

SAFERWORLD

PREVENTING VIOLENT CONFLICT. BUILDING SAFER LIVES

Report and accounts

For the year ended 31 March 2016

Directors' report

The Board of Directors presents its report and audited accounts for the year ended 31 March 2016.

Vision, mission, and values

Our vision

We believe in a world where everyone can lead peaceful, fulfilling lives, free from fear and insecurity.

Our mission

We work to prevent violent conflict and build safer lives.

We believe there are essential conditions necessary for peace to become established. We work to create environments where:

- people play an active role in preventing and transforming conflict and building peace
- people have access to fair and effective paths to address the grievances and inequalities that drive conflict
- people with influence exercise power to promote just and equitable societies

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

These are not the only conditions needed to bring about peace, but we believe they are particularly important and that Saferworld, with its partners, can help achieve them. This strategy sets out how we will do this.

Our values

We believe:

- in the worth, equality and dignity of every person, and respect the richness of social and cultural diversity
- inclusivity and accountability are essential in society if people are to enjoy security, justice and peaceful coexistence
- our actions must show honesty, transparency and consistency with our principles and the mission we profess

Directors' report (continued)

Our objectives

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

- Security and justice
- Gender
- External conflict drivers
- Conflict sensitivity
- Inclusive processes

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

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 promoting 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.

Strategic report

Review of performance

2015-16 marked the mid-way point of Saferworld's 2014-17 strategy, *People First*. Despite significant changes in the funding environment and challenges in a number of programme contexts, we successfully built on the previous years' achievements and secured our highest level of income ever.

Our work focused on five strategic objectives:

- Strengthen people's security and access to justice through the development and effective delivery of responsive, accountable and locally-appropriate security and justice
- Challenge gender norms that cause and perpetuate conflict and insecurity
- Reduce the impact of external drivers of conflict including weapons flows, illicit finance and militarised responses to security threats
- Ensure international political, economic, development and security engagement in conflict-affected contexts is sensitive to conflict dynamics and contributes to sustainable peace
- Promote peacebuilding processes and governance systems that are inclusive, fair, responsive and accountable and address the root causes of conflict.

We worked across 23 countries and territories with over 40 local partners and a wide network of 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.

Achievements

- We supported 38 community action groups in South Sudan, reaching over 35,000 households and 140,000 people through their work.
- We published in-depth research on constructive alternatives to counter-terror. Saferworld launched reports at events across the globe.
- We were instrumental in raising the profile of the conflict in Yemen, commissioning a legal opinion which concluded arms exports to Saudi Arabia were in breach of the UK's national, regional and international arms transfer control obligations.
- Our major asks were reflected in the 2030 Agenda: a goal on peace, justice and governance (Sustainable Development Goal 16); and peace as an overarching issue across all the goals.

2015-16 in perspective

Violent conflict has continued to wreak havoc across many parts of the world during the last year, with implications that touch every country. High levels of violent conflict and insecurity are contributing to the world's migration crisis (which in 2016 reached unprecedented levels with over 65 million people forcibly displaced) and an intensification of terror-style violence and violent extremism. These trends are having far-reaching implications on global peace and security. Including a preoccupation with national security priorities in Western states, exacerbated by high profile but limited terror attacks in Europe and elsewhere. There is a tendency to emphasise securitised approaches to stabilisation and countering violent extremism – often retreating to a 'war on terror' mentality at the expense of pursuing effective conflict prevention and peacebuilding strategies. States that border conflicts are bearing the brunt of the migration crisis in Africa, Asia and the Middle East. Many of these states are conflict-affected themselves and ill-equipped to cope, leaving refugees vulnerable and states exposed to further instability. The scale of the crisis is testing the limits of international protection regimes and revealing limitations to humanitarian action. This is unlikely to change soon as the complex mix of push factors including violent conflict, repression and inequality remain. Erecting national barriers to interrupt migrant flows without comprehensively attempting to address global security concerns and the underlying factors driving the mass movements of people will not ease the pressure.

Saferworld has responded, with staff, partners and community groups continuing to work intensively towards conflict prevention and peace, and helping people affected by conflict to build safer lives. In particular, our work has focused on conflict hot-spots such as Yemen, Somalia and South Sudan. Saferworld's mission is to inspire a broader perspective towards human security: one that takes people's *experiences* of insecurity and injustice as the starting point and builds collaborative efforts to help people live safer, more fulfilling lives. It is more pressing than ever that we continue working with people and communities who are living with and responding to violent conflict, supporting their efforts to reduce violence and build peace. It is also about viewing conflict transformation holistically, and stressing the links between access to basic entitlements – such as adequate food and nutrition, health, employment as well as safety, security and justice – and the achievement of sustainable peace. Over the last year Saferworld has worked with our partners, to ensure people become agents in shaping essential conditions for peace, and we have pressed international actors to be responsive to people's security priorities and the underlying drivers of instability –addressing the root problems that are forcing people to flee their homes and countries.

In Yemen, for example, where the war is now in its second year, our team on the ground and partners continue to work with communities on localised peacebuilding initiatives in extremely challenging circumstances. Internationally we challenged governments over continuing arms exports to external parties intervening in the conflict and the effect this is ultimately having on civilians. Our work in South Sudan continued in ten locations despite on-going conflict, offering support to community groups who courageously faced the horrific consequences of civil war and who took actions to improve local safety and freedom of movement. Even in such perilous situations, we can and do make a positive impact.

This community-led work illustrates the fundamental role civil society organisations and associations play in challenging and influencing conditions for peace. In Somaliland, civil

organisations made striking progress towards their goal of more accountable and effective electoral processes, as did similar groups in Kyrgyzstan in promoting key police reform changes. However, in many of the contexts where we and our partners work, individuals and civil society are denied opportunities to play active peacebuilding roles and to participate in national political processes. Governments have imposed financial, legislative and political restrictions on civil society activity in an attempt to silence dissenting voices and stifle local activism.

At national, regional and international levels last year, Saferworld continued to produce expert evidence-based research, analysis and advocacy leading to positive change in many areas. Playing an active leadership and facilitation role we were instrumental in bringing about the inclusion of peace as a cross-cutting development priority in the 2030 Agenda for Sustainable Development, and we made significant contributions to the dialogue on how states measure progress against the global goals. We worked with states to implement commitments made in recent global agreements such as the Arms Trade Treaty (ATT) and brought new perspectives to the debate on current counter-terrorism, stabilisation and statebuilding approaches, challenging over-securitisation and providing evidence to reassess less violent and more people-focused alternatives instead.

As Saferworld approaches the end of its 26th year, our experience in many contexts has deepened our solidarity with those enduring violent conflict or those forced to flee their homes. Our work is underpinned by a strong belief in the urgent need for change that responds to people's needs, to bring about stability, justice and peace today.

Regional and policy programme highlights

GREAT LAKES

In **Uganda**, Saferworld worked with communities, authorities, investors and civil society to promote conflict-sensitive approaches to land and extractives. Our position paper on the laws around mineral extraction fed into changes made by the Ugandan Government to mineral laws. Several Ugandan communities experienced conflicts relating to land use and mineral exploitation. Saferworld has helped stakeholders to find both safe platforms for dialogue and solutions to the conflict issues. We expanded our work from northern Uganda and Karamoja, into the southern districts of Mukono, Mityana and Mbale, piloting the idea of 'talking circles' dialogue platforms – with success. The platforms provide a safe space for community members to share their concerns with authorities. This process has improved relationships between the police, local government and communities

In **Sudan**, Saferworld has supported civil society partners in their efforts to shape and create opportunities for national conflict transformation processes. We supported the Sudan Democracy First Group (SDFG) to become a leading Sudanese voice on national political, economic, social and regional issues, working with them to convene cross-constituency dialogues. We continued to facilitate dialogue and coordination between a diverse group of civil society actors; providing a platform that permits multiple voices to be heard, and allows the breakdown of traditional barriers. Through this, we have supported a theory of change, based on a shared vision that provides guidance for coordinated civil society efforts towards

conflict transformation in Sudan. Saferworld has continued to engage influential international actors to support national efforts for a just, peaceful and democratic Sudan, at a time when the country has successfully positioned itself as a beacon for stability in the region by furthering its cooperation with major powers on anti-terrorism efforts.

The Agreement on the Resolution of Conflict in **South Sudan**, signed in August 2015 to end the renewed conflict that broke out in December 2013, brought some hope for stability. The country faces an uphill struggle with ongoing fighting in some areas, a severe food shortage, risk of economic collapse and huge numbers of internally displaced people. In this context, despite operational challenges associated with the conflict, Saferworld has expanded and deepened our work to promote peace and security at the community level. We now work in ten locations, in eight states, with nine local civil society partners. Along with our partners, we established 54 community action groups to identify and prioritise community concerns and to find solutions to address their immediate safety issues. With the support of Saferworld, many groups have initiated additional activities – highlighting the impact of our programme in developing long-term sustainability in local-level peacebuilding. Our national-level advocacy work on firearms legislation finally moved a step forward this year. Since 2010, we have supported the drafting of the Small Arms and Light Weapons Control Bill, including fine-tuning it with technical reviews. The Bill now remains to be passed by the legislature before being signed into law.

MIDDLE EAST AND NORTH AFRICA

In **Yemen**, where one of the world's worst humanitarian crises has unfolded, Saferworld continues to carry out on-the-ground peacebuilding work together with our Yemeni partners, despite huge challenges. In March 2016 we brought 23 activists from across Yemen to Amman, Jordan, to share experiences about local peacebuilding and to come up with new ideas for how to start building peace in communities even as conflict continues. While bringing people together from across Yemen has been challenging, we increased our national outreach through social media and developed an innovative remote learning course on peacebuilding and community activism using Whatsapp. Internationally, we raised awareness of the conflict through supporting small Yemeni initiatives such as the short video 'Let's coexist' and a workshop on public health impact. We have strongly advocated for an end to the conflict and for a halt to the export of arms to Saudi Arabia, a party to the conflict. This included commissioning an independent legal opinion on UK arms sales.

We have supported local initiatives promoting social peace and coexistence, for example, through micro-grants and mentoring for youth activists. In Taiz, a community group established by Saferworld and the National Organisation for Community Development took the initiative to run a rubbish removal campaign to improve sanitation in the Al-Muthaffar area, and a street lighting project in Bab Moussa in response to the impact of the conflict.

Saferworld supported civil society's efforts in **Egypt** to advocate for police reform. We provided technical expertise and case studies on topics such as police response to GBV and public order policing, as well as compiling information on popular perceptions of security in Egypt. While police reform has stalled under the current government, Egyptian media and campaigners continue to draw attention to the need for both a more accountable and more effective police force. In **Tunisia**, the international community has begun to increase support

significantly on counter-terrorism and other security issues. Saferworld has carried out research on civil society's role in advocating for security sector reform. Questions remain about how to move forward in reforming the security services but we will continue to support civil society in this regard.

SOUTH AND SOUTH-EAST ASIA

With **Nepal's** new constitution launched in September 2015 following a series of devastating earthquakes in April and May, there is a major opportunity to build long-lasting sustainable peace. However, recent civil unrest highlights the fragility of the country and the need for consistent engagement with communities. We began working with Nepali civil society within the 'Open Government Movement' and with traditionally marginalised groups to ensure that initiatives emerging from Nepal's governance developments are conflict-sensitive during the early implementation stages of Nepal's new constitution.

Saferworld raised awareness of the need for conflict-sensitive post-earthquake project responses. Additionally, we conducted regular conflict assessments to help inform a large-scale multi-year local governance project. We supported local civil society actors to identify and analyse early conflict warning signs, including online via a local portal called Nepal Monitor. We worked with local communities to improve their safety and security in the Eastern, Mid-Western, and Far-Western Terai. This included awareness-raising campaigns on wide-ranging safety concerns including gender-based violence (GBV) and looking at the links between injustice and violence and promoting a 'justice as prevention' agenda. These were championed by the communities and youth groups we support. We strengthened the gender, peace, and security component of our community security work. Saferworld's Nepal gender experts provided technical input into the Nepal MenEngage Alliance's draft strategy and UNDP's *GBV Prevention Peer Education Training Manual*.

In **Pakistan**, with continued political violence and community-level conflict, our work focused on increasing the capacity of civil society to analyse the potential impact the drawdown of international forces from Afghanistan in 2014 is having on Pakistan. We brought together nineteen civil society organisation representatives from across five regions for training on conflict awareness. We fed into the draft, review, and consultation on Pakistan's gender responsive policing policy; and we reviewed good practice guidelines for women police desks and for gender-sensitive approaches in police procedures. As part of the START Network consortium, Saferworld contributed to disaster risk reduction training and local level power analyses, aiming to build community resilience to disasters. With Oxfam Novib we conducted research in 12 districts across three provinces on formal and informal justice systems in Pakistan, and community perceptions of both.

In 2015-2016 ongoing political polarisation increased the threat of violence in **Bangladesh**. Saferworld brought together young people from different cultures to debate the future of Bangladesh in a peaceful manner and to engage constructively with security services. Working with the Bangladesh Enterprise Institute in Satkhira district, a known hotspot of political violence, we established a Youth, Democracy and Justice Forum, linking urban and rural young people in the district to act as a cross-regional platform for youth to share experiences, lessons learned and to forge networks. The forum acted in partnership with local authorities, including the police, to work together to reduce young people's

susceptibility to violence, and to increase the community's resilience to extremism. With partner BRAC we continued to work with communities to increase their ability to respond to local safety issues. In the final year of the project, communities' activities expanded beyond the original locations. This was due to factors including demand from communities following increased local awareness through positive media coverage, the mobilisation of large numbers of volunteers, and demand from security providers responding to community pressure.

In **Myanmar**, Saferworld began a three-year project designed to help build safer communities in Karen areas of southeast Myanmar, while contributing to the development of a security sector that is more responsive to the needs of communities in the country. In light of recent developments in Myanmar's peace process and changes in the political landscape, questions around the future structure and governance of Myanmar's security sector have become central to the interests of Myanmar's long-term stability and development. Saferworld advocates that these future structures should be inclusive and informed by the communities themselves.

We continued to work with our civil society partners in Kayin and Kachin states, refocusing conversation and practice relating to conflict sensitivity so that it is based upon a community-led vision. Unless the ongoing influx of international resources, in the form of aid and investment, consults communities so that their perspectives are heard and acted upon, it risks exacerbating local conflict dynamics.

HORN OF AFRICA

Increased availability and misuse of small arms in **Kenya** in recent years has contributed to endemic cycles of violence and hundreds of injuries and deaths. Over the last year we improved people's security through promoting arms control in communities in Isiolo and West Pokot counties. Working with the National Police Service, we supported groups to digitise records of firearms held by the National Police Reserve (NPR). We helped teams monitor how the NPR use their firearms, we trained the NPR on codes of conduct for using firearms, and we fed into national processes to tackle police reform and the proliferation of arms. The introduction of devolved governance in Kenya following the 2013 elections means that for the first time county level structures are responsible for a range of new areas, including delivering basic services and playing a role in local level peace and security provision. We influenced both national-level devolution institutions and county governments to adopt conflict-sensitive approaches to implementing devolved governance, which is transparent and takes into account people's different needs. This is to ensure that national-level divisions and tensions are not replicated at the devolved county level. Our conflict analyses in three counties examined the impact the current devolution process has had on local conflict dynamics. We have also supported the drafting and subsequent consultations on the National Peace Council Bill (2016), which seeks to define and set up peace councils at national and county levels. In advance of the 2017 general elections, Saferworld is supporting a multi-agency peace platform, Uwiano, to develop strategies on the prevention and management of violent conflict.

We began a new area of work to push for transparent electoral processes in **Somaliland**, where presidential and parliamentary elections are planned for 2017. This included the re-establishment of the Somaliland Civil Society Election Forum (SCISEF) by partner SONSAF to advocate and positively influence the Somaliland authorities and important members of the international community on issues of democratisation. SCISEF is training and fielding domestic observers for all upcoming electoral processes in Somaliland. During the ongoing voter registration process, SCISEF-supported observers have been posted in more than 70 per cent of registration stations.

We continued to support three non-state actor platforms in **Somalia** and Somaliland to play an active role in policy and decision-making on peace, security and development. A crucial part of this is improving non-state actor platforms' mechanisms for governance and oversight to enable a greater sense of ownership over their future. This year, for the first time, the platforms have directly sought funds from major international donors. We have devoted new resources to increasing platform involvement in significant governance processes, including the planned Somaliland elections and the 2016 political transition and constitutional review processes in the Federal Republic of Somalia.

In partnership with the south central non-state actors (SOSCENSA) in Somalia, Saferworld conducted research into peacebuilding and statebuilding needs in the Gedo, Lower Juba, and Middle Juba regions, which together form the emerging federal member state of Jubaland. SOSCENSA will use this research to advocate to the federal government and authorities in Jubaland with regards to recommendations on reconciliation and stabilisation.

EUROPE AND CENTRAL ASIA

Central Asia is suffering from a range of local-level safety issues as well as a perceived increase in religious radicalisation. In Kyrgyzstan and Tajikistan we supported the establishment of community policing forums and set up local crime prevention centres (LCPCs). We contributed to the institutionalisation of community policing and the development of sustainable problem-solving partnerships between police, local governments, and communities. The community policing forums we support became more open to raising sensitive community issues. Out of 16 community security response plans, ten addressed issues related to radicalisation and violent extremism – a problem that was not recognised as an issue in previous years. In most locations, police have become more active partners in community policing forums. We continued to support civil society in promoting community policing and establishing partnerships at the local and higher levels for security provision, through dialogues, advocacy and analysis. Our publication *Radicalisation and extremism in Kyrgyzstan: perceptions, dynamics and prevention* focused on perspectives from different actors at the local and national levels. It examines the potential causes of extremism and existing responses.

We supported vulnerable, conflict-affected communities in **eastern Abkhazia, in Shida Kartli and South Ossetia**, and along both sides of the **Armenia-Azerbaijan border**. In the border communities of Armenia and Azerbaijan, where fighting escalated in spring 2016, Saferworld brought community members from both sides together for the first time during an experience exchange in Georgia. We provided small grants to communities and set up a

database which tracked incidents targeting civilians and their property in the conflict-affected border area between Armenia and Azerbaijan. We also launched a participatory photography project, training communities in photography so that they can record their safety and security concerns. The images will be displayed at exhibitions in Baku, Yerevan and Tbilisi in 2016, to raise awareness about the plight of the people in the border area. In Georgia, our Shida Kartli and South Ossetian partners collected stories from local people affected by conflict on both sides of the Administrative Boundary Line to highlight the importance of recognising the human dimension of the conflict, which is often overlooked.

In Abkhazia, we worked with civil society, security providers and government officials to highlight effective policies to address communities' security concerns. We conducted research and supported cooperation between civil society actors from different regions of Abkhazia. We also organised an experience exchange between senior law enforcement officials and civil society members and police institutions in Scotland.

In the **Western Balkans**, we continued dialogue to identify good practices in community policing and community safety in the region. This included participating at a regional conference in June 2015 with officials from the Organisation for Security and Cooperation in Europe, police officers, community safety forum representatives and members from civil society organisations.

SECURITY AND JUSTICE

Despite a difficult year with rising insecurity around the globe, our community **security** and community policing programmes in 13 countries continued to bring authorities and communities together to identify and address their pervasive security challenges. Our peace and justice work was supported by The Guardian, and in Somalia and Kyrgyzstan we piloted a new assessment tool to see how people's experience of injustices link to violence. We subsequently launched a report in The Hague on violence and injustice in Osh, Kyrgyzstan, *Everything can be tolerated – except injustice*. We also set up a monthly justice blog, inviting experts from different fields to discuss the links between their work, injustice and violence to broaden the scope of what we mean when we talk about justice. We currently run a Security and Justice seminar series with the Overseas Development Institute.

Evidence from our programmes drives our international advocacy work and there has been some encouraging progress this year: the Dutch Foreign Office's new security and justice policy framework draws heavily on Saferworld's work; we provided input to the Independent Commission on Aid Impact's (ICAI) report on DfID's performance, *Review of UK Development Assistance for Security and Justice*, to help improve the UK's overseas security and justice work; in Bangladesh, we took part in BRAC's strategic planning process for the first time; we presented at UNDP's annual meeting on 'Rule of Law and Conflict Prevention'; and we began to engage the Open Government Partnership on peace and security issues.

GENDER, PEACE AND SECURITY

Marking 15 years since the passage of the UN Security Council resolution 1325 on women, peace and security, 2015 was an important year which saw a global stocktake of progress on these issues. Saferworld was involved in the UN High Level Review on Women, Peace and Security, pushing for a greater emphasis on conflict prevention and challenging gender norms which drive conflict and violence. The resulting Global Study reflected important themes in Saferworld's work, including the need to challenge militarisation and address the role of masculinities (socially constructed gender norms which associate masculinity with power, violence and control) in perpetuating conflict and insecurity.

We are developing our work on **gender, peace and security**. For example, in Egypt we examined the effectiveness of the government's newly created Violence Against Women Unit, and we worked with civil society partners to explore how gender sensitivity could be incorporated into wider police reforms. We strengthened gender perspectives in our community security work, gathering lessons from Bangladesh, Kyrgyzstan, Nepal, South Sudan and Yemen on the benefits of using a gender-sensitive approach and the effectiveness of community security approaches in addressing gender-based violence. Elsewhere, Saferworld has engaged emerging global actors on gender, peace and security issues, holding events in India and South Africa to encourage dialogue among civil society organisations on how their governments can take this agenda forward.

EXTERNAL CONFLICT DRIVERS

The past year has been significant for Saferworld's work on **constructive alternatives to current counter-terror approaches** – the long-term goal of which is that the US, UK and EU adopt more sustainable, less violent, more rights-focused responses to 'terrorism', violent extremism and instability that constructively address the root drivers of violent conflict. We published in-depth research looking at US, UK and EU counter-terror, stabilisation and statebuilding approaches in Afghanistan, Somalia and Yemen, launched at events across the globe.

At the landmark first Conference of States Parties (CSP) to the Arms Trade Treaty (ATT), held in Mexico in August 2015, several important decisions were taken about the future operation of the Treaty. The CSP also saw the launch of the first ATT Monitor Report (to which Saferworld contributed) and the briefing paper by the Expert Group on ATT Implementation, a group convened by Saferworld. Throughout the year, we helped developing countries to implement the ATT. This included: hosting our first African regional meeting on ATT implementation involving officials from 12 West African countries; supporting the work of the EU ATT Outreach Project in Ghana and Zambia; and preparing for Saferworld's first national assessment of ATT implementation, to be undertaken in Liberia. At a Saferworld-organised EU NGO-government conference in May 2015, concerns about arms exports to the Middle East were highlighted and subsequently exemplified in the Yemen conflict. Our parliamentary work included giving evidence to parliamentary committees in the UK and the EU.

Continuing to develop our work on other transnational factors that drive conflict, we participated in forums with various stakeholders on the connections between transnational

organised crime, illicit financial flows conflict and development. With migration increasingly dominating Western agendas we began a new area of work examining the links between conflict and migration. Saferworld will continue to advocate for addressing the underlying drivers of conflict and instability, rather than short-term securitised responses, which are at risk further exacerbating tensions.

CONFLICT SENSITIVITY

In September 2015, UN member states adopted a new plan for achieving a better future for all: The **2030 Agenda** for Sustainable Development. Saferworld published evidence and advocated on the need to include peace as a central pillar of the agenda. It was encouraging to see our major asks reflected in this agenda: a goal on peace, justice and governance (Sustainable Development Goal 16); and peace as an overarching issue across all the goals. Following the agenda's adoption, our work is now to ensure that this strong focus on peace translates into action. Through innovative research, strategic partnerships and global advocacy, we contributed to the development of a robust and effective indicator framework for measuring progress in achieving SDG 16 over the next 15 years. At the national level, we raised awareness of the 2030 Agenda through consultations on implementing its peace-related aspects in Kenya, South Sudan, Myanmar, Pakistan and India. We spoke with policy actors in India and South Africa on the implementation of the gender, peace and security-related elements of the 2030 Agenda.

Over the last year, we worked with public, private and civil society organisations to ensure more **conflict-sensitive engagement** across a range of settings. For example, we supported the Swedish Government to focus their development programmes and country strategies on crucial conflict issues in eight countries across three continents. We provided technical advice and practical support to donors, government agencies and civil society organisations, including in Uganda and Kenya, on assessing and strengthening the conflict sensitivity of their strategies and programmes. In addition, we have been developing an online training course for EU staff members on integrating conflict sensitivity into EU external action. With eight leading INGOs, we designed an integrated a conflict prevention and resilience-strengthening methodology, currently piloted in Kenya and Pakistan. We also supported over 50 civil society organisations, across 16 countries, through a major EU-funded programme, Capacities for Peace (in collaboration with Conciliation Resources), focusing on early warning systems as a conflict prevention tool. We also helped to develop and disseminate new research, including a World Vision book on conflict analysis, *Making Sense of Turbulent Contexts*.

We worked with the UN Global Compact to encourage conflict-sensitive practices among international businesses operating in conflict-affected contexts. We continued our work to improve understanding of the impacts of Chinese investment on peace dynamics in South Sudan. And to inform Saferworld's programme design processes at country level, we developed a new conflict analysis methodology.

INCLUSIVE POLITICAL PROCESSES

In 2015 we began to consider how best to facilitate joint **governance** and peacebuilding approaches in conflict-affected countries. SDG 16 brings governance, peace and justice together under one goal and initiatives such as the Open Government Partnership (OGP) have already attracted conflict-affected and fragile states as members. Aligning approaches geared towards transparency and accountability with those that centre on community-driven peacebuilding is challenging but vital if conflict-affected states are to make progress towards participatory governance.

In November 2015 we convened a discussion at the OpenGovHub in Washington with our partners Global Integrity and Development Gateway. This brought together donors and practitioners from governance and peacebuilding communities to collaborate, learn from each other and adapt their approaches. In February 2016, we set up a dialogue involving donor agencies, the International Dialogue on Peacebuilding and Statebuilding and OGP to further develop those mutually reinforcing links.

Notably throughout 2015-16, we worked in Nepal, Kenya and Sri Lanka to bring together local open government practitioners with peacebuilding partners. These joint sessions explored how to maximise the potential of OGP membership to further peace agendas and increase transparency and accountability. This, in partnership with OGP and others, will form the basis of our work in the years ahead.

Financial review of the year and position at the year-end

Review of the year

Income was £12.3m in 2015-16, representing an 18% increase over 2014-2015 (£10.2m). Our funding continues to come from a range of government and institutional donors with the largest four (UK Government, The Netherlands Government, European Commission and US Government) contributing 76% of funding (£9.4m). DFID and other UK government sources continues to be our largest single funder (£2.9m = 24% of total income).

Expenditure in 2015-16 at £11.9m was 97% of the previous year's level of £12.2m and restricted reserves increased by £0.5m with funds to be spent in future periods. Unrestricted reserves had been growing in previous years and the current level of £890,000 – largely unchanged from the previous year – represents our cautious approach to the future.

Programme expenditure (including allocated support and governance costs) represented 97% of total expenditure in 2016 (2015: 98%). Before allocation to programme costs, support costs were largely static in real terms with the fall of £158,000 explained by exchange rate gains from the falling Pound Sterling. As a percentage of total expenditure, support costs fell from 12% to 11% in the current year due to this exchange rate effect.

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 main risks facing Saferworld and the mitigation work undertaken to address the risk are:

- staff and partner safety and security: our comprehensive Safety and Security policy sets out our agreed ways of working to which all staff adhere. Training is provided to all staff when commencing employment and regularly refreshed on security issues suitable for their environment. Visiting staff, partners and other personnel are inducted into security needs whenever they visit a new location. Overseeing the policy and practice is an Executive level Team led by the Director of Human Resources which holds regular scheduled meetings;
- political instability and conflict in the countries and within communities with whom we work: Saferworld is a grouping of specialist in security-related topics working in some unstable environments and countries emerging from conflict. Our knowledge of these conflicts and experience allows us to work effectively, mindful of our personal safety, and also to ensure our work continues in turbulent times. We are skilled at working with partners remotely and using other techniques to bridge temporary times of unrest, as well as working effectively and safely, e.g. Yemen, in countries with continuing conflict;
- resistance from governments and vested interests to objective assessments of causes and drivers of insecurity: Saferworld has experience of working directly with local and central governments and agencies, where a careful considered approach is required to highlighting issues of insecurity. Our mitigation action would ensure that the safety of our staff and partners is of paramount importance. We would use our experiences to take on work only when there was a genuine interest in the outcomes and managing any competing interests to ensure dialogue with all parties and positive outcomes;
- funding challenges, due to short-term horizons and pressure to spend funds on political goals. Our mitigation actions include robust performance management of all current grants and prospective donor applications to ensure that adequate funding was available to meet all existing commitments and cover fixed costs. With the termination of DFID core funding support (the PPA) we have been redoubling efforts to diversify our funding and secure long term funding from traditional government supports. This strategy has met with some success and we are cautiously optimised for the future
- staff availability and capacities in challenging environments: Saferworld has skilled and dedicated staff, many of whom work in difficult environments. We seek to continue our work by good support for existing staff, competitive and fair salaries and appropriate policies on time off and leave. We train our staff and many have risen 'through the ranks' to confirm the success of these policies.

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.

Future plans

During the new year we intend to:

- Continue supporting civil society engagement in South Sudan in key peacebuilding, reconciliation and state-building initiatives by expanding the community security programme to 14 counties in 10 states;
- We will support fair and representative elections in Somaliland and contribute to the political transition process in Somalia in various ways including by promoting active civil society contributions;
- Deepen our analysis of the underlying causes of violent extremism in Kyrgyzstan and Tajikistan and continue to work on our people-centred approaches to security provision;
- Identify and develop our partners in Myanmar, and build our own physical presence as we implement our new community security project in Karen state
- Link our Mena region work to current trends in Europe, including migration and associated tensions to develop new programming focused on the root causes of conflict and challenge current debates and policies around the mass movement of peoples;
- Our core Community Security programme work will be enhanced by improvements integrating gender and justice into these diagnostic tools. This will allow us to support on-going local-level peacebuilding initiatives and offer direct access to conflict-affected people's perspectives on security and justice
- Commence a period of internal reflection and planning for Saferworld's new 2017-20 Strategic Plan to commence in operation next year.

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 that reserves are sufficient to cover costs that would be incurred in the orderly winding down of the company's activities. This amounts to £600,000 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
- 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 designated reserves and the unrestricted fixed assets of the charity, are £0.8m (2016 £0.7m).

Our target reserves are £600,000 and we are above this level at the present time. Given the termination of the DFID core support grant, spending in 2016-17 has been kept in check and we will continue to be cautious in our approach to spending in the new financial year. The Trustees have approved these budgets with increasing reserves as appropriate in the current funding environment.

Structure, governance and management

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

Report and accounts

For the year ended 31 March 2016

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.

We have a regional office in Nairobi, and staff based in Bangladesh, Georgia, Kenya, Kyrgyzstan, Nepal, Pakistan, South Sudan, Uganda, and Yemen – as well as Austria (Vienna), Belgium (Brussels), and the United States (Washington).

- The Africa Programme is split into two regions, which prioritise engagements in Kenya and Somalia, and South Sudan, Sudan, and Uganda, and as well as sub-regional work.
- The Asia Programme focuses particularly on South Asia, with country programmes in Bangladesh, Nepal and Pakistan. In addition, Saferworld maintains a close interest in China, specifically with regards to conflict sensitive approaches and arms control policy.

Saferworld

Trustees

Godfrey Allen
(retired January 2016, reappointed October 2016)
Stephanie Blair
Malcolm Chalmers *(retired January 2016)*
Owen Greene *(Chair)*
Georg Frerks
Eleanor Gordon
Theresa Hanley *(appointed October 2016)*
Alice Hills *(retired January 2016)*
Sally Joss *(retired January 2016)*
Lord Judd of Portsea *(retired January 2016)*
Jeremy Lester
Lars-Erik Lundin
Charles Marshall *(Treasurer)*
David Norman *(retired January 2016, reappointed October 2016)*
Mark Ross *(appointed October 2016)*
Michele Spearing *(appointed October 2016)*

Secretary

Sue Maskell

Executive Director

Paul Murphy

Registered office

The Grayston Centre
28 Charles Square
London, N1 6HT

Company Number

03015948

Charity number

1043843

Advisers

The Cooperative Bank Plc
Bates, Wells and
Braithwaite (Solicitors)

Organisation

- The Middle East and North Africa Programme focuses on Egypt, Libya and Yemen, as well as wider regional work.
- The Europe and Central Asia Programme focuses on the Western Balkans, particularly Kosovo, parts of the Caucasus, as well as 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 areas, 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 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
- 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.

Report and accounts

Saferworld

For the year ended 31 March 2016

Our remuneration policy for Key Management Personnel is consistent with our general pay policy, in which we aspire to pay the median market rate for all grades of employee. Pay scales and grade are benchmarked against a range of similar-sized and type of organisation, and we believe our terms achieve our stated objectives and are fair to the employees.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In approving this report of the Directors, the Directors are also approving the Strategic Report included here in their capacity as Company Directors.

This report was approved by the Board of Trustees on 20/12/2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Owen Greene', with a stylized initial 'O' and 'G'.

Owen Greene – Director and Trustee (Chair)

Independent auditor's report to the members of Saferworld

We have audited the financial statements of Saferworld for the year ended 31 March 2016, which comprise the group's and parent charitable company's Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Group Statement of Cash Flows 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 19, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of net movement in funds, including the group's and the parent 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

Independent auditor's report to the members of Saferworld

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report incorporating the Strategic 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 parent charitable company has not kept adequate accounting records; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Murtaza Jessa
Senior Statutory Auditor

haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

Date: 20 December 2016.

Consolidated statement of financial activities

	Notes	Unrestricted funds £ '000	Restricted funds £ '000	Total 2016 £ '000	Total 2015 £ '000
Income and endowments from:					
Donations and legacies	2	68	-	68	127
Investments	2	-	-	-	1
Charitable activities	2	2,280	9,953	12,233	10,224
Total		<u>2,348</u>	<u>9,953</u>	<u>12,301</u>	<u>10,352</u>
Expenditure on:					
Raising funds	3	309	-	309	213
Charitable activities	4	2,094	9,542	11,636	11,965
Total		<u>2,403</u>	<u>9,542</u>	<u>11,945</u>	<u>12,178</u>
Net movement in funds	7	(55)	411	356	(1,826)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2016		913	1,931	2,844	4,670
Fund balances at 31 March 2016	13	<u>858</u>	<u>2,342</u>	<u>3,200</u>	<u>2,844</u>

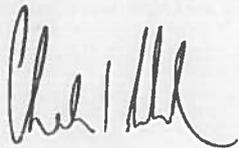
There were no recognised gains or losses in 2016 or 2015 other than those included above.

The notes on pages 27 to 45 form part of these accounts.

Consolidated balance sheet as at 31 March 2016

	Notes	2016 £ '000	2015 £ '000
FIXED ASSETS			
Tangible assets	10	86	285
CURRENT ASSETS			
Debtors and prepayments	11	1,271	2,197
Cash at bank and in hand		2,951	1,530
		<u>4,222</u>	<u>3,727</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,108)</u>	<u>(1,168)</u>
NET CURRENT ASSETS		<u>3,114</u>	<u>2,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,200</u>	<u>2,844</u>
FUNDS			
Restricted funds	13	2,342	1,931
Unrestricted funds – designated funds	14	85	77
Unrestricted funds – other funds	14	773	836
		<u>3,200</u>	<u>2,844</u>

The financial statements were approved by the Trustees and authorised for issue on 20 Dec 2016 and signed on their behalf by:



.....
Charles Marshall
Director and Trustee (Treasurer)



.....
O Greene
Director and Trustee (Chair)

The notes on pages 27 to 45 form part of these accounts.

Report and accounts

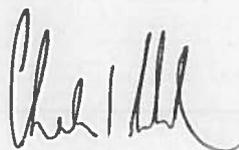
For the year ended 31 March 2016

Saferworld**Charity balance sheet as at 31 March 2016**

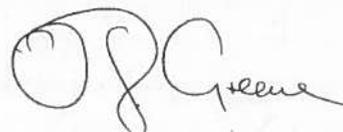
	Notes	2016 £ '000	2015 £ '000
FIXED ASSETS			
Tangible assets	10	86	285
CURRENT ASSETS			
Debtors and prepayments	11	1,468	2,207
Cash at bank and in hand		2,552	1,530
		<u>4,020</u>	<u>3,737</u>
CREDITORS: Amounts falling due within one year	12	(906)	(1,178)
		<u>3,114</u>	<u>2,559</u>
NET CURRENT ASSETS		<u>3,200</u>	<u>2,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,200</u></u>	<u><u>2,844</u></u>
FUNDS			
Restricted funds	13	2,342	1,931
Unrestricted funds – designated funds	14	85	77
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		<u>3,200</u>	<u>2,844</u>

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

20 Dec 2016



.....
Charles Marshall
Director and Trustee (Treasurer)



.....
O Greene
Director and Trustee (Chair)

The notes on pages 27 to 45 form part of these accounts.

Report and accounts

For the year ended 31 March 2016

Saferworld

Consolidated statement of cash flows

	2016	2015 Restated
Cash flows from operating activities:		
Net cash provided by (used in) operating activities (see below)	1,442	(1,676)
Cash flows from investing activities:		
Interest received	-	1
Purchase of tangible fixed assets	(21)	(289)
Net cash provided by (used in) investing activities	(21)	(288)
Change in cash and cash equivalents in the year	1,421	(1,964)
Cash and cash equivalents at the start of the year	1,530	3,494
Cash and cash equivalents at the end of the year	2,951	1,530
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	356	(1,826)
Adjustments for:		
Depreciation	220	75
Decrease/(increase) in debtors	957	(412)
(Decrease)/increase in creditors	(91)	488
Investment income	-	(1)
Net cash provided by (used in) operating activities	1,442	(1,676)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Saferworld meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b. Basis of consolidation

The group financial statements consolidate those of the charity and its subsidiary undertakings (see note 16) up to 31 March 2016.

c. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. Details of these changes on transition are shown in note 16.

d. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

e. Fixed assets

Expenditure on fixed assets is capitalised where the cost (or the value if donated) is in excess of £1,000; otherwise it is written off through the Statement of Financial Activities. Costs of replacements of major equipment and pianos are charged to designated funds set aside for that purpose by appropriations from Revenue.

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are depreciated at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected life, as follows:-

Office, furniture and equipment	- 25% straight line
Computer equipment	- 33 to 50% straight line
Motor vehicles	- over the life of the project funding the purchase

f. Funds

The different funds are defined as follows:

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are those funds available to the charity for its general purposes. They include funds designated by the trustees for particular purposes where their use remains at the discretion of the trustees. Amounts may be set aside each year (enter details of the designated funds)

It is the policy of the trustees to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short term effects of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

g. Income recognition

This comprises fees receivable from the various activities and investment income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

NOTES TO THE ACCOUNTS (continued)

ACCOUNTING POLICIES (continued)

Income from government and other grants, whether 'capital' or 'revenue' grants. Is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

h. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise the costs of running the charity's activities in line with the objectives stated on page 1 of this report.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

i. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE ACCOUNTS (continued)

ACCOUNTING POLICIES (continued)

k. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l. VAT

The charity is registered for VAT but is unable to reclaim all of the input tax incurred. Irrecoverable VAT is charged to the expenditure heading for which it was incurred.

m. Pension Scheme

All permanent UK staff employed by the charity are eligible to join the defined contribution pension scheme. Saferworld contributes 8% of salary provided the staff member contributes 2% of salary. The UK-based permanent staff pension fund is operated by Friends Provident.

n. Critical accounting estimates and areas of judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Debtors from overseas subsidiaries have been written down to their recoverable amounts.

NOTES TO THE ACCOUNTS (continued)

ACCOUNTING POLICIES (continued)

Critical areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

o. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p. Foreign currency

Assets and liabilities of overseas branches are included in the group balance sheet after converting to sterling at the year-end exchange rate. Income and expenditure transactions are included in the Statement of Financial Activities after converting to sterling at the average exchange rate for the year.

The foreign exchange gain/loss shown in the Statement of Financial Activities represents the gain/loss arising on converting the opening balance sheets of overseas branches at the year-end exchange rate.

NOTES TO THE ACCOUNTS (continued)

2. INCOME – restricted funds	2016	2015
	£ '000	£ '000
Ministry of Foreign Affairs, The Netherlands	1,430	1,558
European Commission	1,558	1,401
US Department of State	1,150	1,299
UK Foreign and Commonwealth Office	624	721
The State of the Netherlands (Netherlands Embassy, Juba)	2,368	591
Drivers of Accountability	-	340
UK Department for International Development (DFID)	534	269
Ministry for Foreign Affairs of Finland	-	253
Open Society Institute	397	-
Refugee Law Project, Uganda (DFID funds)		311
USAID Nepal	287	179
Control Arms (Norwegian Ministry of Foreign Affairs funds)		132
Humanity United		111
International Development Research Centre		98
Ministry of Foreign Affairs, Denmark	189	-
Federal Department of Foreign Affairs, Switzerland	173	-
Oxfam Novib	162	59
Swedish Ministry of Foreign Affairs	35	50
United States Institute for Peace	145	-
Ministry of Foreign Affairs of Canada	137	-
Humanity United	117	-
IrishAid	115	-
UNSCAR	104	-
Anonymous donor	99	21
Other smaller grants < £50,000	329	499
	<u>9,953</u>	<u>7,892</u>

NOTES TO THE ACCOUNTS (continued)

2. INCOME (continued)	2016	2015
The restricted income from DFID comprises the following grants:		
Conflict Prevention Partnership for the 21st Century: China and the UK	169	150
Rising Powers Post 2016 Phase 2 project	60	89
Conflict, Crime and Violence Results Initiative	-	30
Advocacy With Emerging Powers	175	-
	<u>404</u>	<u>269</u>
	<u><u>404</u></u>	<u><u>269</u></u>
	2016	2015
	£ '000	£ '000
Unrestricted funds		
UK DFID - Programme Partnership Arrangement	1,739	1,739
Swedish International Development Agency	541	593
Other income (consultancy, other donations)	68	127
Investment income	-	1
	<u>2,348</u>	<u>2,460</u>
	<u><u>2,348</u></u>	<u><u>2,460</u></u>
3. RAISING FUNDS	2016	2015
	£ '000	£ '000
Staff costs	252	166
Direct costs	21	23
Support and governance costs	36	24
	<u>309</u>	<u>213</u>
	<u><u>309</u></u>	<u><u>213</u></u>

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.

Report and accounts
For the year ended 31 March 2016
NOTES TO THE ACCOUNTS (continued)

Saferworld

4. CHARITABLE ACTIVITIES	2016	2015
	£ '000	£ '000
Staff costs	5,364	5,066
Direct costs	4,921	5,459
Support and governance costs	1,352	1,440
	<u>11,636</u>	<u>11,965</u>
	<u><u>11,636</u></u>	<u><u>11,965</u></u>
5. SUPPORT AND GOVERNANCE COSTS	2016	2015
	£ '000	£ '000
ALLOCATED TO:		
Charitable activities	1,352	1,440
Fundraising	36	24
	<u>1,388</u>	<u>1,464</u>
	<u><u>1,388</u></u>	<u><u>1,464</u></u>
	2016	2015
	£ '000	£ '000
Support costs consist of:		
Staff costs	695	767
Office costs	246	299
Other charitable expenses	368	319
	<u>1,309</u>	<u>1,385</u>
	<u><u>1,309</u></u>	<u><u>1,385</u></u>

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

Report and accounts
For the year ended 31 March 2016
NOTES TO THE ACCOUNTS (continued)

Saferworld

5. SUPPORT AND GOVERNANCE COSTS (continued)	2016	2015
	£ '000	£ '000
Governance costs consist of:		
Staff costs	49	50
Audit and accountancy fees	15	14
Other expenditure	15	15
	<u>79</u>	<u>79</u>
	<u><u>79</u></u>	<u><u>79</u></u>

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

6. INCOME/EXPENDITURE	2016	2015
	£ '000	£ '000
The net income in the year is stated after charging:		
Operating lease rental	3	3
Auditors' remuneration - as statutory auditors	12	12
Auditors' remuneration – other fees	35	33
	<u>35</u>	<u>33</u>
	<u><u>35</u></u>	<u><u>33</u></u>

7. STAFF COSTS	2016	2015
	£ '000	£ '000
Wages and salaries	4,615	4,925
Social security	224	258
Pension costs	315	260
Other staff costs including partner costs	1,206	583
	<u>6,360</u>	<u>6,037</u>
	<u><u>6,360</u></u>	<u><u>6,037</u></u>

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

	Number	Number
Programmes	129	133
Fundraising	7	7
Governance and support	9	9
	<u>145</u>	<u>149</u>
	<u><u>145</u></u>	<u><u>149</u></u>

7. STAFF COSTS (continued)

Three employees earned between £60,000 and £69,999 in the year: (2015: four employees) and one employee earned between £70,000 and £79,999 (2015: one). Pension costs for these staff amounted to £25,415 (2015: £29,051).

Amounts paid to key management personnel (including pensions and benefits) amounted to £376,000 (2015 £391,000).

8. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

The trustees received no remuneration for their services during the year (2016: Nil). During the year three trustees received reimbursement of the following expenses:

	2016 £ '000	2015 £'000
Expenses, comprising of travel, related accommodation and communications costs	5	4
	<u>5</u>	<u>4</u>

9 TANGIBLE FIXED ASSETS - GROUP

	Motor vehicles £'000	Fixtures, equipment & computers £'000	Total £'000
Cost			
At 1 April 2015	305	106	411
Additions	21	-	21
Disposals	-	-	-
	<u>326</u>	<u>106</u>	<u>432</u>
At 31 March 2016	326	106	432
Depreciation			
At 1 April 2015	117	9	126
Charge for the year	169	51	220
Disposals	-	-	-
	<u>286</u>	<u>60</u>	<u>346</u>
At 31 March 2016	286	60	346
Net book value			
At 31 March 2016	40	46	86
	<u>188</u>	<u>97</u>	<u>285</u>
At 31 March 2015	188	97	285

TANGIBLE FIXED ASSETS - CHARITY	Motor vehicles £'000	Fixtures, equipment & computers £'000	Total £'000
Cost			
At 1 April 2015	305	106	411
Additions	21	-	21
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2016	326	106	432
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2015	117	9	126
Charge for the year	169	51	220
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2016	286	60	346
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2016	40	46	86
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2015	188	97	285
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE ACCOUNTS (continued)

10	DEBTORS	Group	2015	Charity	2015
		2016	2015	2016	2015
		£ '000	£ '000	£ '000	£ '000
Due within one year					
	Prepayments	298	368	34	37
	Amounts due from donors	890	1,793	891	1,824
	Inter charity balances	-	-	470	300
	Other debtors	83	36	73	46
		<u>1,271</u>	<u>2,197</u>	<u>1,468</u>	<u>2,207</u>
		<u><u>1,271</u></u>	<u><u>2,197</u></u>	<u><u>1,468</u></u>	<u><u>2,207</u></u>
11	CREDITORS: amounts falling due within one year	2016	2015	2016	2015
		£ '000	£ '000	£ '000	£ '000
	Creditors	507	911	232	930
	Other taxes and social security	242	78	378	69
	Accruals	359	179	296	179
		<u>1,108</u>	<u>1,168</u>	<u>906</u>	<u>1,178</u>
		<u><u>1,108</u></u>	<u><u>1,168</u></u>	<u><u>906</u></u>	<u><u>1,178</u></u>

NOTES TO THE ACCOUNTS (continued)

12 SUMMARY OF FUND BALANCES – GROUP	1 April 2015 £ '000	Income £ '000	Expenditure £ '000	31 March 2016 £ '000
Restricted funds				
Cross regional, South Sudan, Yemen, Bangladesh: The Netherlands government, Improving conditions for reconstruction and development	298	1,203	1,219	282
South Sudan: Community Policing and Community Security Programme	355	2,368	1,675	1,048
Sudan: US State Department, Supporting Peace and Stability	(4)	550	511	35
Cross regional, European Commission Capacities for Peace	203	-	549	(346)
Somalia Non-State Actors (NSA) involvement in Peace, Security and Development	197	5	308	(106)
Somalia: support to NSAs and democratisation in Somaliland	-	1,051	708	343
Somalia – DANIDA, participatory governance and peace programme	-	189	350	(161)
Kyrgyzstan: US State Department, Community Security Effectiveness	-	529	517	12
Kenya: Finnish Ministry for Foreign Affairs	194	-	183	11
Kenya Drivers of Accountability Programme	153	-	153	-
China OSF Project,	82	108	89	101
CSSF – PSF-Community security & Governance (Myanmar)	-	175	33	142
Other smaller projects	453	3,775	3,247	981
Total restricted funds	1,931	9,953	9,542	2,342
All unrestricted funds (Note 13)	913	2,348	2,403	858
Total reserves	2,844	12,301	11,945	3,200

The negative balances represent grants that are paid in arrears. Additional funding will be received in respect of these balances.

NOTES TO THE ACCOUNTS (continued)

12. SUMMARY OF FUND BALANCES (continued)

Cross regional work

Saferworld's project funded by the government of The Netherlands aims to contribute to an improved environment for reconstruction and development in Bangladesh, South Sudan and Yemen. It sets out to do this by creating more active, informed and inclusive societies, and more effective and accountable institutions – in turn increasing public safety and security.

The Capacities for Peace project funded by the EC and partnered by Conciliation Resources works to build in-country and regional engagement between civil society and other relevant stakeholders to assess opportunities to build peace. The project works in a range of countries in the Middle East and North Africa, Central Asia, South Asia, Africa and South America. The work includes identifying key gaps in existing analysis, seeking out under-represented perspectives and innovative approaches at local, national and regional levels and tailoring the actions to take advantage of opportunities to engage in the most strategic way.

Africa

Saferworld has been working since 2004 to strengthen the participation and influence of Somali Non-State Actors in key decision-making processes on peace, security, and development. This forth phase of the project aims to support the platforms to independently engage in policy dialogue with Somali authorities and the international community on a range of issues, and also to influence key policy and decision-making processes. The Somalia reconciliation project aims to improve governance at all levels of government in South Central Somalia and Jubaland.

The Drivers for Accountability Programme (DAP) aims to influence and support national-level devolution institutions and county governments to adopt responsive, participatory and conflict sensitive governance practices.

Europe and Central Asia

In Kyrgyzstan, the US State Department funds work, together with our local partner the Foundation for Tolerance International (FTI), to bring together communities from different ethnicities and encouraging constructive co-operation on local security issues between residents, authorities and law enforcement agencies. From this experience we are developing practical, evidence-based policy recommendations to feed into wider debates on community security effectiveness, linking our community work with national policy changes.

NOTES TO THE ACCOUNTS (continued)

12. SUMMARY OF FUND BALANCES (continued)

China

Saferworld has worked on issues relating to China for some years, facilitating dialogue that contributes to meaningful EU-China-Africa co-operative actions, as well as focusing on SALW controls and the UN ATT process. We are working with China Arms Control and Disarmament Association (CACDA), China Institutes of Contemporary China Studies (CICIR), Chinese People's Association on Peace and Disarmament (CPAPD), Tsinghua University (Beijing), Tongji University (Shanghai), and Africa Peace Forum (APFO – Nairobi), the project is creating sustainable networks and forums, increasing awareness and engagement by the policy community, and supporting joint research.

Other regional work

Saferworld also works across South Asia as well as the Middle East and North Africa. In Nepal, we have worked to support local people to engage with the police and local authorities so they tackle their security concerns together; and funding work with civil society to advocate for more gender-responsive safety provision. We use the findings from these projects to influence district and national level policy and practice.

Policy and advocacy work

DFID and other donors have funded our 'Rising Powers' work, to conduct research and support dialogue on the inclusion of conflict and violence issues in the post-2016 development framework, engaging a range of policy communities and actors, including rising powers and traditional donor countries, multilateral actors and other global stakeholders both at the country level and among decision makers in New York.

Our longstanding commitment to work on the Arms Trade continued in the year funded by various donors, as did work to conduct research and support dialogue on the inclusion of conflict and violence issues in the post-2016 development framework.

NOTES TO THE ACCOUNTS (continued)

13. UNRESTRICTED FUNDS – GROUP AND CHARITY

Unrestricted income is comprised of funds which the trustees are free to use in the furtherance of the organisations charitable objectives.

	At 1 April 2015 £ '000	Income £ '000	Expenditure £ '000	At 31 March 2016 £ '000
UK DFID - Programme Partnership Arrangement	-	1,739	1,739	-
Swedish International Development Agency	-	541	541	-
Other unrestricted income	913	68	123	858
	<u>913</u>	<u>2,348</u>	<u>2,403</u>	<u>858</u>
Reserve analysis				
Designated reserves	77	99	91	85
Other unrestricted reserves	836	2,249	2,312	943
	<u>913</u>	<u>2,348</u>	<u>2,403</u>	<u>858</u>

The UK Department for International Development (DFID) provided £1,739,000 under a Programme Partnership Arrangement and the Swedish International Development Agency (Sida) provided £541,000 for our programme of work to address small arms and light weapons, security sector reform, international transfer controls, and impact assessment. Other income is from individuals and small grants from foundations and governments for a range of work.

The designated funds represent work on strategic priority countries to deliver our three year strategic goals.

NOTES TO THE ACCOUNTS (continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY

	Restricted £ '000	Unrestricted £ '000	Total £ '000
Tangible fixed assets	-	86	86
Net current assets	2,342	772	3,114
	<hr/>	<hr/>	<hr/>
Total net assets	2,342	858	3,200
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15. Subsidiary entities included in the group consolidated result

Saferworld presents the results of all overseas controlled group entities. All of these entities have obtained local registration in their country of operation. As all contracts are held by the UK charity, which provides all funds to overseas group entities, these subsidiaries own no reserves in their own right and have income equal to expenditure. The entities are listed below, together with their expenditure for the year.

	2016 £ '000	2015 £ '000
Saferworld entity		
Saferworld Kenya	2,564	2,389
Saferworld Uganda	983	1,307
Saferworld South Sudan	1,548	1,402
Saferworld Kyrgyzstan	459	369
Saferworld Nepal	290	266

The income and result for Saferworld charity is the same as that shown in the Group Consolidated Statement of Financial Activities on page 23.

16. Transition to FRS 102

At the date of transition in applying the requirements to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. No other restatements were required. In accordance with FRS102 a reconciliation of opening balance is provided below.

NOTES TO THE ACCOUNTS (continued)

16	Transition to FRS 102 (continued)	1 April 2014 £ '000	31 March 2015 £ '000
	Fund balances – as previous stated	4,818	2,907
	Short term compensated absences	(63)	(63)
	Net assets - restated	<u>4,755</u>	<u>2,844</u>

17. Financial instruments - group

	2016 £ '000	2015 £ '000
Financial assets measured by amortised cost	<u>4,818</u>	<u>2,907</u>
Financial liabilities measured by amortised cost	<u>4,755</u>	<u>2,844</u>

Financial assets include cash, trade and other debtors. Financial liabilities include trade creditors and other creditors.

18. OPERATING LEASE COMMITMENTS

At the year end the charity had commitments under operating lease on buildings as follows:

	2016 £ '000	2015 £ '000
Expiry date:		
Under one year	34	34
Between 1 to 5 years	7	14
	<u> </u>	<u> </u>

19. 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.

20. Consolidated statement of financial activity: 2015 and 2016

	Notes	2016 Unrestricted funds £ '000	2016 Restricted funds £ '000	2016 Total £ '000	2015 Unrestricted funds £ '000	2015 Restricted funds £ '000	2015 Total £ '000
Income and endowments from:							
Donations and legacies	2	68	-	68	127	-	127
Investments	2	-	-	-	1	-	1
Charitable activities	2	2,280	9,953	12,233	2,332	7,892	10,224
Total		<u>2,348</u>	<u>9,953</u>	<u>12,301</u>	<u>2,460</u>	<u>7,892</u>	<u>10,352</u>
Expenditure on:							
Raising funds	3	309	-	309	213	-	213
Charitable activities	4	2,094	9,542	11,636	2,479	9,486	11,965
Total		<u>2,403</u>	<u>9,542</u>	<u>11,945</u>	<u>2,692</u>	<u>9,486</u>	<u>12,178</u>
Net movement in funds	7	(55)	411	356	(232)	(1,594)	(1,826)
Reconciliation of funds:							
Fund balances brought forward		913	1,931	2,844	1,145	3,525	4,670
Fund balances carried forward	12	<u>858</u>	<u>2,342</u>	<u>3,200</u>	<u>913</u>	<u>1,931</u>	<u>2,844</u>