



Development
NEPAL

Development Nepal

Annual report and accounts
for the year ended 31st December 2010

Registered Charity Number: 1085199

Development Nepal

Annual report and accounts for the year ended 31st December 2010

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Trustees and Officers

Trustees

Christopher Kelly (Chair)
Brian Wong
Rebecca Picton (resigned Jan 2010)
Nicholas Renshaw
Charlie Ullman
Bart Shaw (joined Jan 2010)
Roland Hancock (joined Jan 2010)

Secretary

Brian Wong

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Report of the Trustees for the year ended 31st December 2010

The Trustees present their annual report and the financial statements for the year ended 31st December 2010.

Information with respect to identity of the Trustees is set out on page 1 of this report. The financial statements comply with the charity's trust deed, guidance of the Charity Commission, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 and the Charities Act 1993.

Status and administration

The charity is constituted by a Deed of Trust dated 21st April 1999, and has been a registered charity since 23rd February 2001. The charity is registered with the UK Charity Commissioners under charity number 1085199.

Objects

The primary objects of Development Nepal are to support communities and marginalised groups using a self-help participatory approach;

- To facilitate the community and individuals to assess their needs
- To empower the community and individuals to identify solutions
- To support the implementation of these initiatives

Development Nepal does this through implementing the *Ujyalo Bhabisya* Programme, which operates in the Sunsari district of Nepal.

Review of the charity's activities and future developments

2010 has been a busy year for *Ujyalo Bhabisya*, yet a year of two halves, with the 2005-2009 programme cycle concluding in the first half of the year, while planning for the next cycle was underway, and then the new 2010-2014 programme cycle starting up mid-year. The second half of 2010 witnessed a number of new initiatives for the *Ujyalo Bhabisya* Programme including the provision of substantial institutional and staff capacity building for UCHEP, work on establishing more robust baseline surveys and documented participatory rural appraisal outputs, and of course the additional work involved in working with 20 new communities (10 joining in August and 10 joining in November) and the 40 new community facilitators - while continuing to work with 10 communities from the 2005-2009 programme cycle.

The Trustees are delighted that the programme has expanded and is now working directly with over 1,000 children and 500 adults across 7 village development committees to improve the poorest communities' access to opportunities and essential resources in Sunsari district, and to help improve in a sustainable and locally owned way the knowledge, skills and income of those with whom we work.

The Trustees again wish to thank UCHEP, the *Ujyalo Bhabisya* Programme team and the Community Facilitators for all of their hard work in making 2010 a successful year. The Programme would not be what it is without the tireless work of the *Ujyalo Bhabisya* Programme Team: Ram Niraula, Kalpana Ghimire, Simta Subba and the UCHEP Chairperson Rabin Ghimire, nor without the hard word day-in, day-out of the Community Facilitators.

The statement of financial activities for the year to 31st December 2010 is set out on page 8. A summary of the financial results is set out below.

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Ongoing cost expenditure

Income during the year has been £10,665 (prior year: £7,113) with expenditure during the year of £16,453 (prior year: £10,638). The charity's funds have decreased during the year to £32,610 (from £38,398). Expenditure relates to costs incurred in commencing the first year of the *Ujyalo Bhabisya* Programme 2010-2014 cycle and of closing the *Ujyalo Bhabisya* Programme 2005-09 cycle. Costs relate principally to training and capacity building our local partner UCHEP, project delivery costs including for 50 community facilitators by year end, and for general Nepal project costs. The trustees wish to thank their supporters, including friends of Development Nepal who have signed up for standing orders for their continuing generosity.

Fundraising, administration and project costs

Expenditure during the year relates to on-going project costs in Nepal. There has been an nominal £20 expenditure in the UK on Greetings Cards during the year.

UK employees and related parties

The charity does not employ any staff in the UK, nor do the trustees or advisors receive any payment for their involvement with the charity. The charity has not made any related party transactions during the year.

Fixed assets and the revolving fund

The charity expenses small asset purchases made during the year direct to the income and expense account. Where support has been provided for community infrastructure, such as the development irrigation systems, ownership is transferred to the local communities and as a consequence the costs incurred are expensed in the year incurred.

The charity does not hold any property or investments. However, some monies have been committed in to a 'Revolving Fund'. The revolving fund can be mobilized to provide communities with access to capital which can be loaned to *Ujyalo Bhabisya* Programme participants if certain criteria are met.

Monies committed to the Revolving Fund are held locally by a Co-operative bank in Sunsari, and can only be accessed by participants in consultation with UCHEP and the co-operative bank.

The trustees take any surplus to reserves at the end of each financial year and retain the funds for use by the charity to support future projects.

Reserves

Trustees review the levels of reserves on an annual basis. Trustees are comfortable with the current level of reserves, as they represent 12 months of activity considering the increased activity levels anticipated during 2011. At the 31st December 2010 the Revolving Fund which is held as Foreign Deposits continues to be treated as a restricted reserve.

Governance of the charity

During the year the trustees formally met three times, however the trustees are in communication on a much more frequent basis. Trustees serve for a minimum period of two years. The composition of the board of trustees is reviewed during the year to ascertain whether the trustees have the relevant skill-sets required to govern the charity. Potential trustees are identified by the current trustees, and invited to join the board. During the year Rebecca Picton retired from the board of trustees while Bart Shaw and Roland Hancock joined the board of trustees. The trustees are very grateful to Rebecca Picton for all her input over the years, and are delighted that she has agreed to remain on the board of advisors.

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Risk management

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on 12th October 2000, the Trustees routinely conduct a high level Risk Assessment for the Charity and Project *Ujyalo Bhabisy* during the year.

Trustees' responsibilities

The Trustees are required by charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st December 2010. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UCHEP and Nepali advisors

The charity is grateful for the unstinting efforts of UCHEP for their crucial input as implementation delivery partners of Project *Ujyalo Bhabisy*. The Trustees are particularly grateful to the Project *Ujyalo Bhabisy* core staff: Ram Niraula, Kalpana Ghimire and Simta Subba, and for the ongoing support that Rabin Ghimire and the rest of the UCHEP family provide in supporting the delivery of Project *Ujyalo Bhabisy*.

During the year Development Nepal has worked more closely with Harihar Muharijan and Ravindra Shakiya and is grateful for their efforts and support of Development Nepal.

By order of the Trustees



Christopher Kelly BA MA CA (Chair)

Date: 10th October 2011

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Independent Examiner's Report to the Trustees of Development Nepal

The accounts have been prepared by the trustees and reviewed by an independent examiner. I report on the accounts of the Charity for the year ended 31st December 2010, which are set out on pages 8 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act), as amended by section 28 of the Charities Act 2006) and that an independent examination is needed. It is my responsibility to: examine the accounts (under section 43(3)(a) of the 1993 Act, as amended); to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act, as amended); and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention: (1) which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that: proper accounting records are kept (in accordance with section 41 of the 1993 Act); and accounts are prepared which agree with the accounting records and comply with the accounting requirements of the 1993 Act; or (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Matthew Rees

Date: 10/10/11

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Statement of financial activities for the year ended 31st December 2010

	2010	2009
	£	£
Incoming resources		
Donations and gifts	10,432	6,748
Interest receivable	9	48
Revolving Fund Income	187	-
Total incoming resources	10,628	6,796
Charitable expenditure:		
Direct project expenditure	(16,433)	(10,638)
Other charitable expenditure	(20)	-
Total resources expended	(16,453)	(10,638)
Net (outgoing) resources	(5,825)	(3,842)
Net movement in funds		
Fund balances brought forward at 1 st January 2010	38,398	41,923
Unrealised foreign exchange gains	37	317
Fund balances carried forward at 31st December 2010	32,610	38,398

All incoming resources and resources expended are derived from continuing activities. All funds are unrestricted.

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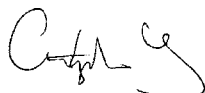
Balance Sheet as at 31st December 2010

	Note	2010 £	2009 £
Current assets			
Cash at bank and in hand	2	30,489	36,578
Foreign deposits (revolving fund)	3	2,121	1,820
Net assets		32,610	38,398
Reserves:			
Unrestricted funds		32,610	38,398
Total funds		32,610	38,398

The accounts on pages 8 and 9, together with the related notes on pages 10 and 11, were approved by the Trustees on 10th October 2011 and were signed on their behalf by:

Christopher Kelly

Chair



Brian Wong

Secretary



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Notes to the Financial Statements for the year ended 31st December 2010

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2005, and in line with Charity Commission guidance. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared on a 'receipts and payments basis'.

Receipts and income

Donations are recorded on a receipt basis. No amounts are included in the financial statements for services provided by trustees or by UK based advisors.

The charity's policy on restricted funds is to separately record donations, grants and other sources of fundraising where restrictions are imposed that are narrower than the charity's overall objectives. During the year, all income was unrestricted.

Resources expended

Resources expended are recorded on a payment basis. Where applicable payments are split between direct project expenditure and administration and fundraising costs. Neither the trustees nor UK based advisors receive any payment for their involvement with the charity.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

The Revolving Fund is in Nepalese Rupees at year end. This has been translated at the closing rate at the year end. The closing rate at 31st December 2010 is 113 NRps to £1 (2009: 120 NRps to £1) and the average rate of exchange during 2010 is 113 NRps to £1 (2009: 119 NRps to £1).

Although these accounts have been prepared using the receipts and payments method (as permitted for small unincorporated charities under the Charity SORP), the revolving fund has been translated in to Pounds Sterling at the closing rate in order to present an up to date valuation for the Revolving Fund. This has resulted in an unrealised foreign exchange gain, which has been charged to the Statement of Financial Activities after net outgoing resources.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions which it subscribes to. The charity is not registered for VAT and accordingly, all the charity's expenditure is recorded inclusive of any VAT incurred.

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2 Cash at bank and in hand

The cash at bank and in hand comprise Development Nepal monies held in the UK; locally in Sunsari by UCHEP on behalf of Development Nepal. All funds are considered readily available, and are fully recoverable by Development Nepal. Amounts held in Nepalese Rupees have been translated at the closing rate at the year end.

Cash and Bank balances held in:	31 st December 2010 £	31 st December 2009 £
UK	29,680	34,994
Sunsari (Excluding Revolving Fund)	809	1,584
Total	30,489	36,578

3 Revolving fund

The revolving fund is within unrestricted reserves and is held in Nepalese Rupees locally in Sunsari. Amounts held in Nepalese Rupees at year end have been translated at the closing rate.

Revolving fund:	31 st December 2010 £	31 st December 2009 £
Sunsari (revolving fund)	2,121	1,821
Total	2,121	1,821