

Registration number 04452066

# The International Action Network on Small Arms (IANSA)

(A company limited by guarantee)

Directors' Report and Financial Statements

for the Year Ended 31 December 2011



Wenn Townsend  
Chartered Accountants and Statutory Auditor  
Oxford

**The International Action Network on Small Arms (IANSA)**  
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**The International Action Network on Small Arms (IANSA)**  
**Company Information**

<b>Directors</b>	G Marshall-Andrews T Nash A Ntung R Peters O Sprague J Stephen S Thomson A Vranckx M Wolkowitz
<b>Company secretary</b>	M Todd
<b>Registered office</b>	1st Floor, Development House 56-64 Leonard Street London EC2A 4LT
<b>Bankers</b>	The Co-operative Bank
<b>Auditors</b>	Wenn Townsend Chartered Accountants and Statutory Auditor Oxford

## **The International Action Network on Small Arms (IANSA)**

### **Directors' Report for the Year Ended 31 December 2011**

The directors present their report and the financial statements for the year ended 31 December 2011

#### **Directors of the company**

The directors who held office during the year were as follows

M Dokmanovic (appointed 3 October 2011 and resigned 4 April 2012)

G Marshall-Andrews

S Masters (resigned 31 August 2011)

T Nash

M North (resigned 4 July 2011)

A Ntung

R Peters

O Sprague

J Stephen

S Thomson (appointed 13 December 2011)

A Vranckx

M Wolkowitz

#### **Principal activity**

The principal activity of the company is the global movement against gun violence, linking civil society organisations working to stop the proliferation and misuse of small arms and light weapons. IANSA supports efforts to make people safer by reducing demand for such weapons, improving firearm regulation and strengthening controls on arms transfers. Through research, advocacy and campaigning, IANSA members are promoting local, national, regional and global measures to strengthen human security.

## **The International Action Network on Small Arms (IANSA)**

### **Directors' Report for the Year Ended 31 December 2011**

**..... continued**

#### ***Review of activities***

IANSA remains the only global network against gun violence. The IANSA Secretariat facilitates and co-ordinates the work of our membership in working to stop the proliferation and misuse of small arms and light weapons. The IANSA secretariat supports efforts to make people safer by reducing demand for such weapons, improving firearm regulation and strengthening controls on arms transfers.

During 2011, the IANSA Secretariat continued to focus our work on awareness raising, capacity building, and coordinating NGO involvement in international, regional and national discussions on small arms whilst continuing to develop and enhance our governance and membership structures.

Notable milestones this year have included our joint work with partner organisations such as the Control Arms campaign and Amnesty International on efforts to promote a strong and robust Arms Trade Treaty (ATT) in the lead-up to the ATT talks at the UN in 2012. IANSA, including the Women's Network, have played a crucial role in ensuring that Small arms light weapons, ammunition, gender based violence and the voices of survivors of gun violence have remained cornerstone principles within ATT negotiations to date. IANSA members have played active roles in all UN Diplomatic negotiations during 2011 as well as active campaign and advocacy at regional, sub-regional and national levels.

In 2011 IANSA also worked hard to maintain the important profile of the UN Programme of Action on Small arms and light weapons (UNPoA). In May 2011, IANSA was an active participant in a practical and technical meeting, the Open-Ended Meeting of Governmental Experts (MGE). This meeting was the first of its kind, in which experts and states shared experience and best practice. This meeting was a key preparatory step for a successful outcome at the 2012 Review Conference of the UNPoA, after the failure of several previous UN PoA meetings.

2011 also saw IANSA continue to develop its campaigning, advocacy, capacity building and training programmes. IANSA organised Workshops, seminars and meetings were held in many countries, including Mali, Lima, Papua New Guinea. IANSA members attended Small Arms focussed meetings of the African Union, International Parliamentary Forum meetings in Middle East and North Africa as well as North and Central America, the Economic Community of Central African States and several UNIDIR sponsored regional meetings for Central, West and North Africa as well as the Americas and the Caribbean and Eastern Asia and the Pacific. The 2011 IANSA annual week of action saw campaign activity in 70 countries. During the year, IANSA continued to publish our weekly information bulletin and our quarterly UN and Women's Network update bulletins in three languages (English, French and Spanish).

In 2011 IANSA continued to improve and strengthen its membership and governance structures. The International Advisory Council (IAC) held its first elections in August 2011. The IAC hold regular telephone conferences and face to face meetings to advise IANSA on strategic direction, objectives and areas of work. The Board completed its process of recruiting new members with the appointment of a Treasurer in December 2011. Considerable work was also undertaken in enhancing IANSA's communications. This included re-designing the IANSA website, new integrated data-base and mailing systems, the development of a Members Charter and new categorisation of membership into full members, supporters and information contacts. IANSA also enhanced its use of new media as an outreach tool, for example by utilising platforms such as Twitter to reach an estimated 160,000 beneficiaries.

The organisation was without an Executive Director for much of the year. The new Executive Director, appointed at the end of 2011, resigned in March 2012.

**The International Action Network on Small Arms (IANSA)**  
**Directors' Report for the Year Ended 31 December 2011**

..... *continued*

***Financial review***

Income for the year was £549,246 with expenditure of £634,276, resulting in a deficit for the year (after interest income of £467) of £84,563. As a result, net liabilities rose from £31,033, to £115,596, and cash balances fell from £234,054 to £53,195. Designated funds held in reserves at the year end 31 December 2011 amounted to a deficit of £182,688 – represented by deferred income received from two donors.

Since the end of 2011 and the point at which the Directors became aware of the financial position of the organisation, the Directors took immediate steps to restore financial controls and oversight, and dramatically reduce overheads. We have relocated to cheaper premises and cut our current staffing levels to two full time staff and two part time staff. We have re-focussed efforts of the secretariat to focus on reducing the deficits and deliver core support to our network members, after meeting the requirements of restricted grants received for specific purposes. In addition to reductions in staffing costs, overhead savings are over £36,000 pa. Stringent financial controls have been introduced, project accounting and monitoring systems have been reviewed (identifying areas where we may have under-recovered costs in the past) and staff may only be employed where funding for them is in place.

The Directors have taken further steps to address this deficit and the net liabilities of the organisation – and particularly the deficits on designated reserves. The Directors entered into immediate dialogue with the two principal donors whose grants were in deficit, in correspondence and with face to face meetings. Neither donor is able to forgive the deficit, but neither is pressing for immediate repayment of amounts owed or immediate completion of the work to be completed under the terms of the grants. IANSA has made the completion of outstanding work a priority focus, and since the year end have completed significant amounts of the work due to be completed under their grants. We expect that by the end of 2013 we will have completed all outstanding work and eliminated the deficits showing against these grants.

Since the end of 2011 we have secured two unrestricted grants (both with the donors' full knowledge of our financial situation) which are assisting us with our immediate difficulties. Two further unrestricted grants are pending, dependent on meeting financial reporting requirements, and on a review of our finances and forward financial strategy. These grants are designed to fund core operations and meet our outstanding obligations, reducing our operational deficit in 2012 and 2013.

Also since the year end, we have received restricted project income, covering some staff costs and contributing to overhead costs as well as direct project costs. One further grant payment is pending, and a further will be forthcoming.

As a result of actions taken to date, the deficit on restricted grants has already been significantly reduced, and the Directors are confident that the deficit can be eliminated by the end of 2013, provided that neither major creditor demands immediate satisfaction of the terms of their grants to us.

The Directors are extremely grateful to donors for their understanding and financial assistance throughout this period, and to all staff, past and present, for their dedication in a very uncertain financial climate for the organisation.

***Reserves policy***

The Directors' policy is to eliminate the current deficit in accumulated reserves, and then to build and maintain reserves sufficient to maintain the financial stability of the organisation.

**The International Action Network on Small Arms (IANSA)**  
**Directors' Report for the Year Ended 31 December 2011**

**..... continued**

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Reappointment of auditors**

The auditors Wenn Townsend are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 29 November 2012 and signed on its behalf by



O Sprague  
Director



S Thomson  
Director

## **The International Action Network on Small Arms (IANSA)**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent Auditor's Report to the Members of The International Action Network on Small Arms (IANSA)**

We have audited the financial statements of The International Action Network on Small Arms (IANSA) for the year ended 31 December 2011, set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors 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 (APB's) Ethical Standards for Auditors.

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

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

### **Basis for qualified opinion on financial statements**

As shown on the balance sheet, the company has net liabilities of £115,596 at the year end. It also has £182,688 of deferred income as a liability on the balance sheet for funds received in advance, which it does not have sufficient cash at bank to support. While the directors continue to investigate new sources of funding, aim to implement cost saving measures, and to negotiate with existing funders both regarding the above deferred income, and for future core funding, no firm agreements have been made at the date of this report. This situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact sufficiently.

### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Independent Auditor's Report to the Members of  
The International Action Network on Small Arms (IANSA)**

*..... continued*

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

In our opinion the information given in the Directors' 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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime



Anthony Haines BSc ACA (Senior Statutory Auditor)  
For and on behalf of Wenn Townsend, Statutory Auditor

Oxford

29 November 2012

**The International Action Network on Small Arms (IANSA)**  
**Profit and Loss Account for the Year Ended 31 December 2011**

	Note	2011 £	2010 £
Turnover		549,246	499,335
Project and administrative expenses		<u>(634,276)</u>	<u>(534,254)</u>
Operating loss	2	(85,030)	(34,919)
Other interest receivable and similar income		<u>467</u>	<u>144</u>
Loss on ordinary activities before taxation		<u>(84,563)</u>	<u>(34,775)</u>
Loss for the financial year	9	<u><u>(84,563)</u></u>	<u><u>(34,775)</u></u>

**The International Action Network on Small Arms (IANSA)**

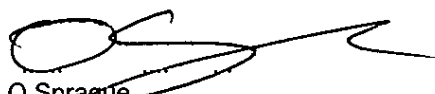
**(Registration number: 04452066)**


**Balance Sheet at 31 December 2011**

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	4	-	827
<b>Current assets</b>			
Debtors	5	35,902	2,321
Cash at bank and in hand		53,195	234,054
		89,097	236,375
Creditors Amounts falling due within one year	6	(204,693)	(268,235)
Net current liabilities		(115,596)	(31,860)
Net liabilities		(115,596)	(31,033)
<b>Capital and reserves</b>			
Profit and loss account	9	(115,596)	(31,033)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)

Approved by the Board on 29 November 2012 and signed on its behalf by

  
O Sprague  
Director

  
S Thomson  
Director

**The International Action Network on Small Arms (IANSA)**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Going concern**

The financial statements show a net deficit of reserves of £115,596 as at 31 December 2011 due to a high level of deferred income. The directors have considered a period of twelve months from the date of approval and are satisfied that the accounts should be prepared on a going concern basis. The deficit accrued during a period of transition for the company, with the recruitment of a new board of directors and an overhaul of governance systems as a result of an external evaluation. The directors have put in place a strategy to eliminate the deficit within two years and move towards operating with reserves. Measures already in place as a result of this strategy include full cost recovery across all projects and discussions with donors regarding direct contributions towards this deficit from their grants to the company.

**Turnover**

Turnover represents donations and grants receivable. When grants are received for projects that 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 profits arise.

**Depreciation**

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided at rates which reflect the anticipated useful lives of the assets and their estimated residual value as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Computer equipment	33 33% straight line

**Foreign currency**

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 the transaction. Exchange differences are taken into account in arriving at the operating result.

**2 Operating loss**

Operating loss is stated after charging

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - The audit of the company's annual accounts	4,500	5,033
Foreign currency losses	118	133
Depreciation of tangible fixed assets	827	499

**The International Action Network on Small Arms (IANSA)**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**  
..... *continued*

**3 Directors' remuneration**

The directors' remuneration for the year was as follows

	2011 £	2010 £
Remuneration	<u>53,776</u>	<u>51,615</u>

**4 Tangible fixed assets**

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2011	<u>14,777</u>	<u>14,777</u>
<b>Depreciation</b>		
At 1 January 2011	13,950	13,950
Charge for the year	<u>827</u>	<u>827</u>
At 31 December 2011	<u>14,777</u>	<u>14,777</u>
<b>Net book value</b>		
At 31 December 2011	<u>-</u>	<u>-</u>
At 31 December 2010	<u>827</u>	<u>827</u>

**5 Debtors**

	2011 £	2010 £
Other debtors	<u>35,902</u>	<u>2,321</u>
	<u>35,902</u>	<u>2,321</u>

**The International Action Network on Small Arms (IANSA)**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**..... continued**

**6 Creditors Amounts falling due within one year**

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Trade creditors	10,402	10,093
Other creditors	2,050	3,003
Accruals	9,553	4,800
Deferred income	<u>182,688</u>	<u>250,339</u>
	<u><u>204,693</u></u>	<u><u>268,235</u></u>

**The International Action Network on Small Arms (IANSA)**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

..... *continued*

**7 Income by donor**

	Deferred income as at 1 Jan 2011 £	Income in the year £	Income realised £	Deferred income as at 31 Dec 2011 £	Accrued income as at 31 Dec 2011 £
Amnesty International	-	62	(62)	-	-
Belgium	-	111,644	(123,746)	-	(12,102)
ECCAS	-	15,688	(21,603)	-	(5,915)
FCO	-	9,327	(9,327)	-	-
Government of Australia	-	114,350	(73,143)	41,207	-
Government of Germany	40,097	(2,177)	(37,920)	-	-
Government of Ireland	-	8,275	(8,275)	-	-
Government of Norway	210,242	(4,345)	(64,416)	141,481	-
London Met	-	103	(103)	-	-
Oxfam NOVIB	-	152,447	(152,447)	-	-
Parl Forum	-	827	(827)	-	-
Rowntree	-	45,381	(45,381)	-	-
SAS	-	2,585	(2,585)	-	-
Swedish Fellowship of Reconciliation	-	5,706	(5,706)	-	-
UNDP	-	1,989	(1,989)	-	-
Sundry	-	1,716	(1,716)	-	-
	250,339	463,578	(549,246)	182,688	(18,017)

**8 Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.



**The International Action Network on Small Arms (IANSA)**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

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**9 Reserves**

	Profit and loss account £	Total £
At 1 January 2011	(31,033)	(31,033)
Loss for the year	<u>(84,563)</u>	<u>(84,563)</u>
At 31 December 2011	<u>(115,596)</u>	<u>(115,596)</u>

**10 Commitments**

**Operating lease commitments**

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
<b>Other</b>		
Within one year	<u>32,580</u>	<u>31,869</u>

**The International Action Network on Small Arms (IANSA)**  
**Detailed Profit and Loss Account for the Year Ended 31 December 2011**

	2011		2010
	£	£	£
<b>Turnover</b>			
Donations and grants receivable		549,246	499,335
<b>Administrative expenses</b>			
Wages and salaries	136,010		144,805
Directors' remuneration	53,776		51,615
Overseas co-ordinators	61,659		56,920
Staff training	642		450
Travelling	198,106		118,513
Rent and rates	39,576		40,513
Insurance	1,654		2,711
Telephone and fax	8,878		25,552
Office expenses	8,064		6,341
Computer and IT costs	4,952		19,851
Publications, printing and translations	22,173		13,663
Campaigning	220		291
Partner support	35,210		13,004
Sundry expenses	-		2
Accountancy fees	12,197		10,830
Auditor's remuneration	4,500		5,033
Consultancy fees	37,342		20,096
Legal and professional fees	7,013		2,819
Bank charges	1,359		613
Foreign currency losses	118		133
Depreciation of computer equipment	827		499
		(634,276)	(534,254)
<b>Other interest receivable and similar income</b>			
Bank interest receivable		467	144
Loss on ordinary activities before taxation		(84,563)	(34,775)