<u>1,622,307</u>			<u>1,290,683</u>		
		2,122,540			2,167,000		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR							
	9	<u>(556,834)</u>			<u>(640,177)</u>		
NET CURRENT ASSETS			<u>1,565,706</u>			<u>1,526,823</u>	
NET ASSETS			<u>1,718,573</u>			<u>1,669,821</u>	
FUNDS							
Project funds	10		1,384,254			1,291,849	
International Secretariat			<u>334,319</u>			<u>377,972</u>	
			<u>1,718,573</u>			<u>1,669,821</u>	

These accounts were approved and authorised for issue by the International Council on 18/2/10 and signed on its behalf by

..... Stephen Davies S Davies

PEACE BRIGADES INTERNATIONAL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Net cash inflow from operating activities	A	390,863	24,523
Capital expenditure			
Purchase of tangible fixed assets		<u>(59,239)</u>	<u>(80,698)</u>
Increase/(decrease) in cash		<u>331,624</u>	<u>(56,175)</u>
Reconciliations of net cash flow to movement in Net funds			
Increase/(decrease) in cash in year		331,624	(56,175)
Net funds at 1 January 2008		<u>1,290,683</u>	<u>1,346,858</u>
Net funds at 31 December 2008	B	<u>1,622,307</u>	<u>1,290,683</u>

NOTES TO THE CASH FLOW STATEMENT

A	RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES	2008 \$	2007 \$
	Net incoming resources	48,752	473,974
	Depreciation	49,370	38,043
	Decrease/(increase) in debtors	376,084	(679,517)
	(Decrease)/increase in creditors	<u>(83,343)</u>	<u>192,023</u>
	Net cash inflow from operating activities	<u>390,863</u>	<u>24,523</u>
B	ANALYSIS OF CHANGES IN NET FUNDS		
		At 1 January 2008 \$	At 31 December 2008 \$
	Cash at bank and in hand	<u>1,290,683</u>	<u>1,622,307</u>

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1 ACCOUNTING POLICIES

a) **Basis of preparation**

The accounts have been prepared in accordance with the historical cost convention, applicable United Kingdom Accounting Standards and, where relevant, the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities.

The accounts have been produced in United States Dollars as that is the main operating currency of the entity.

b) **PBI Country Groups**

There are 14 PBI Country Groups. While recognition by PBI and use of the PBI name depends on each Country Group's adherence to PBI principles PBI Country Groups are independent bodies that determine their own structure and are legally responsible for their own actions. These financial statements do not include the accounts of PBI Country Groups.

c) **Fund accounting**

All of the entity's operations are either part of an individual project or are else part of the International Secretariat. Consequently income and expenditure has been split across these headings. These categories are different to those set out by the SORP but the International Council feels the fund categories used provide a fairer position of the operations of the entity.

d) **Incoming resources**

Donations, including those from country groups, are included in the Statement of Financial Activities when they are received unless they are for a specific period in which case they are accounted for on a receivable basis.

Grants are included on a receivable basis. Consequently debtors are included for grants that relate to the current year but have not been received by the year end. Where received grants are for a time period that covers all, or part of a period in future financial years, the relevant proportion is deferred and included in creditors.

No amounts are included in the accounts for services donated by volunteers.

In the year ended 31 December 2008 the incoming resources have been split across new headings more appropriate to the entity's circumstances. The split of the 2007 incoming resources has been amended accordingly. There is no change in the overall total of incoming resources.

e) **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under appropriate expenditure headings. Expenditure includes irrecoverable VAT where appropriate.

f) **Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised and depreciation is provided at rates calculated to write off the cost over the expected useful economic lives as follows:

Motor vehicles and boats	20-25% straight line
Fixtures, fittings and equipment	33% straight line

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

1 ACCOUNTING POLICIES (continued)

g) Operating leases

Rentals in respect of operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

h) Foreign currencies

Monetary assets and liabilities are re-translated at the year end exchange rate with all differences being taken to the Statement of Financial Activities. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction except where the base currency of the project is not United States Dollars. In these cases, the results are translated at an average exchange rate for the year with any translation exchange differences being taken to the Statement of Financial Activities.

i) Repatriation

The estimated costs of repatriating staff and volunteers are charged to the Statement of Financial Activities on a straight line basis.

2 PROJECT COSTS	2008 \$	2007 \$
Colombia	1,841,725	1,533,537
Guatemala	276,313	308,685
Indonesia	677,253	651,274
Mexico	317,410	289,664
Nepal	<u>314,311</u>	<u>450,278</u>
	<u>3,427,012</u>	<u>3,233,438</u>
3 INTERNATIONAL SECRETARIAT COSTS	2008 \$	2007 \$
Staff costs	167,535	127,604
Other costs	<u>207,317</u>	<u>95,964</u>
	<u>374,852</u>	<u>223,568</u>

Members of the International Council were reimbursed travel expenses for attending meetings and costs enabling participation in International Council conference calls and e-mail discussions.

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

4	STAFF COSTS	2008 \$	2007 \$
	Wages, salaries and associated costs	930,273	786,702
	UK National Insurance	<u>12,712</u>	<u>10,900</u>
		<u>942,895</u>	<u>797,602</u>
	Average number of employees	No.	No.
	Projects	36	30
	International Secretariat	<u>3</u>	<u>3</u>
		<u>39</u>	<u>33</u>
5	NET INCOMING RESOURCES BEFORE TRANSFERS is stated after charging/(crediting)	2008 \$	2007 \$
	Depreciation	49,370	38,043
	Auditors remuneration (global audit)	13,000	16,000
	Losses/(gains) on foreign exchange transactions	<u>97,440</u>	<u>(26,919)</u>
6	TRANSFERS		
	These represent contributions from the individual projects for the International Secretariat costs.		
7	TANGIBLE FIXED ASSETS		
		Motor Vehicles & Boats	Fixtures, fittings & equipment
		\$	\$
	Cost		Total
	At 1 January 2008	106,179	212,822
	Additions	16,555	42,684
	Disposals	-	(3,592)
	At 31 December 2008	<u>122,734</u>	<u>251,914</u>
	Depreciation		
	At 1 January 2008	25,510	150,493
	Charge for the year	26,388	22,982
	Released on disposals	-	(3,592)
	At 31 December 2008	<u>51,898</u>	<u>169,883</u>
	Net book value		
	At 31 December 2008	<u>70,836</u>	<u>82,031</u>
	At 1 January 2008	<u>80,669</u>	<u>142,998</u>

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

8	DEBTORS		2008		2007	
			\$		\$	
	Grants receivable (note 13)		392,831		837,716	
	Trade debtors		64,395		30,328	
	Prepayments		<u>43,007</u>		<u>8,273</u>	
			<u>500,233</u>		<u>876,317</u>	
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2008		2007	
			\$		\$	
	Trade creditors and accruals		181,012		242,736	
	Deferred income – grants received in advance (note 14)		<u>375,822</u>		<u>397,441</u>	
			<u>556,834</u>		<u>640,177</u>	
	Deferred income					
	At 1 January 2008		397,441		321,214	
	Released in year		(397,441)		(321,214)	
	Deferred in year		<u>375,822</u>		<u>397,441</u>	
	At 31 December 2008		<u>375,822</u>		<u>397,441</u>	
10	PROJECT FUNDS					
	Project	At 1	Incoming	Resources	Foreign	At 31
		January	Resources	expended	exchange	December
		2008	\$	\$	gain	2008
		\$	\$	\$	\$	\$
	Colombia	817,275	1,879,550	(1,841,725)	34,129	799,049
	Guatemala	134,663	351,277	(276,313)	(5,607)	180,735
	Indonesia	241,956	731,177	(677,253)	-	250,601
	Mexico	44,267	374,605	(317,410)	-	78,292
	Nepal	46,120	352,364	(314,311)	-	68,009
	Others	7,568	-	-	-	7,568
		<u>1,291,849</u>	<u>3,688,973</u>	<u>(3,427,012)</u>	<u>28,522</u>	<u>1,384,254</u>

The funds represent the balances within the specific field projects.

Some of the amounts shown above may differ from the individually prepared project accounts due to adjustments to ensure consistent accounting policies for these accounts and adjusting events since the project accounts were prepared.

The 'foreign exchange gain' represents a gain on re-translation of the reserves at the closing US Dollar exchange rate.

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

11 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets \$	Net current assets \$	Total \$
Project Funds	152,867	1,231,387	1,384,254
International Secretariat	-	334,319	334,319
	<u>152,867</u>	<u>1,565,706</u>	<u>1,718,573</u>

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12 INCOMING RESOURCES

		COP	GP	IP	MEP	NEP	ISEC	Total 2008	Total 2007
Government income (by country of origin)	Country								
Canadian International Development Agency	Canada	0	0	131,337	0	0	0	131,337	299,036
Danish Embassy	Denmark	0	0	0	0	0	0	0	39,609
French Ministry of Foreign Affairs	France	0	38,504	0	0	0	0	38,504	58,832
BMZ	Germany	0	0	66,184	0	46,593	0	112,777	62,404
CPS receivable	Germany	0	0	0	6,449	0	0	6,449	0
CPS	Germany	0	51,794	129,840	0	0	0	181,634	344,064
German Foreign Ministry	Germany	0	0	0	0	0	0	0	163,900
Zivik	Germany	0	0	0	0	130,773	0	130,773	0
CSF Ireland (Ireland Aid)	Ireland	0	49,552	0	0	0	0	49,552	40,127
AECI	Spain	177,586	22,838	0	0	0	0	200,424	191,267
Ayuntamiento de Camargo deferred from 07	Spain	0	10,045	0	0	0	0	10,045	11,922
Ayuntamiento de Valladolid	Spain	0	0	0	0	0	0	0	28,735
Catalan Cooperation Agency	Spain	39,900	0	0	0	0	0	39,900	59,043
ACCD deferred from 07	Spain	0	(634)	0	0	0	0	(634)	0
District of Pamplona	Spain	23,165	0	0	0	0	0	23,165	25,056
District of Palencia	Spain	7,815	0	0	0	0	0	7,815	15,296
District of Vitoria	Spain	0	0	0	0	0	0	0	38,218
Fons Catalan	Spain	0	0	0	0	0	0	0	20,035
Fons Mallorqui de Soliaridat I Cooperacio	Spain	14,854	0	0	0	0	0	14,854	20,180
Government of Cantabria	Spain	36,123	0	0	0	0	0	36,123	48,727
Mugarik Gabe/Navarra Government	Spain	0	0	0	0	0	0	0	220,137
Spanish Agency for Int. Cooperation	Spain	39,010	0	0	0	0	0	39,010	0
Switzerland Foreign Ministry	Switzerland	0	0	0	0	0	0	0	24,488
British Embassy in Indonesia	UK	0	0	32,988	0	0	0	32,988	28,178
British Embassy in Nepal	UK	0	0	0	0	12,483	0	12,483	16,566
TOTAL GOVERNMENT INCOME		338,453	172,099	360,349	6,449	189,849	0	1,067,199	1,755,820

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12 INCOMING RESOURCES (continued)

Foundation/Trust income (by country of origin)	Country	COP	GP	IP	MEP	NEP	ISEC	Total 2008	Total 2007
Broederlijk Delen	Belgium	23,670	0	0	0	0	0	23,670	16,542
Oxfam Solidarity	Belgium	0	0	0	0	0	0	0	5,650
Basilian Fathers	Canada	0	0	0	0	0	0	0	3,826
OPSEU	Canada	5,596	2,615	0	0	0	0	8,211	0
Primates World Relief	Canada	0	0	0	0	3,690	0	3,690	4,771
Rights and Democracy	Canada	0	0	4,934	0	0	0	4,934	7,884
Simon's Foundation	Canada	0	0	0	0	0	0	0	711
Project Counselling Services (PCS Norway)	Colombia	24,022	0	0	0	0	0	24,022	0
Churches of Bistum, Limburg, Baden & Hanover	Germany	0	0	14,561	0	0	0	14,561	26,434
Church Hildesham	Germany	0	0	0	0	0	0	0	6,559
Diakonisches Werk det Evanelischen Kirche	Germany	47,218	31,719	35,424	0	0	0	114,361	141,482
Misereor	Germany	63,317	41,094	64,729	0	31,588	0	200,728	249,944
Protestant Church Kurtiessen-Waldeck	Germany	0	0	0	0	0	0	0	14,155
Stiftung Umverteilung	Germany	0	0	0	0	8,707	0	8,707	0
Weitwärts	Germany	0	6,440	3,087	0	534	0	10,061	0
Trocaire	Ireland	36,546	0	0	0	0	0	36,546	42,153
Mental Health Programme	Italy	0	0	0	0	0	0	0	2,209
CMC/AMA	Netherlands	116,839	0	21,046	0	0	0	137,885	100,529
ICCO	Netherlands	0	0	122,149	0	14,039	0	136,188	100,322
Kerkinactie	Netherlands	34,875	0	0	0	0	0	34,875	34,100
Collectivo 0.7 Telefonica	Spain	0	0	0	0	0	0	0	1,526
Diakonia Sweden	Sweden	138,325	0	0	0	0	0	138,325	122,538
Appletree Trust	UK	0	0	0	0	0	0	0	5,168
Catholic Fund for Overseas Development	UK	37,707	0	0	0	0	0	37,707	23,375
Christian Aid	UK	102,181	0	0	0	0	0	102,181	132,435
Intermon-Oxfam	UK	5,969	0	0	0	0	0	5,969	19,767
Lonely Planet	UK	0	0	0	0	0	0	0	9,955
Oxfam GB	UK	23,000	0	0	0	0	0	23,000	22,000
Rufford Maurice Laing Foundation	UK	4,125	0	0	0	0	0	4,125	33,921

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12 INCOMING RESOURCES (continued)

Foundation/Trust income (by country of origin)	Country	COP	GP	IP	MEP	NEP	ISEC	Total 2008	Total 2007
Rufford Maurice Laing deferred from 07	UK	0	5,675	0	8,988	0	0	14,663	0
Rufford Maurice Laing deferred from 08	UK	0	(3,533)	0	0	0	0	(3,533)	0
Prisoners of Conscience	UK	0	3,533	0	0	0	0	3,533	24,445
Prisoners of Conscience - receivable	UK	0	0	0	5,212	0	0	5,212	0
Sigrid Rausing Trust	UK	97,439	17,588	19,438	0	37,248	0	171,713	186,583
Tinsley	UK	1,139	1,038	1,124	0	0	0	3,302	4,800
Rathbone Foundation	UK	0	696	0	0	0	0	696	0
Fairshare Foundation	UK	0	0	0	0	0	0	35,000	75,000
Ghandian Foundation	USA	0	0	0	0	0	0	0	500
Overbrook Foundation	USA	0	6,831	0	0	0	0	6,831	0
Fund for Non-Violence	USA	0	0	0	20,000	0	0	20,000	23,000
TOTAL FOUNDATION/TRUST INCOME		761,968	113,698	286,493	34,200	95,806	35,000	1,327,165	1,442,284

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12 INCOMING RESOURCES (continued)

PBI Country Groups	COP	GP	IP	MEP	NEP	ISEC	Total 2008	Total 2007
PBI Australia	0	0	0	0	1,041	1,073	2,114	0
PBI Belgium	0	447	0	500	0	3,396	4,343	4,613
PBI Canada	37,759	16,656	0	13,771	0	1,889	70,075	6,310
PBI Catalunya	0	0	0	0	0	0	0	11,210
PBI France	0	0	6,590	3,887	0	0	10,477	3,824
PBI Germany	288,723	0	0	147,400	0	8,873	444,996	169,088
PBI Italy	4,395	3,947	6,312	4,199	3,931	1,536	24,320	25,393
PBI Luxembourg	0	14,097	7,134	0	0	15,559	36,790	0
PBI Netherlands	0	7,049	0	7,885	7,020	449	22,403	20,559
PBI New Zealand	0	0	0	0	0	0	0	938
PBI Norway	230,458	0	0	0	32,844	0	263,302	4,112
PBI Portugal	0	0	0	0	0	0	0	401
PBI Spanish State	0	0	0	54,570	0	0	54,570	5,938
PBI Sweden	0	0	0	0	0	0	0	780
PBI Switzerland	47,256	13,709	25,897	16,640	13,813	23,478	140,794	156,403
PBI UK	0	0	0	46,864	0	21,478	68,342	62,012
PBI USA	7,500	0	0	7,500	7,100	12,188	34,288	16,000
TOTAL PBI COUNTRY GROUPS	616,091	55,906	45,933	303,216	65,749	89,919	1,176,814	488,581

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

12 INCOMING RESOURCES (continued)

	COP	GP	IP	MEP	NEP	ISEC	Total 2008	Total 2007
Other income								
Individual donations	531	5	32,467	21,986	0	0	54,989	43,316
Reimb of previous years contracts	86,568	0	0	0	0	0	86,568	0
Reimb of previous years contracts	7,835	0	0	0	0	0	7,835	0
Project activities	0	1,281	0	1,915	0	0	3,196	0
Training income	0	0	3,881	0	960	0	4,841	8,516
Other income	8,063	3,349	0	549	0	4,824	16,785	70,029
Direct income (not listed separately)	22,424	0	0	0	0	0	22,424	0
Bank interest	1,720	1,353	2,053	493	0	3,378	8,997	10,284
Exchange variations	35,897	3,587	0	5,797	0	0	45,281	0
TOTAL OTHER INCOME	163,038	9,575	38,401	30,740	960	8,202	250,916	133,145

TOTAL INCOME

1,879,550	351,277	731,177	374,605	352,364	133,121	3,822,094	3,819,830
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For many of the grants listed above the money has been raised by the Country Group. The ultimate grant-maker is listed above even though they may have made their grant to the Country Group who have, in turn, donated the money to Peace Brigades International.

Key to abbreviations used above and in notes 13 and 14:

MEP	Mexico project
COP	Colombia project
IP	Indonesia project
Guate	Guatemala project
Nepal	Nepal project
CF&ISEC	Common Fund & International Secretariat

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

13 GRANTS RECEIVABLE

	COP	GP	IP	MEP	NEP	ISEC	Total
2008							
Project Counselling Service	8,846	0	0	0	0	0	8,846
Mugarik Gabe – Government of Navarra	212,132	0	0	0	0	0	212,132
Caja de Burgos	9,488	0	0	0	0	0	9,488
PBI Alemaia	9,632	0	0	0	0	0	9,632
French Ministry of Foreign Affairs	0	38,504	0	0	0	0	38,504
BMZ	0	10,861	0	0	0	0	10,861
CPS	0	13,151	14,097	2,866	0	0	30,114
Weltwärts	0	6,440	3,087	4,293	535	0	14,355
Canadian International Development Agency	0	0	21,956	0	0	0	21,956
Misereor	0	0	18,595	5,639	0	0	24,234
CPS 481	0	0	0	6,449	0	0	6,449
Prisoners of Conscience	0	0	0	5,212	0	0	5,212
Churches of Bistum, Limburg, Baden & Hanover	0	0	0	0	63	0	63
Stiftung Umverteilung	0	0	0	0	985	0	985
Total	240,098	68,956	57,735	24,459	1,583	0	392,831
	COP	GP	IP	MEP	NEP	ISEC	Total
2007							
PBI Germany	0	0	0	0	66	0	66
CPS – BMZ Inter Proyectos	0	11,340	0	0	0	0	11,340
CPS – BMZ Equipamiento	0	4,195	0	0	0	0	4,195
CPS – MZ Buletin Peten	0	3,114	0	0	0	0	3,114
CPS - Study Peace Agreements	0	14,718	0	0	0	0	14,718
CPS - Inter Project reimbursement	0	0	0	2,866	0	0	2,866
CPS - Publication Program	0	0	0	47,008	0	0	47,008
CPS - Extra Activities	0	0	0	4,024	0	0	4,024
CPS – Security Workshops	0	0	0	26,171	0	0	26,171
PBI Germany CPS	0	0	104,029	0	48,013	0	152,042
CIDA Canadian Embassy	0	0	61,545	0	0	0	61,545
PBI Germany Miserior	110,419	0	0	0	8,271	0	118,690
PBI Germany Miserior Prace Ed	0	0	16,765	0	0	0	16,765
PBI Germany Miserior Aceh	0	0	15,421	0	0	0	15,421
Mugarik Gabe – Gobierno de Navara	220,132	0	0	0	0	0	220,132
Government of Cantabria	49,664	0	0	0	0	0	49,664
PBI Switzerland	0	0	0	0	16,892	0	16,892
PBI Italy – Mental Health Programme	0	0	0	2,209	0	0	2,209
PBI France – Ministry of Foreign Affairs	0	40,476	0	0	0	0	40,476
PBI UK – Prisoners of Conscience	0	0	0	3,176	0	0	3,176
PBI Holland	0	0	0	0	0	27,202	27,202
Total	380,215	73,843	197,760	85,454	73,242	27,202	837,716

PEACE BRIGADES INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

14 DEFERRED INCOME

	COP	GP	IP	MEP	NEP	ISEC	Total
2008							
Trocaire	12,182	0	0	0	0	0	12,182
AECI	195,050	0	0	0	0	0	195,050
Catalan Cooperation Agency	21,393	0	0	0	0	0	21,393
District of Pamplona	5,792	0	0	0	0	0	5,792
District of Palencia	14,616	0	0	0	0	0	14,616
Fons Mallorqui de Soliaridat i Cooperacio	10,628	0	0	0	0	0	10,628
Government of Cantabria	11,367	0	0	0	0	0	11,367
Intermon-Oxfam	20,115	0	0	0	0	0	20,115
Prisoners of Conscience	0	3,533	0	0	0	0	3,533
Rights and Democracy	0	0	8,033	0	0	0	8,033
ICCO	0	0	51,719	0	14,039	0	65,758
PBI Australia	0	0	0	7,355	0	0	7,355
Total	291,143	3,533	59,752	7,355	14,039	0	375,822
	COP	GP	IP	MEP	NEP	ISEC	Total
2007							
Ayuntamiento de Camargo 2008	0	10,487	0	0	0	0	10,487
British Embassy, Nepal	0	0	0	0	3,607	0	3,607
CAFOD	15,083	0	0	0	0	0	15,083
Government of Cantabria	9,530	0	0	0	0	0	9,530
Christian Aid	102,181	0	0	0	0	0	102,181
Agency Catalana	13,160	0	0	0	0	0	13,160
PBI Germany	13,848	0	0	0	0	0	13,848
Agencia Espanola de Cooperacion International – AECI	177,586	0	0	0	0	0	177,586
Rufford Morris Foundation	0	5,925	0	8,988	0	0	14,913
Stiftung Umverteilen	0	0	0	0	8,087	0	8,087
PBI UK – BEO Training	0	0	28,959	0	0	0	28,959
Total	331,388	16,412	28,959	8,988	11,694	0	397,441