



Global Network
of Civil Society Organisations
for Disaster Reduction

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION
(A company limited by guarantee)

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GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2012**

Directors

Mrs O.K. Chadburn
Mr N.S. Timmins

Company registered number

7374358

Charity registered number

1141471

Registered office

100 Church Street
Teddington
Middlesex
TW11 8QE

Executive Director

M.C. Oxley

Company Secretary

T.D. Gibson

Chair of the Steering Group

Suranjana Gupta

Auditors

Braidwood & Company
Registered Auditor
Willow Grange
The Street
Betchworth
Surrey
RH3 7DJ

Bankers

Co-operative Bank plc.
1 Balloon Street
Manchester
M60 4EP

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of Global Network of Civil Society Organisations for Disaster Reduction (the GNDR) for the year ended 31 March 2012. The Directors confirm that the Directors' report and financial statements of the GNDR comply with the current statutory requirements, the requirements of the GNDR's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The GNDR is registered as a charitable company limited by guarantee and was incorporated on 13/9/2010.

The GNDR was officially launched in Geneva during the Global Platform for Disaster Reduction in June 2007. The network is a major international alliance of civil society organisations working to influence and implement disaster risk reduction policies and practices around the world.

b. METHOD OF APPOINTMENT OR ELECTION OF DIRECTORS

Directors are elected and co-opted by the Steering Group.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The Executive Director of the Global Network Secretariat ensures Directors receive induction and training.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees is responsible for governance and ensuring the charity meets its charitable objects. The Steering Group is mandated to act on behalf of all GNDR's full members, steering the activities of the network. It is composed of between 10 to 15 full member representatives at any one time, one of whom is elected as the Steering Group Chair. Composition is based on the principle of equitable and balanced representation (regional, global, north/south, gender, expertise, organisational type). Quarterly teleconference and annual face-to-face meetings are held by the Steering Group.

e. HOSTING AGREEMENT

The day to day management of the GNDR is carried out by the secretariat, led by the Executive Director. The secretariat is currently hosted by the INGO Tearfund in London on a five year rotation basis that commenced in September 2007. Hosting agencies must provide the GNDR with a suitably "neutral" location from which to serve its diverse membership with ease of access to information, communications, infrastructure and the institutional support of an established organisation. The location of the Secretariat was reviewed during 2012 and it was agreed to extend the current hosting agreement.

f. RISK MANAGEMENT

The Directors and Steering Group have assessed the major risks to which the GNDR is exposed, in particular those related to the operations and finances of the GNDR, and are satisfied that systems and procedures are in place to minimise our exposure to the major risks.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objects of the GNDR, are: (1) Prevention or relief of poverty, for public benefit. (2) Community capacity building. (3) Promotion of human rights. (4) Sustainable development.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The GNDR is a network of over 500 Civil Society organisations, in over 70 countries, concerned with effective implementation of Disaster Risk Reduction policy at the "frontline", where billions of people vulnerable to disaster live and work.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The GNDR's activities centre around the collaborative action in support of implementing the Hyogo Framework for Action (HFA) "Building the resilience of Nations and Communities to disasters" including the Views from the Frontline (VFL) initiative which produces reports of progress with strategic recommendations for more effective implementation. The HFA was adopted by 168 countries in 2005 at the World Conference on Disaster Reduction held in Hyogo, Japan, to substantially reduce the loss of lives and livelihoods caused by disasters.

Achievements and performance

a. REVIEW OF ACTIVITIES

The Views From the Frontline (VFL 2011) programme was completed during the year, and a summary report 'If we do not join Hands' published in May 2011.

VFL 2011 is the second study in an ongoing research and learning programme that collects and shares views about progress in reducing the risk of disasters at the frontline – where those most vulnerable live and work.

The first set of research, VFL 2009, showed that progress in establishing national policies and legislation had not generated widespread changes in local practices. A supportive government culture, open to the formation of local partnerships, was seen as the single most important factor to accelerating implementation of risk reduction policies at a local level.

So the focus for VFL 2011 was local risk governance – what's working and what needs to improve? 20,000 views on local risk governance and 57 video case studies were collected by 511 organisations in 69 countries in the course of the programme.

The full VFL 2011 report is available at www.globalnetwork-dr.org.

An ongoing consultation process is now underway at international, national and local levels to explore the implications of these findings and support acceleration of risk reduction activity at the local level.

VFL was presented to the UN in May 2011, following which an internal review of VFL 2011 was undertaken, and the findings were incorporated into the design of the next VFL in 2013.

During the year a strategic review process has been carried out in broad consultation with the GNDR membership, which included the review of strategic objectives, the development of an expanded strategy, operational plan and long term budget, and the review of fundraising strategy and opportunities.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

The governance structure of the GNDR was reviewed, and the composition of the Steering Group is in the process of being revised to make it more regionally representative.

GNDR made significant contributions towards the development of civil society partnership strategy with the World Bank Global Facility for Disaster Reduction and Recovery.

b. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Effective implementation of the Hyogo Framework requires a balanced top down and bottom up approach, involving multi stakeholder partnerships to support disaster risk reduction efforts at the sub-national local levels. However there were growing concerns that the approach was top down, UN and donor driven. GNDR advocates and promotes greater engagement with local people to ensure policies and programmes are relevant to the needs and priorities of vulnerable people.

Financial review

a. INCOME AND EXPENDITURE

The results for the year, as disclosed on page 8, show net outgoing resources of £380,119 (2011: net incoming resources £488,443). The year end balance of £108,324 (2011: £488,443) represents funds to be spent on VFL and associated activities.

b. RESERVES POLICY

It is the policy of the GNDR to maintain a minimum of three months' secretariat expenditure in general reserves. This has been achieved.

c. PRINCIPAL FUNDING

The principal sources of funding for VFL for the period are SIDA (Swedish International Development Cooperation Agency) and OFDA (Office of U.S. Foreign Disaster Assistance - part of USAID).

Additional funding for the period 2012-15 has been secured from the Government of the Netherlands Ministry of Foreign Affairs.

Plans for the future

a. FUTURE DEVELOPMENTS

The organisation's global strategy for the next three years has been agreed by the Directors following wide consultation with the membership, and can be seen on the website at the following address:

http://www.globalnetwork-dr.org/images/GNDR_Strategy_2012-2015.pdf

The main activities of the coming year will be:

- planning and delivering the Views from the Frontline survey and report in 2013
 - building the GNDR's new regional structure and strengthening regional capability
 - developing a global position on the successor to the Hyogo Framework Agreement
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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity 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 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditor in connection with preparing his report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Directors on 27/11/12 and signed on their behalf, by:

Mrs O.K. Chadburn

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

I have audited the financial statements of Global Network of Civil Society Organisations for Disaster Reduction for the year ended 31 March 2012 set out on pages 8 to 14. 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 charitable company's members, as a body, in accordance with section 154 of the Charities Act 2011. My audit work has been undertaken so that I might state to the charitable company's directors those matters I am required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and its directors as a body, for my audit work, for this report, or for the opinion I have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, set out on page 4, 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.

The Directors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly I have been appointed as auditor under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the GNDR'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.

OPINION ON FINANCIAL STATEMENTS

In my opinion the financial statements:

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- the information given in the Directors' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Mrs C.Braidwood F.C.A.(Statutory Auditor)

Braidwood & Company
Chartered Accountants and
Registered Auditor

Willow Grange
The Street
Betchworth
Surrey
RH3 7DJ
Date:

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2012

		Restricted funds	Unrestricted funds	Total funds	Total funds
		Year ended 31 March 2012 £	Year ended 31 March 2012 £	Year ended 31 March 2012 £	28 week period ended 31 March 2011 £
	Note				
INCOMING RESOURCES					
Incoming resources from generated funds:					
Grants	2	313,957	113,584	427,541	1,074,557
TOTAL INCOMING RESOURCES		<u>313,957</u>	<u>113,584</u>	<u>427,541</u>	<u>1,074,557</u>
RESOURCES EXPENDED					
Charitable activities	7	313,312	492,848	806,160	584,614
Governance costs	3		1,500	1,500	1,500
TOTAL RESOURCES EXPENDED	6	<u>313,312</u>	<u>494,348</u>	<u>807,660</u>	<u>586,114</u>
MOVEMENT IN TOTAL FUNDS FOR THE PERIOD - NET OUTGOING/(INCOMING) RESOURCES		645	(380,764)	(380,119)	488,443
<i>Total funds at 1 April 2011</i>		<u>-</u>	<u>488,443</u>	<u>488,443</u>	<u>-</u>
TOTAL FUNDS AT 31 MARCH 2012		<u>645</u>	<u>107,679</u>	<u>108,324</u>	<u>488,443</u>

The notes on pages 10 to 14 form part of these financial statements.

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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**BALANCE SHEET
AS AT 31 MARCH 2012**

	Note	2012 £	2012 £	2011 £
CURRENT ASSETS				
Cash at bank		293,628		-
Debtors	10	645		496,191
CREDITORS: amounts falling due within one year	11	<u>(185,949)</u>		<u>(7,748)</u>
NET CURRENT ASSETS			<u>108,324</u>	<u>488,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>108,324</u>	<u>488,443</u>
CHARITY FUNDS				
Restricted funds	12		645	-
Unrestricted funds	12		<u>107,679</u>	<u>488,443</u>
			<u>108,324</u>	<u>488,443</u>

The Directors consider that the GNDR is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the GNDR to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Directors acknowledge their responsibilities for ensuring that the GNDR keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the GNDR as at 31 March 2012 and of its net incoming resources for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the GNDR.

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

The financial statements were approved by the Directors on 27/11/12 and signed on their behalf by:

Mrs O.K. Chadburn

The notes on pages 10 to 14 form part of these financial statements.

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The GNDR is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the GNDR being wound up, the liability in respect of the guarantee is limited to £10 per member of the GNDR.

1.3 Fund accounting

General funds are used for 'Views from the Frontline' and associated activities. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the GNDR is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

2. GRANTS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 28 week period ended 31 March 2011 £
SIDA (Swedish government)	-	-	-	933,038
OFDA (United States government)	313,957	-	313,957	76,373
World Bank	-	76,798	76,798	-
Other	-	36,786	36,786	65,146
	<u>313,957</u>	<u>113,584</u>	<u>427,541</u>	<u>1,074,557</u>

The OFDA grant contract is with Tearfund, who issued a sub-agreement with GNDR.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

3. GOVERNANCE COSTS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 28 week period ended 31 March 2011 £
Auditors' remuneration	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>

4. DIRECT COSTS

	£	£
Views from the Frontline	651,202	493,833
Wages and salaries	114,739	65,360
National insurance	13,498	7,504
Pension cost	16,721	7,417
	<u>796,160</u>	<u>574,114</u>

5. SUPPORT COSTS

	£	£
Tearfund hosting fee	<u>10,000</u>	<u>10,500</u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Other costs 2012 £	Total 2012 £	Total 28 week period ended 31 March 2011 £
Views from the Frontline	144,958	661,202	806,160	584,614
Governance	-	1,500	1,500	1,500
	<u>144,958</u>	<u>662,702</u>	<u>807,660</u>	<u>586,114</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Year ended 31 March 2012 £	28 week period ended 31 March 2011 £
Views from the Frontline	<u>796,160</u>	<u>10,000</u>	<u>806,160</u>	<u>584,614</u>

8. NET INCOMING RESOURCES

This is stated after charging:

Auditors' remuneration			<u>1,500</u>	<u>1,500</u>
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9. EMPLOYEES AND DIRECTORS

Employee costs were as follows:

Wages and salaries			114,739	65,360
Social security costs			13,498	7,504
Other pension costs			16,721	7,417
			<u>144,958</u>	<u>80,281</u>

The average monthly number of employees during the year was 3 (2011: 3).

One employee received remuneration amounting to between £60,000-£70,000 in the year (2011: none).

During the year, no Directors received any remuneration, benefits in kind, or reimbursement of expenses (2011: none).

10. DEBTORS

	Year ended 31 st March 2012 £	28 week period ended 31 st March 2011 £
Owed by Tearfund	-	419,818
Accrued grants	645	76,373
	<u>645</u>	<u>496,191</u>

GLOBAL NETWORK OF CIVIL SOCIETY ORGANISATIONS FOR DISASTER REDUCTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

	Year To 31 st March 2012	28 week period ended 31 March 2011
11. CREDITORS:		
Amounts falling due within one year		
Owed to Tearfund	159,581	-
Accruals and deferred income	26,368	7,748
	185,949	7,748

12. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	488,443	113,584	(494,348)	107,679
Restricted funds	-	313,957	(313,312)	645
	488,443	427,541	(807,660)	108,324

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 28 week period ended 31 March 2011 £
Current assets	645	293,628	294,273	496,191
Creditors due within one year	-	(185,949)	(185,949)	(7,748)
	645	107,679	108,324	488,443

14. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund amounting to £ 16,721 (2011: £7,417).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

15. CONTINGENT LIABILITY

There is an amount of € 43,428 (£ 35,370) claimed by ECHO for disallowed expenditure identified in their audit report in Nov 2011 relating to a grant for 2009/10.

GNDR are engaged in an appeal against this repayment request.

This potential liability is not recognised in the Balance Sheet as there is significant uncertainty as to whether the repayment will be required.