

Company no. 06527022

**International NGO Charter of
Accountability Limited**

Report and Financial Statements

31 December 2012

sayer vincent

auditors and advisors

International NGO Charter of Accountability Limited

Reference and administrative details

For the year ended 31 December 2012

Status	The organisation is a company limited by guarantee, incorporated on 7 March 2008
Company number	06527022
Registered office	Suite 20 266 Banbury Road Oxford Oxfordshire OX2 7DL
Directors	J Hobbs (on behalf of Oxfam International) G Macfarlane (on behalf on Amnesty International) I Srinath (on behalf of Civicus World Alliance for Citizen Participation) J Dalziell (on behalf of Greenpeace International) B Gwynne (on behalf of World Vision) M Hesse (on behalf of CBM) C Harper (on behalf of Sightsavers International)
Bankers	Commerzbank Friedrichstr. 62 10117 Berlin Germany
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ

International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012.

The company is limited by guarantee and does not have share capital. The company was incorporated on 7 March 2008.

INGO Accountability Charter - The world's most widely used multi-sectoral accountability framework for International NGOs.

Accountability is possibly the most critical issue for NGOs at present and is likely to become even more so, with huge financial pressures on governments, ever increasing demands for NGOs and greater competition for resources.

Considerable progress has been made in 2012 to establish the INGO Accountability Charter as an effective organisation for improving the quality and accountability of NGO work. Our Members' commitments to excellence, transparency and accountability have also been recognized by the Independent Review Panel which is now in its third year of assessing reports. These are made publicly available on our website. In their last assessment of Charter Member reports they emphasised the increasing quality of the submissions. We have started to introduce some good practice indicators to further strengthen the quality of work.

During the year, the Charter Company organised a successful workshop for its Members on Public Challenges to Accountability which not only provided valuable insight, but also helped to improve the active learning network among Charter Members. Developing a strong collective voice on the quality of NGO accountability will be ever more important as a narrow top-down focus on accountability gathers pace, for example in the public debate on 'value for money'.

Finally, we are pleased and grateful that Members have agreed to substantial increases in membership fees (albeit from a low base) and thus put the Charter on a much sounder financial footing for the coming years. This is recognition of the importance of accountability and of the value of the Charter as means to increase it.

With the on-going commitment and support of all those involved with the Charter we are looking forward to continued success in 2013.

Thank you.

Oxford, January 2013

Jeremy Hobbs
Executive Director, Oxfam International and
Chair, INGO Accountability Charter

International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012

Reporting - Independent Review Panel

The Independent Review Panel assessed 24 Accountability Reports from Charter Members and highlighted that the quality of the reports is continuously improving, institutional commitment is getting stronger, and a better understanding of how to use the Charter as an internal quality driver is emerging.

Tony Tujan, International Director of the IBON Foundation, was appointed by the Charter Board as a new Panel member to replace Gavin Neath, former Senior Vice President for Sustainability at Unilever, who left the Panel at the end of the year. The other highly respected members of the Panel are: Janet Hunt, former Executive Director of the Australian Council for Overseas Aid; Wambui Kimathi, former Commissioner at the Kenya National Commission on Human Rights; and Richard Manning, former Chair of the OECD's Development Assistance Committee. The Board will decide on the appointment of two new Panel members in early 2013.

"In the short time that the Panel has been in place very considerable progress has already been made."

Gavin Neath, Panel member,
December 2012

In addition to reviewing the Accountability Reports, the Panel is also responsible for handling complaints made against the Charter and as a body ensures the credibility and integrity of the Charter.

A working group on the Charter reporting requirements was set up to explore how the *normative* Charter commitments can be better reflected in the Global Reporting Initiative (GRI) reporting framework, which focuses on transparency only. The suggestions from the working group will be implemented in 2013. The Board also decided that Good Practice Indicators shall be gradually introduced to provide more clarity on quality.

Comments from Members on the Panel feedback, October 2012 round:

actionaid

"Your feedback will continue to be a very valuable check on how we are progressing in the future. We appreciate both the support and the pressure of the INGO group and its host, the Berlin Civil Society Center, which has provided valuable support in the process. The work you do on the review panel is contributing to a more vibrant and accountable INGO sector."

Joanna Kerr, Chief Executive, ActionAid International

cbm
together we can do more

"We are encouraged by the Panel's recognition of our development and we appreciate the Panel's input and hard work, as well as the Charter's dedication towards excellence in the NGO sector. The good practice report from the Charter provides a pool of great impulses for our work. The Panel's feedback gives good advice for further organisational development of the CBM family as well as for further improvement of our accountability report."

CBM Reporting team

International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012

Members' Workshop

The annual Members' Workshop focused on *Public Challenges to Accountability: How the Charter Can Help*. Twenty representatives of organisations that are Members or potential members of the Charter attended this workshop, which took place at Amnesty International Netherlands in Amsterdam. Communications, accountability, strategy, and evaluation staff shared ideas with their peers from other organisations on how to best use the Charter to drive accountability issues internally and improve communications when faced with public allegations. Policies and experiences were actively exchanged. Participants also explored how improved cooperation between Charter Members could facilitate collectively-agreed standards of accountability. 94% of participants found the workshop "extremely useful" or "very useful". The workshop outcome is available on the [Charter website](#).

Comments from 2012 Members' Workshop participants:

"Learning of other organisations' experiences of trust and accountability issues was extremely useful."

"Role play was a fascinating exercise and a real eye-opener to the roles within which INGOs are constrained."



Charter Membership



Charter membership was originally confined to organisations with affiliates, presence or programmes in five or more countries. This excluded a number of organisations who work on international issues but have no operations outside their home country. In order to fulfil its strategic aim of becoming the leading global frame for NGO accountability, the 2012 Annual General Meeting opened the membership to organisations who "work predominantly internationally" or "on international issues".

In order to protect the Charter's reputation as the membership grows, it was also decided that all organisations that are approved for membership by the Charter Board are first granted *Affiliate membership* status. These organisations only become Full Members when they have submitted their first accountability report and this has been vetted and approved by the Independent Review Panel.

An additional category of formally associated organisations called *Friends of the Charter* was created and opened to organisations which are ineligible for membership.

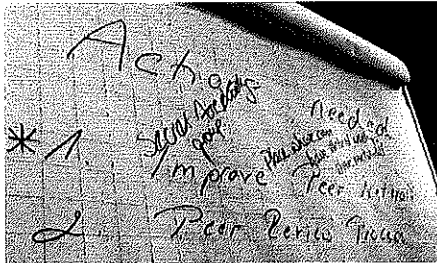
Cooperation with Freshfields law firm

The Charter received legal advice throughout the year from the UK law firm Freshfields. They supported us in amending the *Articles of Association* and in producing the following documents which are all available on the Charter website: *Terms of Reference for the Independent Review Panel*, *Complaints Handling Procedure*, *Conflict of Interest Policy*, and *Open Information Policy*. We are deeply grateful for their pro bono support.

International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012



In order to close the gap between the Charter's ambition to develop into the global accountability framework of choice and its extremely limited resources, it was agreed to significantly raise the membership fees as of January 2013. The new fee structure, which is frozen at this level for the coming three years, enables the Charter to maintain a consistently high level of management proficiency, build up some reserves and further develop its activities.

Next year the focus will be to further improve our good practice indicators and reporting requirements, better communicate the valuable insights into best practice examples across the membership, and push for greater coherence in NGO accountability requirements across the globe. Thanks to the kind secondment of a very qualified staff member by CBM to the Charter in 2013, we also hope to substantially improve peer exchange, peer learning and an active community of practice among Charter Members.

Full Charter Members



Affiliate Charter members



International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012

Every member of the company undertakes to contribute such an amount as may be required (not exceeding £1) to the assets of the company if it should be wound up whilst he/she is a member, and to the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

The company is a not-for-profit organisation. In the event of dissolution of the company, its remaining assets shall be disposed of by the directors in ways that further the aims of the company.

Responsibilities of the directors

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 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 then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

International NGO Charter of Accountability Limited

Report of the directors

For the year ended 31 December 2012

Auditors

Sayer Vincent were reappointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

The directors' report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 4/3/13 and signed on their behalf by



Jeremy Hobbs

Independent auditors' report

To the members of

International NGO Charter of Accountability Limited

We have audited the financial statements of International NGO Charter of Accountability Limited for the year ended 31 December 2012 which comprise the income and expenditure account, the balance sheet and 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 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 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 explained more fully in the Directors' Responsibilities Statement set out in the report of the directors, 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 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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the company's state of affairs as at 31 December 2012 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.



Catherine L Sayer Senior Statutory Auditor
for and on behalf of Sayer Vincent, Statutory Auditors

SAYER VINCENT
8 Angel Gate
City Road
LONDON
EC1V 2SJ

14 March 2013

International NGO Charter of Accountability Limited

Income and expenditure account

For the year ended 31 December 2012

	Note	2012 Total €	2011 Total €
Income			
Members' contributions		91,095	59,100
Workshop fees		2,300	-
Donations		-	593
		<u>93,395</u>	<u>59,693</u>
Expenditure			
Administrative expenses		<u>93,224</u>	<u>73,219</u>
Surplus/(Deficit) for the year	2	171	(13,526)
Taxation	4	-	-
Net movements in funds for the year		171	(13,526)
Members' funds at the start of the year		<u>18,553</u>	<u>32,079</u>
Members' funds at the end of the year		<u>18,724</u>	<u>18,553</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than the net movement in funds for the year.

International NGO Charter of Accountability Limited

Balance sheet

31 December 2012

	Note	€	2012 €	2011 €
Current assets				
Debtors	5	-		3,512
Cash at bank and in hand		<u>25,226</u>		<u>20,053</u>
		25,226		23,565
Creditors: amounts due within one year	6	<u>6,502</u>		<u>5,012</u>
Net current assets			<u>18,724</u>	<u>18,553</u>
Net assets			<u>18,724</u>	<u>18,553</u>
Reserves				
Member's funds			<u>18,724</u>	<u>18,553</u>
Total funds			<u>18,724</u>	<u>18,553</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 4/3/13 and signed on their behalf by



Jeremy Hobbs

International NGO Charter of Accountability Limited

Notes to the financial statements

For the year ended 31 December 2012

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.
- b) Income consists of members' contributions which relate to the year, and donations from other bodies. Income received in advance is deferred where it relates to services provided in a future accounting period.
- c) Administrative expenses are recognised in the period in which they are incurred.
- d) Monetary assets and liabilities in foreign currencies are translated into Euros for 2011 and 2012 figures at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the profit or loss for the period.
- e) Liabilities are recognised as soon as there is a legal or constructive obligation committing the company to pay out resource.

2. Surplus/(Deficit) for the year

This is stated after charging / crediting:

	2012	2011
	€	€
Directors' remuneration	-	-
Directors' reimbursed expenses	-	-
Auditors' remuneration:		
▪ Audit	3,000	2,500
▪ Other services	2,426	2,512
▪ Over accrual in previous period	-	(1,040)
	<u> </u>	<u> </u>

3. Directors' emoluments

No emoluments are paid to any director.

4. Taxation

The directors consider that the entity is a mutual association and a tax liability will only arise in the event of trading activities being undertaken.

International NGO Charter of Accountability Limited

Notes to the financial statements

For the year ended 31 December 2012

5. Debtors	2012	2011
	€	€
Members' contributions receivable	<u>-</u>	<u>3,512</u>
	<u>-</u>	<u>3,512</u>
6. Creditors: amounts due within one year	2012	2011
	€	€
Accruals	<u>6,502</u>	<u>5,012</u>
	<u>6,502</u>	<u>5,012</u>

7. Related Party transactions

During the year, the company paid Berlin Civil Society Center €81,422 (2011: €55,882) for management and administrative services. The Berlin Civil Society Center took over the secretariat in July 2010. The Center is co-owned by several organisations, including the following members of the Charter: Amnesty International, CBM, Oxfam International, Plan International, Transparency International and World Vision International. There were no amounts outstanding at 31 December 2012.

During the year, the Charter paid Oxfam International €0 (2011: €3,473) to reimburse payments for professional services made on the Charter's behalf.

Jeremy Hobbs is the Chairperson of the Board of Directors for the Charter and a Director of Oxfam International, however all transactions were made at arms length.