

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**



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**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 DECEMBER 2005**

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**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005**

DIRECTORS:

K K Christoffel (appointed 7 November 2005)
J P Eavis (resigned 7 November 2005)
S Faltas (appointed 7 November 2005)
O Greene (resigned 7 November 2005)
D Luz (appointed 7 November 2005)
A-F Musah (appointed 7 November 2005)
R Peters
E Piza-Lopez

SECRETARY:

R Peters (resigned 7 November 2005)
M Todd (appointed 7 November 2005)

REGISTERED OFFICE:

1st Floor, Development House
56-64 Leonard Street
London
EC2A 4JX

REGISTERED NUMBER:

4452066 (England and Wales)

AUDITORS:

Trustient
Chartered Accountants and Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

LEGAL STRUCTURE

The International Action Network on Small Arms is a company registered in England and Wales number 4452066, limited by guarantee. The company was incorporated on 30 May 2002 and is governed by the Memorandum and Articles of Association. The Company commenced trading on 1 January 2003.

PRINCIPAL ACTIVITY

The Company is established to promote for the public benefit a safer and increased quality of life through public education about small arms and their detrimental effects on human life/existence and security and also for the benefit generally about all matters relating to the spread of such weapons and their lethal consequences.

DIRECTORS

The directors during the year under review were:

K K Christoffel (appointed 7 November 2005)
J P Eavis (resigned 7 November 2005)
S Faltas (appointed 7 November 2005)
O Greene (resigned 7 November 2005)
D Luz (appointed 7 November 2005)
A-F Musah (appointed 7 November 2005)
R Peters
E Piza-Lopez

All the directors, being eligible, offer themselves for election at the forthcoming Annual General Meeting.

REVIEW OF ACTIVITIES DURING THE YEAR 2005

IANSA's main activities in 2005 involved awareness raising, capacity building, and coordinating NGO involvement in international, regional and national meetings on small arms. The organisation also contributed to the development of policy on firearm regulation and control of international arms transfers.

An important event during 2005 was the UN Biennial Meeting of States on Small Arms (BMS), which took place in New York in July. Around 190 civil society representatives from 60 countries attended, many with financial support from IANSA. IANSA's role included coordinating side events, publications and the NGO presentation to the plenary, as well as providing information to all participants (NGO, government and UN officials) at the BMS. At the end of the year preparations began for the UN Preparatory Committee meeting (PrepCom), scheduled for January 2006.

In the Control Arms campaign IANSA worked with its partners promoting popular mobilisation through the Million Faces, the world's largest photo petition; and well as producing reports and case studies aimed at generating media coverage of the small arms problem. A highlight in 2005 was the production and distribution of *The Impact of Guns on Women's Lives*, a report launched on International Women's Day in South Africa and at the UN in New York. This has proved to be IANSA's most popular report internationally.

The Global Week of Action on 6-12 June 2005 was the largest yet, with IANSA members in 54 countries organising activities to highlight the human cost of small arms proliferation and misuse. Events included seminars, conferences, marches, vigils, press conferences, radio and TV broadcasts, photo exhibitions, concerts, risk education workshops for school students and collecting photos for the Million Faces petition. Government officials attended many of the events, and for the first time UNDP offices joined in the Week of Action. The IANSA Secretariat coordinated the activities, advised and assisted network members with media advocacy, and publicised members' work internationally.

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

REVIEW OF ACTIVITIES DURING THE YEAR 2005 (Continued)

This communications support was also provided throughout the year, reaching out to the media and creating an information link between groups celebrating the same occasion in different parts of the world. A peak time for public awareness was around 9 July, International Gun Destruction Day, which was celebrated in Cambodia, Ghana, Macedonia, Senegal, Somalia, Sri Lanka and the UK, with thousands of guns destroyed and many awareness raising events held. Other important events included International Women's Day, International Peace Day, International Human Rights Day, International Women's Day for Peace and Disarmament, the 16 Days of Action Against Gender Violence; as well as African Youth Day, Ghana's Month of Action Against Guns, Disarmament Month in Macedonia etc.

IANSA continued to send out its popular electronic Update each week to thousands of members, campaigners, parliamentarians and diplomats worldwide. It is available in English, French and Spanish and is the only weekly bulletin devoted to small arms control. On the website, resource pages were created for the UN BMS and PrepCom meetings, as well as a section of the website specifically for journalists. Visitor numbers to the website increased this year. Other information and materials included a CD of essential documents on small arms, a DVD of a debate on small arms, the regular UN bulletin and the annual Red Book report on implementation of the UN Programme of Action (produced by the Biting the Bullet consortium with information from IANSA members).

Capacity building with member organisations was an important aspect of IANSA's work in 2005. Key events included a global campaigners' conference in Nairobi, the Franco-African Summit and a meeting in Angola on small arms and public health. Workshops in several countries led to the formation of national networks. A new Youth Network was created and successful events were held by the Women's and Public Health Networks. Collaboration continued with the Children in Organised Armed Violence project, which is based in Brazil but increasingly becoming an international project.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- prepare financial statements for each financial year which, having regard to the substance of transactions, give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to companies.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2005**

AUDITORS

The auditors, Trustient, Chartered Accountants and Registered Auditors, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



.....
Rebecca Peters - Director

Date: 1 July 2006

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of The International Action Network on Small Arms (IANSA) for the year ended 31 December 2005 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its surplus for the year then ended
- have been properly prepared in accordance with the Companies Act 1985.


Trustient
Chartered Accountants and Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

Date: 1 July 2006.

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

		<u>2005</u>	<u>2004</u>
	Notes	£	£
INCOME		507,815	314,360
Project and administrative expenses		<u>(507,815)</u>	<u>(314,360)</u>
OPERATING SURPLUS	3	-	-
Interest receivable and similar income		<u>2,436</u>	<u>1,819</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		2,436	1,819
Tax on surplus on ordinary activities	4	<u>-</u>	<u>-</u>
SURPLUS/ (DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION		2,436	1,819
Accumulated reserve brought forward		<u>2,077</u>	<u>258</u>
ACCUMULATED RESERVE CARRIED FORWARD		<u><u>£4,513</u></u>	<u><u>£2,077</u></u>

The notes form part of these financial statements

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
31 DECEMBER 2005**

		<u>2005</u>	<u>2004</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	6	234,224	151
Cash at bank		<u>239,418</u>	<u>181,706</u>
		473,642	181,857
CREDITORS: Amounts falling due within one year	7	<u>(469,129)</u>	<u>(179,780)</u>
NET CURRENT ASSETS:		<u>4,513</u>	<u>2,077</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£4,513</u>	<u>£2,077</u>
RESERVES:			
Accumulated reserve		<u>£4,513</u>	<u>£2,077</u>
		<u>£4,513</u>	<u>£2,077</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:


.....
Rebecca Peters - Director

Approved by the Board on 1 July 2006

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Income

Income represents donations and grants receivable. When grants are received for projects, which last for more than one year, the unspent amount is deferred to be spent in the following year(s). This is in accordance with the Memorandum of Association that no surplus arises.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATION AND GRANTS RECEIVABLE

	£
Donation and grants received	781,112
Add: Deferred Income brought forward at 1 January 2005	141,745
Less: Deferred Income carried forward at 31 December 2005	(428,213)
Income and Expenditure Account	<u>507,815</u>

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	2005 £	2004 £
Auditors' remuneration - audit services	3,170	2,820
- other fees	<u>780</u>	<u>780</u>
Directors' emoluments and other benefits etc	<u>47,741</u>	<u>27,849</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2005 nor for the year ended 31 December 2004.

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

5. STAFF COSTS

	2005 £	2004 £
Full time staff:		
Wages and salaries	133,955	60,909
Social security costs	<u>14,045</u>	<u>4,843</u>
	148,000	65,752
Temporary staff (including freelancers and regional contractors outside the UK)	<u>52,104</u>	<u>62,843</u>
	<u><u>200,104</u></u>	<u><u>128,595</u></u>

The average number of full time equivalent staff in the year was 5 (2004: 2).

No employee received remuneration amounting to more than £50,000 in either year.

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Other debtors	1,974	151
Accrued income	231,085	-
Prepayments	<u>1,165</u>	<u>-</u>
	<u><u>234,224</u></u>	<u><u>151</u></u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Trade creditors	19,720	25,522
Other creditors	17,246	8,642
Deferred grant (see note 9)	428,213	141,745
Accrued expenses	<u>3,950</u>	<u>3,871</u>
	<u><u>469,129</u></u>	<u><u>179,780</u></u>

8. OPERATING LEASE COMMITMENTS

At 31 December 2005 the company had annual commitments under operating leases as follows:

	2005 £	2004 £
Rent due within one year	<u><u>24,719</u></u>	<u><u>17,775</u></u>

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

9. SCHEDULE OF DEFERED INCOME

	Funds as at 1.01.05 £	Income in the year £	Payments in the year £	Funds as at 31.12.05 £
Regional and Global Network (DFID)	42,825	367,620	314,211	96,234
Women's Network (Norway)	-	98,910	-	98,910
Core activities (Novib)	69,604	6,684	51,077	25,211
COAV (Save the Children Sweden)	17,065	73,020	57,101	32,984
Communications (Netherlands)	-	57,797	7,031	50,766
UN Biennial meeting of States (Norway)	-	38,138	38,138	-
UN Biennial meeting of States (Switzerland)	-	8,396	8,396	-
UN PrepCom (Sweden)	-	16,932	7,768	9,164
National Gun Laws (Canada)	-	21,085	19,082	2,003
Core Activities (Christian Aid)	-	5,000	-	5000
RevCon (Norway)	-	85,367	4,286	81,081
Others	12,251	15,333	725	26,859
	<u>141,745</u>	<u>794,282</u>	<u>507,815</u>	<u>428,212</u>

The International Action Network on Small Arms (IANSA) is grateful to the following for their generous support of our work in 2005: The UK Global Conflict Prevention Pool (GCPP), Department for International Development, Christian Aid, Save the Children Sweden, Novib, the Government of Netherlands, the Government of Canada, the Government of Norway, the Government of Sweden, and the Government of Switzerland.

10. CALLED UP SHARE CAPITAL

The International Action Network on Small Arms (IANSA) 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 company being wound up.

**THE INTERNATIONAL ACTION NETWORK
ON SMALL ARMS (IANSA)
(COMPANY LIMITED BY GUARANTEE)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005		2004	
	£	£	£	£
Donation and grants receivable		507,815		314,360
Other income:				
Deposit account interest		<u>2,436</u>		<u>1,819</u>
		510,251		316,179
Expenditure:				
Wages & NIC	100,258		37,903	
Director's Remuneration	47,741		27,849	
Publications, printing and translations	23,611		10,543	
Rent and rates	19,449		26,780	
Telephone, fax and mail	12,590		23,029	
Staff training and welfare	227		551	
Temporary staff and volunteers	52,104		62,843	
Recruitment costs	3,488		6,259	
Auditors remuneration	3,980		2,820	
Accountancy	9,112		3,005	
Legal fees	-		11,197	
Subscription	156		384	
Consultancy	2,900		4,278	
Travel	119,206		20,039	
Board expenses	1,401		-	
Regional training and workshops	1,316		1,800	
Partner support	80,187		49,277	
International representation	588		324	
Computer and IT costs	22,621		20,117	
Relocation costs	1,250		1,806	
Insurance	<u>3,639</u>		<u>2,800</u>	
		505,825		313,604
		4,426		2,575
Finance costs:				
Bank charges		<u>1,990</u>		<u>756</u>
NET SURPLUS		<u>£2,436</u>		<u>£1,819</u>

This page does not form part of the statutory financial statements