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# Report and accounts

For the year ended 31 March 2012

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Directors' report and financial statements  
23 October 2012

# Report and accounts

For the year ended 31 March 2012

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## Directors' report

The Board of Directors' present their report and audited accounts for the year ended 31 March 2012.

## Mission, vision and values

### Our objectives

Saferworld believes that everyone should be able to lead peaceful fulfilling lives, free from insecurity and violent conflict.

At Saferworld, our objective is to prevent and reduce all types of violent conflict, particularly focusing on large scale violent conflicts with important political or societal dimensions. This includes analysing the factors which contribute to such conflicts, as well as developing policies, strategies and capacities to address them effectively.

Insecurity is both a cause and effect of violent conflict, undermining development and participation in society. We work to enhance the security of individuals, communities and states, focusing on promoting co-operative approaches to security building. Effective action requires the involvement and participation of a wide range of individuals, civil society organisations, communities, governments and international agencies. A critical dimension of our work is to help create and facilitate co-operation between these actors. We combine research, innovative policy development and programmatic experience.

**Saferworld believes  
that everyone  
should be able to  
lead peaceful  
fulfilling lives, free  
from insecurity and  
violent conflict**

### Our values

- Saferworld is an independent organisation that strives for accountability, transparency and integrity.
- Saferworld aims to bring about long-term sustainable change by bringing together and working with international, national and local partners.
- Saferworld aims to be a diverse organisation working inclusively and respecting the views of others.

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## Our strategic priorities

We pursue our priorities at the international, regional, national and sub-national levels. We believe that meaningful progress towards the realisation of our vision requires change in the following ways, through:

- Individuals and communities influencing effective responses to conflict and insecurity and promote peace
- Civil society playing an active role in influencing authorities and building capacities for peace
- Authorities being responsive and accountable to people's needs and their actions helping to build peace
- External actors operating in a way that supports peace, including through their engagement on security and justice provision

All of these actors have a pivotal role to play in building sustainable peace. Alongside this, we support the development and implementation of related policies and engage in dialogue with regional and international actors to encourage them to exert their influence in a positive manner.

Saferworld works in close collaboration with our partners in pursuit of progress in four linked thematic and issue-based areas:

- Security and justice
- Arms control
- Aid and conflict
- Governance and peacebuilding

We believe that progress in these areas can be a key determinant in the prevention and reduction of conflict.

## Review of performance

**Over the year, Saferworld continued to contribute to sustainable change and lasting peace in four key ways. We worked to improve access to security and justice; enhance controls on conventional weapons; make aid more effective in conflict-affected and fragile states; and promote better governance to support peacebuilding.**

In 2011-12 we worked in 18 countries and territories with over 40 local partners and numerous other associates, using evidence and experience from our in-country programmes to make recommendations to international policy makers – leading to real changes on the ground. Taking into account additional research and advocacy carried out during the year, our reach extended to nearly 40 countries and territories, working with even more partners. This contributed to the broad evidence-base and global perspective with which we sought to influence national and international policy makers.

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### Improving community security

In 2011-12 we supported the formation of numerous community groups in **Georgia/Abkhazia, Kenya, Kyrgyzstan/Tajikistan, Nepal, Pakistan** and **South Sudan**. We helped them to identify their security needs and priorities, set out a vision for change, and voice their concerns to local authorities. Twenty eight community security plans have been developed as a result. In **Kenya**, two rival ethnic groups used mechanisms set up by a community security-building initiative to monitor the movement of cattle raiders and reduce the deadliness of attacks in December 2011. In border areas between **Kyrgyzstan** and **Tajikistan**, and communities bordering **Uzbekistan**, regular meetings between community members, border guards and police on different sides of the borders were put in place to address problems such as the arrest and harassment of cattle herders. In **Bangladesh** our community security-building work improved children's security, reduced sexual harassment and increased family incomes in programme areas.

In **South Sudan** we supported the South Sudan Police Service to take steps towards adopting a community-based approach to policing – carrying out research in six states to measure public perceptions of security and safety and police provision, and provide recommendations for a community policing policy. Elements of our community security-building approach have also been taken up by the United Nations Development Programme (UNDP).

### Supporting inclusive political processes for peace

In Southern Sudan (now **South Sudan**) we led preparations to manage the public security challenges of the independence referendum and subsequent elections. We also supported the United Nations Political Office for Somalia/UNDP to address potential security threats during the presidential elections in **Somaliland**, locating a senior advisor in the office of the Chief of Police. We supported the Somaliland Non State Actors Forum (SONSAF) to work closely with the National Election Committee, and together they trained and deployed 700 domestic election observers at strategic points across Somaliland. We also supported SONSAF, Somalia South-Central Non-State Actors (SOCSENSA) and Puntland Non-State Actors' Association (PUNSAA) with consultation and research on constitutional and democratisation issues in **Somalia/Somaliland**. We have been working with the Kenyan Police to develop impartial responses to election-related violence in advance of the 2013 elections.

In October 2011 we undertook a mission to **Egypt** to explore how we could support a peaceful transition process. Since then we have provided an informal help desk to a number of Egyptian NGOs working on police reform and accountability mechanisms. In **Yemen** we worked with our partners Resonate Yemen and Tamkeen Development Foundation to ensure the transition is more inclusive and responds to the needs of young women and men, strengthening advocacy skills with Yemeni youth leaders, bringing youth leaders and government officials together and carrying out research to bring in the views of those usually excluded from policy processes.

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## Developing the security and justice sectors

In **Kenya** we helped the Police Reforms Implementation Committee adopt a participatory approach to police reform through consultations with civil society. Many of the resulting advocacy messages were incorporated into the Police Service Bill and Independent Oversight Authority Bill. We reviewed the Security Sector Accountability and Police Reform Programme in the **Democratic Republic of Congo**, the UK Department for International Development's (DFID) biggest security and justice programme, and provided support to improve the design of a five-year Stabilisation and Reconciliation Programme in **Nigeria**. These are examples of how we have provided technical expertise and advice on monitoring and evaluation, leading to tangible results for much larger programmes.

In **Pakistan** we carried out research into the *Jirga*, a traditional gathering of elders that resolves grievances by consensus, concluding that *Jirga* that are more inclusive and transparent can play an important role in conflict transformation and resolution. We worked with Belfast-based NGO Intercomm to sponsor police exchange visits between the **Nepal, Kenya and Georgia** police services and the Police Service of **Northern Ireland**. The strategy and action plan of a new Internal Affairs Unit in the Kenyan National Police reflected lessons learned from this exchange.

In **Kosovo** we offered expert advice and findings from our public perception surveys to support the development of the National Strategy and Action Plan on Community Safety 2011-18, a new policing methodology and a new community policing strategy and action plan. We worked with the Ministry of Internal Affairs to ensure a participatory approach to the development of the community safety strategy.

## Understanding gender, peace and security

A new initiative in 2011-12 was the production of a docudrama in **Nepal** to highlight the lack of female participation and representation in the Nepali security agencies. Saferworld also worked with a number of local Nepali organisations to press the government and authorities to improve their security policies and practices.

In the **UK**, we contributed to the annual review of the UK's National Action Plan on Women, Peace and Security. This included working with the Gender Action for Peace and Security network to organise a focus group with UK government officials and civil society experts to

### Achievements

- Contributed to UK government's policy supporting development of responsive and accountable security and justice services.
- Carried out conflict analyses across 12 countries and territories, bringing people's perspectives on peace and security to EU and other policy makers.
- Co-ordinated civil society advocacy on conflict and fragility in the lead-up to Busan High-Level Forum on aid effectiveness.
- Held a series of 6 international seminars for government and civil society in build-up to Arms Trade Treaty (ATT)
- Carried out research into the impact of rising powers on peace and security in conflict-affected states.
- Contributed to annual review of the UK's National Action Plan on Women, Peace and Security.

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make recommendations for the UK's bilateral action on women, peace and security. In **Nepal**, as part of the review process, Saferworld brought together representatives from the UK and Nepali governments, civil society and other relevant stakeholders in Kathmandu.

In December 2011/January 2012 Saferworld conducted a gender audit of our policy and programming work, informing the development of a new gender strategy for the organisation.

### **Controlling international arms transfers and taking action on small arms and light weapons proliferation and misuse**

The arms control agenda in 2011-12 was dominated by the build-up to the Arms Trade Treaty (ATT) negotiations in the **United Nations**, held in July. Saferworld was heavily involved in work leading up to the conference, including a series of UN Preparatory Committee meetings. We held a series of six international seminars for government and civil society representatives from November 2011 to develop a comprehensive set of proposals on how a treaty should be put into practice. We also conducted a number of studies to understand and highlight Chinese perspectives on arms issues.

While in **South Sudan**, we continued to work on issues related to the proliferation of small arms and light weapons, providing technical support to the Government of South Sudan. We also co-ordinated a meeting on small arms proliferation in Geneva in March 2012, bringing together Saferworld's in-country programme experts, government officials and civil society, in advance of the UN review conference of the Programme of Action on Small Arms and Light Weapons (held in September 2012).

In the **UK**, we submitted evidence to the Parliamentary Committee on Arms Export Controls and many of our recommendations were reflected in the committee's final report published later in the year.

### **Ensuring aid supports peace in conflict-affected states**

Throughout 2011 Saferworld participated actively in the International Dialogue on Peacebuilding and Statebuilding as a civil society representative. We co-ordinated civil society advocacy on conflict and fragility in the lead-up to the Busan High-Level Forum on aid effectiveness. The final Busan agreement welcomed a 'New Deal for Engagement in Fragile States' which included five peacebuilding and statebuilding goals. It reflected Saferworld's recommendations in a number of ways, but particularly the need to make sure that civil society is a central actor in peacebuilding and statebuilding processes. The agreement reflects an emerging consensus that progress on the Millennium Development Goals (MDGs) in fragile states is impossible without first achieving peace and security. Saferworld has built on this work by pushing for peace and security issues to feature strongly within any wider post-MDG development framework.

Our recommendations to the **UK** International Development Committee inquiry on working effectively in conflict-affected and fragile states were also reflected strongly in their report—with its recommendations in turn accepted by DFID.

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### Harnessing the peacebuilding potential of ‘rising powers’

Saferworld’s work examining the impact of rising powers (like China and India) on peace and security in conflict-affected states intensified in 2011-12 with new research into the impact of **China’s** engagement on **Nepal, Sri Lanka, Sudan** and **South Sudan**. The evidence from the research was then used through a series of launch events in Beijing, Washington, London, Paris and Brussels to inform policy debate in the West and in China itself.

During 2011 we also started research into the increasing influence of **Qatar** and other Gulf States in conflict prevention and peacebuilding in the region, particularly focusing on **Sudan, Libya, Lebanon** and **Yemen**.

### Promoting conflict-sensitive development

In **Uganda** Saferworld has been collaborating in a project to conflict-sensitise the government’s Peace, Reconstruction and Development Programme in Northern Uganda. We have also conducted several conflict and security assessments in the Moroto and Kotido districts of the region to influence peacebuilding, security and development actors to make their work more sensitive to local conflict and security dynamics.

In **Kenya** we worked with the Life and Peace Institute and the National Steering Committee on Peacebuilding and Conflict Management to train media practitioners on conflict-sensitive reporting and journalism and to give them a better understanding of the impact their reports can have on community tensions and violence.

As part of the Conflict Sensitivity Consortium (a group of 35 humanitarian, development and peacebuilding agencies), we developed a how-to guide offering practical advice on conflict sensitivity for aid agencies. This will help them to better understand their impact and the steps they can take to ensure their work helps build peace rather than inadvertently undermine it. We also reached out to other development organisations, working with Tearfund to look at how they can maximise the peacebuilding and statebuilding impact of their water, sanitation and hygiene programming. And we provided conflict sensitivity training to Irish Aid staff in **Uganda** and to staff from DFID in **South Sudan**, as well as conflict analysis training to the EU External Action Service’s Conflict Prevention, Peacebuilding and Mediation division.

### Building global action to prevent violent conflict

Through our People’s Peacemaking Perspectives project we carried out conflict analyses across 12 countries and territories. This brought people’s perspectives on peace and security to **EU** and other policy makers to ensure more appropriate national and international policy responses.

Through our involvement in the EU-financed Initiative for Peacebuilding project we produced two case studies in **Kyrgyzstan** and **Kenya** looking at the challenges and opportunities of producing early warning, conflict analysis and responding to early signs of tensions in-

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country. In collaboration with Clingendael we also mapped out the EU's pre-Lisbon Treaty early warning system to learn lessons from the previous institutional arrangements. Our recommendations have been addressed by the EU's External Action Service in the conflict analysis processes they are currently setting up.

In the **UK** our recommendation that supporting the development of responsive and accountable security and justice services should be included as a key part of efforts to prevent conflict 'upstream' were reflected in the UK government's Building Security Overseas Strategy (BSOS). We played a key role in the civil society follow-up to the BSOS through the BOND Conflict Policy Group. Our input to the development of a Joint Analysis of Conflict and Security (JACS) by the UK government was also reflected in the resulting JACS methodology.

### Future developments

2011-12 marked the first year of our new three-year strategy period. We have built a good base upon which to extend our reach to new conflict-affected countries and this work will continue in the following years. We look to further strengthen our relationships with donors as our income continues to grow.

### Financial review

Income was £6.7m in 2011-12, marginally lower than the £6.8m figure of the previous year. Income from the UK government increased from £2.6m to £3.4m, and all major donors continued to support our work. Funding from the European Commission fell from £2m in 2010-11 to £0.7m as major projects in Somalia and other areas came to a close.

Expenditure in 2011-12 was 18% higher than the previous year at £7.5m (2010-11: £6.3m) as projects funded in 2010-11 were implemented in the current year. For this reason the deficit of £0.8m and the outflow of cash of £0.9m were at the budgeted levels. Programme expenditure (excluding allocated support costs) was 87%, a level largely consistent with previous years. Support costs increased to 10% of the total, from an unusually low level in 2010-11, as central functions were strengthened, in accordance with the business plan.

### Reserves policy and reserve levels

Reserves are held to ensure Saferworld can sustain long term commitment to our communities, partners and other stakeholders. Our reserves policy:

- a) ensures funds are sufficient to cover costs that would be incurred in the orderly winding down of the company's activities. This amounts to £500,000 and comprises: three months salaries of non-programme staff; contractual obligations for all staff; payments for rental notice periods; lease obligations and all other liabilities

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- b) is reviewed at least annually to reflect the current level of programmes being undertaken, the average longevity of service of relevant employees in service and changes in legal obligations relevant to the company's activities.

Currently, the organisation's free reserves excluding fixed assets of the charity are £820,000.

### Risk management

The trustees have identified the main risks that the charity is exposed to and have in place a strategy to minimise exposure to these risks. The trustees update the risk register each year and have concluded that the charity still has adequate cover for the expected risks.

### Investment policy

The Memorandum and Articles of Association provides that the company invests surplus funds in various investments, securities or property as appropriate.

## Structure, governance and management

The Charity is constituted as a company limited by guarantee governed by a Memorandum and Articles of Association.

### Organisation

The trustees govern Saferworld by working through the Executive Director and Executive Management Team (EMT) who report on performance against the strategic and operational plans approved by the trustees. The EMT meets regularly to review operational performance and progress against the Business Plan. Saferworld has a Policy Advocacy and Communications Division; Operations department responsible for human resources, facilities and IT; a Finance department; a Funding team; and a Director's office, with a dedicated Organisational Development Unit. There are also five regional programmes:

- Kenya and Horn of Africa
- Uganda and Great Lakes
- Asia
- Middle East and North Africa
- Europe and Central Asia

Each area is led by a Head of Programme or Division. This Head is a member of the Organisational Management Team (OMT), which is chaired by the Executive Director, and meets three to four times a year. The OMT plays a central part in the leadership of the organisation, with Heads responsible for day-to-day activities of the organisation as well as defining and implementing strategic priorities.

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For the year ended 31 March 2012

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We have a regional office in Nairobi, and staff based in Bishkek, Brussels, Dhaka, Islamabad, Juba, Kampala, Kathmandu, Pristina, Sana'a and Tbilisi.

- The Africa Programme is split into two regions, which prioritise engagements in Kenya and Somalia, and Uganda and South Sudan, as well as sub-regional work.
- The Asia Programme focuses particularly on South Asia, with country programmes in Bangladesh and Nepal. In addition, Saferworld maintains a close interest in China, specifically with regards to arms control policy, and works in Pakistan.
- The Middle East and North Africa Programme focuses on Yemen, Egypt and Libya as well as wider regional work.
- The Europe and Central Asia Programme focuses on the Western Balkans, particularly Kosovo and Bosnia Herzegovina, and parts of the Caucasus, in addition to developing work in Central Asia, particularly Kyrgyzstan and Tajikistan.
- The Policy Advocacy and Communications Division leads the development of our thematic strategies and the implementation of work that is either conceptual or international in nature. In addition, the Division leads our internal and external communications and advocacy work, and supports strategy development, M&E, research and capacity building with partners.

### Trustees

The Board meets four times a year. Trustees also provide expertise to staff on their particular skill area, which include finance, policy research, advocacy and communications, charitable law and governance, on an on-going basis. Trustees are eligible for reappointment every three years at the Annual General Meeting.

Trustees undertake a skills audit with the aim of attracting members with relevant experience and skills to the Board. In appointing new trustees consideration is given to the gender balance and the international nature of our work. Nominees meet with the Chair and Executive Director who recommend appointments to the Board.

On appointment, trustees agree to adhere by our code of conduct and sign a declaration of eligibility form. Each trustee receives a handbook which includes the Memorandum and

### Trustees

Haki Abazi  
Godfrey Allen  
Alan Barlow  
Malcolm Chalmers  
Anne Fitz-Gerald  
Owen Greene (Chair)  
Alice Hills  
Sally Joss  
Lord Judd of Portsea  
Charles Marshall  
(Treasurer)  
David Norman

Secretary:  
Sue Maskell

Executive Director:  
Paul Murphy

Registered office:  
The Grayston Centre  
28 Charles Square  
London, N1 6HT

Company Number:  
03015948

Charity number:  
1043843

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Articles of Association, policies and procedures, including conflict of interest, and other guidance. Trustees are required to complete a declaration of interests each year. One trustee is charged with the responsibility of ensuring any potential conflict of interest is dealt with according to the policy. Any collaborative work between a trustee and Saferworld has to be approved by the Board of Trustees prior to the project, with the interested trustee not present for the discussion and decision.

### Public benefit

We have referred to the Charity Commissions Guidance on Public Benefit when planning our work. We believe our activities, to reduce and prevent violent conflict and working with individuals, communities and states, are focused to achieve the aims and objectives of the Charity. The trustees are therefore confident that we meet the public benefit requirement.

### Statement of trustees' responsibilities

The trustees (who are also directors of Saferworld for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware

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- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### Staff

Our success depends on the quality and commitment of our staff. We would like to thank them for their on-going work and commitment. We are committed to equality in recruitment, training, promotion and career development. Staff are consulted on a range of issues throughout each year and each office is encouraged to bring staff together on a regular basis, to discuss current work and future plans.

### Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Board of Trustees on 23/10/2012 and signed on its behalf by:



Owen Greene – Director and Trustee (Chair)

## **Report and accounts**

For the year ended 31 March 2012

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### **Independent auditor's report to the members of Saferworld**

We have audited the financial statements of Saferworld for the year ended 31 March 2012, which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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### Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit



Murtaza Jessa  
Senior Statutory Auditor  
Fairfax House

For and on behalf of haysmacintyre  
15 Fulwood Place  
Statutory Auditors  
London  
WC1V 6AY  
Date: 23/10/2012

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## Statement of financial activity

	Notes	Unrestricted Funds £ '000	Restricted Funds £ '000	Total 2012 £ '000	Total 2011 £ '000
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	1,834	-	1,834	151
Investment income	2	2	4	6	5
<b>Incoming resources from charitable activities</b>					
	2	-	4,824	4,824	6,665
<b>Total Incoming Resources</b>		<b>1,836</b>	<b>4,828</b>	<b>6,664</b>	<b>6,821</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising costs	3	150	-	150	109
Charitable activities	4	1,316	5,882	7,198	6,138
Governance costs	6	103	-	103	74
<b>Total Resources Expended</b>		<b>1,569</b>	<b>5,882</b>	<b>7,451</b>	<b>6,321</b>
<b>Net incoming resources</b>	7	<b>267</b>	<b>(1,054)</b>	<b>(787)</b>	<b>500</b>
Fund balances brought forward at 1 April 2011					
		553	1,939	2,492	1,992
<b>Fund balances at 31 March 2012</b>	13	<b>820</b>	<b>885</b>	<b>1,705</b>	<b>2,492</b>

There were no recognised gains or losses in 2012 or 2011 other than those included above. The notes on pages 16 to 25 form part of these accounts.

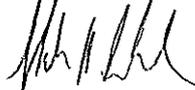
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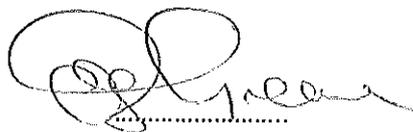
Balance sheet as at 31 March 2012		2012	2011
	Notes	£ '000	£ '000
<b>FIXED ASSETS</b>			
Tangible Assets	10	-	-
<b>CURRENT ASSETS</b>			
Debtors and prepayments	11	1,443	1,081
Cash at bank and in hand		783	1,660
		<hr/>	<hr/>
		2,226	2,741
<b>CREDITORS: Amounts falling due within one year</b>	12	(521)	(249)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		1,706	2,492
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,705	2,492
		<hr/> <hr/>	<hr/> <hr/>
<b>FUNDS</b>			
Restricted funds	13	885	1,939
Unrestricted funds	13	820	553
		<hr/>	<hr/>
		1,705	2,492
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees and authorised for issue on 23/10/2012 and signed on their behalf by:



Charles Marshall  
Director and Trustee (Treasurer)



O Greene  
Director and Trustee (Chair)

The notes on pages 16 to 25 form part of these accounts.

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## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 2006. The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement.

### Fund accounting

Restricted funds arise from grants and donations given to the charity for specific areas and activities of the charity's work in furthering its objectives. Unrestricted funds provide the general funds of the charity and arise from unrestricted funds granted or donated to the charity, which may be used at the discretion of the Trustees.

### Incoming resources and resources expended

Donations and gifts are accounted for as received by the charity. Income from grants is recorded on a receivable basis. Deferred income represents amounts received for future periods and is released in the incoming resources in the period for which it has been received. Where applicable, interest on cash deposits is attributable to restricted funds held.

All expenditure is included on an accruals basis. Cost of generating funds comprises costs of appealing for contributions to the charity's work. Charitable activities expenditure comprises of those costs directly attributable to projects undertaken. Governance costs include all costs attributable with compliance with constitutional and statutory requirements. Support costs are directly attributable to these categories or apportioned based on staff time spent.

### Pensions

All permanent staff employed by the charity are eligible to join the defined contribution pension scheme. Saferworld with contributes 7% of salary provided the staff member contributes 2% of salary. UK based permanent staff pension fund is operated by Friends Provident.

### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and capitalised where the cost exceeds £500. Depreciation rates write off fixed assets over their expected useful lives as follows:

Office furniture and equipment	25% straight line
Computer equipment	33% straight line

### Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of Financial Activities.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling using the exchange rate at the balance sheet date. Transactions in foreign currencies are translated into sterling at the exchange rate on the transaction date.

## Report and accounts

For the year ended 31 March 2012

2. INCOMING RESOURCES – restricted funds	2012	2011
	£ '000	£ '000
Department for Foreign Affairs and International Trade, Canada	621	304
Joseph Rowntree Charitable Trust	15	34
Eurasia Foundation of Central Asia	14	-
Foundation of Open Society Institute	39	-
Institute for Foreign Cultural Relations-ZIVIK	56	-
Ministry of Foreign Affairs, Germany	103	94
Ministry of Foreign Affairs, The Netherlands	300	308
Ministry of Foreign Affairs, Norway	218	298
Royal Norwegian Embassy, Nepal	54	29
Ministry of Foreign Affairs, Denmark	51	-
Swedish International Development Agency	390	312
UK Department for International Development, Conflict, Humanitarian and Security Fund	-	1,297
UK Department for International Development – Kenya	108	37
UK Department for International Development – Uganda	133	76
UK Department for International Development – Nepal	135	298
UK Department for International Development- Research for Development	50	-
PACT – Sudan	265	416
Care International	-	15
Delegation of the European Commission, Instrument for Stability Fund	326	564
Canadian International Development Agency	-	31
Delegation of the European Commission – Georgia	-	423
Delegation of the European Commission – Somalia Unit	285	776
Delegation of the European Commission – Pakistan	35	-
International Alert, UK	28	193
Irish Aid – Uganda	10	-
Italtrend	-	34
Swiss Federal Department of Foreign Affairs	85	89
UK Department for International Development, Somalia	371	319
UK Department for International Development, Kyrgyzstan	100	87
UK Foreign and Commonwealth Office, Caucasus	226	122
UK Foreign and Commonwealth Office	236	268
UK Foreign and Commonwealth Office, Central Asia	112	85
UK Foreign and Commonwealth Office, Bangladesh	25	-
UK Foreign and Commonwealth Office, Nepal	50	-
UK Foreign and Commonwealth Office, China	158	-
UNDP – Somalia	-	104
UNDP – Bangladesh	87	22

## Report and accounts

For the year ended 31 March 2012

<b>INCOMING RESOURCES – restricted funds (continued)</b>	<b>2012</b>	<b>2011</b>
UNDP – Nepal	14	-
UNDP – Georgia	84	-
PWC – Kosovo	10	10
Others	30	20
	<hr/>	<hr/>
	4,824	6,665
Investment income	4	4
	<hr/>	<hr/>
	4,828	6,669
	<hr/> <hr/>	<hr/> <hr/>

<b>INCOMING RESOURCES - Unrestricted Funds</b>	<b>2012</b>	<b>2011</b>
	<b>£ '000</b>	<b>£ '000</b>
Swedish International Development Agency	-	66
UK Department for International Development -Programme Partnership Arrangement	1,740	-
Consultancy fees	73	49
Supporters donations	21	36
Investment income	2	1
	<hr/>	<hr/>
	1,836	152
	<hr/> <hr/>	<hr/> <hr/>

## Report and accounts

For the year ended 31 March 2012

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<b>3. COST OF GENERATING FUNDS</b>	<b>2012</b>	<b>2011</b>
	<b>£ '000</b>	<b>£ '000</b>
Staff costs	102	88
Direct costs	26	7
Support costs	22	14
	<hr/>	<hr/>
	150	109
	<hr/> <hr/>	<hr/> <hr/>

The cost of generating funds includes staff taking part in fundraising activities in the form of contacts with potential grantors including governments, European Commission, charitable trusts and foundations. No fundraising events or other fundraising activities were organised during the year.

<b>4. COSTS OF CHARITABLE ACTIVITIES</b>	<b>2012</b>	<b>2011</b>
	<b>£ '000</b>	<b>£ '000</b>
Staff costs	2,041	1,740
Direct costs	4,467	3,889
Support costs	690	509
	<hr/>	<hr/>
	7,198	6,138
	<hr/> <hr/>	<hr/> <hr/>

# Report and accounts

For the year ended 31 March 2012

5. SUPPORT COSTS	2012	2011
	£ '000	£ '000
<b>ALLOCATED TO:</b>		
Charitable activities	690	509
Cost of generating funds	22	14
Governance costs	15	14
	<u>727</u>	<u>537</u>
	<u><u>727</u></u>	<u><u>537</u></u>
<b>Support costs consist of:</b>		
Staff costs	127	114
Office costs – UK	253	232
Office costs – Kenya	70	46
Office costs – Uganda	24	29
Office costs – Nepal	24	21
Office costs – Brussels	10	8
Office costs – Kosovo	7	-
Tax and audit fees	47	-
Evaluation of programmes	33	-
Training and development days	52	15
Other charitable expenses	80	72
	<u>727</u>	<u>537</u>
	<u><u>727</u></u>	<u><u>537</u></u>

Support costs have been allocated on the basis of staff costs relating to each activity.

6. GOVERNANCE COSTS	2012	2011
	£ '000	£ '000
Staff costs	70	42
Audit and accountancy fees	10	9
Annual report	-	3
Legal expenses	3	4
Board meeting expenses	5	2
Support costs	15	14
	<u>103</u>	<u>74</u>
	<u><u>103</u></u>	<u><u>74</u></u>

# Report and accounts

For the year ended 31 March 2012

<b>7. NET INCOMING RESOURCES IN THE YEAR</b>	<b>2012</b>	<b>2011</b>
	<b>£ '000</b>	<b>£ '000</b>
The net incoming resources in the year is stated after charging:		
Operating lease rental	122	103
Auditors' remuneration - as auditors	10	9
- other services	-	18
	<u>          </u>	<u>          </u>

<b>8. STAFF COSTS</b>	<b>2012</b>	<b>2011</b>
	<b>£ '000</b>	<b>£ '000</b>
Wages and salaries	2,014	1,742
Social security	185	147
Pension costs	82	61
Life assurance	59	35
	<u>          </u>	<u>          </u>
	<b>2,340</b>	<b>1,985</b>
	<u>          </u>	<u>          </u>

The average number of full-time equivalent staff employed by the charity during the year was as follows:

	<b>Number</b>	<b>Number</b>
Programmes	64	56
Fundraising	3	2
Governance and support	7	6
	<u>          </u>	<u>          </u>
	<b>74</b>	<b>64</b>
	<u>          </u>	<u>          </u>

One employee earned between £60,000 and £70,000 in the year: (2011: One). Pension costs amounted to £3,775.

# Report and accounts

For the year ended 31 March 2012

## 9. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

The trustees received no remuneration for their services during the year (2011: Nil). During the year three trustees received reimbursement of the following expenses:

	2012 £ '000	2011 £'000
Expenses, substantially comprising of travel, related accommodation and communications costs	3	2

## 10 TANGIBLE FIXED ASSETS

### Cost and accumulated depreciation

At 1 April 2011 and 31 March 2012

### Net Book Value

At 1 April 2011 and 31 March 2012

Fixtures,  
equipment &  
computers  
£ '000

30

-

## 11 DEBTORS

### Due within one year

Prepayments

Other debtors

2012  
£ '000

147  
1,296

1,443

2011  
£ '000

193  
888

1,081

## 12 CREDITORS: amounts falling due within one year

Creditors and accruals

2012  
£ '000

521

2011  
£ '000

249

# Report and accounts

For the year ended 31 March 2012

## 13 SUMMARY OF FUND BALANCES

	At 1 April 2011 £ '000	Incoming Resources £ '000	Outgoing Resources £ '000	At 31 March 2012 £ '000
Restricted funds	1,939	4,828	(5,882)	885
Unrestricted funds	553	1,836	(1,569)	820
	<u>2,492</u>	<u>6,664</u>	<u>(7,451)</u>	<u>1,705</u>

The UK Department for International Development (DFID) provided £1,739,000 under Programme Partnership Arrangement and the Swedish International Development Agency provided £390,000 for our programme of work to address small arms and light weapons, security sector reform, international transfer controls, and impact assessment.

The Norwegian MFA made a contribution of £200,000 towards Saferworld's cross-organisational work, seeking to encourage international and national approaches to small arms light weapons control.

### Asia

In Nepal, the Norwegian Embassy provided a grant of £55,000 to produce a documentary on gender, rehabilitation and integration. The Danish Ministry of Foreign Affairs provided £51,000, towards our work to enable civil society to contribute to the democratic reform of the justice and security sector in Nepal. The Swiss federal Department of Foreign Affairs committed £16,000 for strengthening the development and implementation of gender-sensitive policy and programming on security and justice in Nepal. DFID Nepal, in partnership with ESP and GRM International, provided us with £135,000 for undertaking interim activities to the Nepal Police Reform Project.

In Bangladesh, the United Nations Development Programme (UNDP) funded £87,000 for the provision of a baseline survey on personal security and police performance.

In Pakistan, the European Commission (EC), in partnership with Community Appraisal and Motivation Programme (CAMP), provided £35,000 for our work promoting participatory approaches in Khyber Pakhtunkhwa and Federally Administered Tribal Areas.

In China, we received £158,000 from the UK Foreign and Commonwealth Office (FCO) to strengthen awareness, dialogue and capacity to work on conventional arms controls in China. The Foundation Open Society Institute provided £39,000 to support civil society dialogue on China's role in African peace and security. DFID provided £50,000 for our work towards China's growing influence on international peacebuilding.

### Africa

## Report and accounts

For the year ended 31 March 2012

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In Southern Sudan, the arms controls and community security programme received £621,000 from the Canadian Department of Foreign Affairs and International Trade, £ 265,000 from PACT-Sudan.

In Uganda, we received £134,000 from DFID in support of our work as member of the Advisory Consortium on Conflict Sensitivity for a post-conflict development programme in northern Uganda.

In Somalia, the EC delegation granted £285,000 and DFID Somalia granted £371,000 towards creating effective dialogue between non-state actors, administrators and the international community.

In Kenya, DFID provided £108,000 for our work to support peaceful process for the 2012 presidential elections, and the Dutch Ministry of Foreign Affairs provided £300,000 for capacity building to address small arms and light weapons and security sector reform.

### Europe and Central Asia

In Central Asia, the FCO provided £113,000 and DFID provided £100,000 for our projects preventing conflict through participatory approaches to community safety in the Ferghana Valley. We received £62,000 from Swiss Agency for Development and Cooperation (SDC) for our project which aims to promote gender-sensitive community security and conflict in Kyrgyzstan.

In Caucasus, the FCO provided £220,000 in support of increasing regional capacity for community-based approaches to security. We received £84,000 from UNDP Georgia for the project, "Increased confidence through community security in Shida Kartli".

In Balkans, the German Ministry of Foreign Affairs provided £103,000 for the project "Supporting small arms and light weapons control and community security in Kosovo".

### Middle East

The German Institute for Foreign Cultural Relations funded us for the first time this year by providing £56,000 for a project empowering young people to advocate for inclusive transitional and political processes in Yemen.

### Policy and Advocacy

The EC, in partnership with Conciliation Resources, continued to support the People's Peacemaking Perspectives project, an 18 month initiative, which provided opportunities for civil society involvement in the European Union's (EU) planning processes for conflict prevention and peacebuilding initiatives. In 2011-12 they provided £326,000 to this work which produced 18 conflict analyses from around the world and provided the EU with relevant and evidence-based analysis from the perspectives of communities affected by those conflicts.

The FCO funded two Saferworld projects on the Arms Trade Treaty: £150,000 for the project "The Arms Trade Treaty from PrepComs to negotiating conference and beyond", and £86,000 for setting up the basis for a successful negotiating conference.

We continued to receive support from the Joseph Rowntree Charitable Trust. In 2011-12 they provided £15,000 towards our work on tightening UK and EU arms export controls.

## Report and accounts

For the year ended 31 March 2012

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### 14. UNRESTRICTED FUNDS

Unrestricted income is comprised of funds which the trustees are free to use in the furtherance of the organisations charitable objectives. Unrestricted income totalled £1,836,000 including £1,739,000 received from the UK Department for International Development under Programme Partnership Arrangement. Donations, subscriptions, consultancy fees and interest provided the remainder.

### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £ '000	Unrestricted £ '000	Total £ '000
Tangible fixed assets	-	-	-
Net current assets	885	820	1,705
	<hr/>	<hr/>	<hr/>
Total net assets	885	820	1,705
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 16. OPERATING LEASE COMMITMENTS

As at 31 March 2012 the charity had annual commitments under operating lease on buildings as follows:

	2012 £ '000	2011 £ '000
Expiry date:		
One year	128	121
	<hr/> <hr/>	<hr/> <hr/>

### 17. SHARE CAPITAL

Saferworld is a company Limited by Guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.