



Development  
**NEPAL**

Development Nepal

Annual report and accounts  
for the year ended 31<sup>st</sup> December 2007

**Registered Charity Number: 1085199**

# Development Nepal

## Annual report and accounts for the year ended 31<sup>st</sup> December 2007

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# Development Nepal

## Trustees and Officers

### Trustees

Christopher Kelly

Mike Scott

Helen Richards (Resigned 9<sup>th</sup> May 2007)

Brian Wong (Appointed 9<sup>th</sup> May 2007)

Rebecca Picton (Appointed 9<sup>th</sup> May 2007)

Nicholas Renshaw (Appointed 9<sup>th</sup> May 2007)

Charlie Ullman (Appointed 9<sup>th</sup> May 2007)

### Secretary

Mike Scott

### Registered Address

49 Penn Road

Beaconsfield

Bucks

HP9 2LW

### Website / E-mail

[www.developmentnepal.org](http://www.developmentnepal.org)

[info@developmentnepal.org](mailto:info@developmentnepal.org)

# Development Nepal

## Report of the Trustees for the year ended 31<sup>st</sup> December 2007

The Trustees present their annual report and the financial statements for the year ended 31<sup>st</sup> December 2007.

The information with respect to Trustees set out on page 1 forms part 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 October 2000 and the Charities Act 1993.

### Status and administration

The charity is constituted by a Deed of Trust dated 21<sup>st</sup> April 1999, and has been a registered charity since 23<sup>rd</sup> 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 Project *Ujyalo Bhabisyia*

### Review of the charities activities and future developments

2007 was the 3<sup>rd</sup> year of a 5 year cycle of Development Nepal's Project *Ujyalo Bhabisyia*. Project *Ujyalo Bhabisyia* works through local facilitators and local trainers to provide a holistic community programmes. The programmes provide non-formal education through adult literacy classes, child supplementary classes, life-skill, health, nutrition and sanitation training, business training and access to micro-savings and micro-finance.

During the year Development Nepal has been working with communities in Bhokraha 3, Prakashpur 1, Prakashpur 2, Prakashpur 3 and Prakashpur 7. During the first 4 months of 2007 Development Nepal continued to work with communities in Madhubhan 6, Madhubhan 8, Madhubhan 9 and West Kusha 7 – and then provided support to these communities at a reduced level during the remainder of the year.

Development Nepal is working together with SPW Nepal, an international NGO, and UCHEP, a local Sunsari NGO, on Project *Ujyalo Bhabisyia*. Development Nepal employed 3 UCHEP members during 2007, and 11 local facilitators during the year. Ram Niraula was promoted to Project Co-ordinator in January 2007, and Deepak Khatiwada was recruited as an Assistant Project Co-ordinator in January 2007. In September 2007 to reflect the growing reach of Project *Ujyalo Bhabisyia*, Kalpana Ghimire was appointed as a second Assistant Project Co-ordinator. Facilitators are running principally ALC and CSC during the year include: The local facilitators for Project *Ujyalo Bhabisyia* during 2007, who have principally been facilitating the adult literacy and child supplementary classes have been: Kabita Subba and Smita Subba in Bhokraha 3; Gita BK and Dil Bahadur BK in Prakashpur 1; Sabita Chandrabanshi and Krishna Chandrabanshi in Prakashpur 2; Mana Devevi Khadka and Mithun Chandrabanshi in Prakashpur 3; and Sanja Limbu and Indra Maya Karaki in Prakashpur 7.

The statement of financial activities for the year to 31<sup>st</sup> December 2007 is set out on page 8. A summary of the financial results is set out below.

### Ongoing cost expenditure

The charity's funds have risen during the year to £45,087 from £16,701. This recognises the increased focus on fundraising in order to meet the commitments of the 5 year cycle of Project *Ujyalo Bhabisyia*. Costs incurred during the year relate primarily to training, facilitators and general Nepal project costs. The trustees wish to thank their supporters for their continuing generosity.

### Fund-raising, administration and project costs

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Expenditure during the year relates to on-going project costs in Nepal. There has been no expenditure on UK administration costs.

## **UK employees and related parties**

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

## **Investments, property, fixed assets and the revolving fund**

The charity expenses small asset purchases made during the year direct to the income and expense account. A new digital camera was purchased during the year and expensed. The charity does not hold any property or investments other than the monies committed to the Revolving Fund in Nepal. Monies committed to the Revolving Fund are held locally by the co-operative bank in Sunsari, and can only be accessed by participants in consultation with UCHEP, SPW 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**

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 2007 no restricted income was received.

All restricted expenditure during the year related to expenditure on Project *Ujyalo Bhabisy*a from restricted reserves. At the 31<sup>st</sup> December 2007 no restricted reserves remained.

## **Governance of the charity**

During the year the trustees formally met five 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 Helen Richards resigned and, on behalf of Development Nepal, the trustees thank her for all her hard work for the charity over recent years. The trustees were delighted to welcome Rebecca Picton, Brian Wong, Charlie Ullman and Nicholas Renshaw to the board, greatly strengthening the board's governance. Dates relating to trustee board movements are included on page 1.

## **Risk management**

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on 12<sup>th</sup> October 2000, the Trustees conducted a high level Risk Assessment for the Charity and Project *Ujyalo Bhabisy*a during the AGM.

## **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 31<sup>st</sup> December 2007. 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 SPW**

The charity is grateful for the unstinting efforts of SPW Nepal and UCHEP for their crucial input as partners of Project *Ujyalo Bhabisy*a. The trustees are particularly grateful to the Project *Ujyalo Bhabisy*a core staff: Ram Prasad Niraula, Deepak Khatiwada, Kalpan Ghimire and to Rabin Ghimire and the rest of the UCHEP

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family, and to Saichin, Harihar, Shalini and the rest of SPW Nepal family.

**By order of the Trustees**

**Christopher Kelly BA MA CA (Chairperson)**

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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 31<sup>st</sup> December 2007, 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: Dareen Zakaria

Relevant professional qualification or body: CA (ICAS)

Address: 9 Monsell Road, London N4 2EF

Date:

**Dareen Zakaria BSc CA**

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## Statement of financial activities for the year ended 31<sup>st</sup> December 2007

	Unrestricted funds GB £	Restricted funds GB £	2007 GB £	2006 GB £
<b>Incoming resources</b>				
Donations, gifts and interest receivable	33,724	-	<b>33,724</b>	14,468
<b>Total incoming resources</b>	<b>33,724</b>	-	<b>33,724</b>	14,468
<b>Charitable expenditure:</b>				
Costs of activities in furtherance of the charity's objects				
Direct project expenditure	(93)	(5,276)	<b>(5,369)</b>	(4,174)
Other charitable expenditure	-	-	-	-
Foreign exchange gains (losses)	13	18	<b>31</b>	(82)
<b>Total resources expended</b>	<b>(80)</b>	<b>(5,258)</b>	<b>(5,338)</b>	(4,256)
<b>Net receipts (payments)</b>	<b>33,644</b>	<b>(5,258)</b>	<b>28,386</b>	10,212
<b>Net movement in funds</b>				
Fund balances brought forward at 1 <sup>st</sup> January 2007	11,443	5,258	<b>16,701</b>	6,489
Net receipts	33,644	(5,258)	<b>28,386</b>	10,212
<b>Fund balances carried forward at 31<sup>st</sup> December 2006</b>	<b>45,087</b>	-	<b>45,087</b>	16,701

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

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## Balance Sheet as at 31<sup>st</sup> December 2007

	Note	2007 GB £	2006 GB £
<hr/>			
<b>Current assets</b>			
Cash at bank and in hand	2	44,312	15,944
Investments (revolving fund)	3	775	757
<hr/>			
<b>Net assets</b>		<b>45,087</b>	16,701
<hr/>			
<b>Reserves:</b>			
Restricted funds		-	5,258
Restricted funds: revolving fund		775	757
Unrestricted funds		44,312	10,686
<hr/>			
<b>Total funds</b>		<b>45,087</b>	16,701
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The accounts on pages 8 and 9, together with the related notes on pages 10 and 11, were approved by the Trustees on \_\_\_\_\_ and were signed on their behalf by:

Christopher Kelly

Chair

Michael Scott

Secretary

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## Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2007

### 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 2000, and in line with Charity Commission guidance. A summary of the principal accounting policies, which have been applied consistently are 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.

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.

#### Resources expended

Resources expended are recorded on a payment basis. Where applicable payments are split between direct project expenditure and administration and fundraising costs. During the year all costs related to project expenditure.

The trustees do not 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. Amounts held in Nepalese Rupees at year end have been translated at the closing rate. The rate of exchange for 2007 is 130 Np Rps to £1GB, and in the prior year 132 Np Rps to £1GB.

#### Taxation

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

### 2 Cash at bank and in hand

The cash at bank and in hand comprise Development Nepal monies held in the UK; in Kathmandu by SPW Nepal on behalf of Development Nepal and; 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 at year end have been translated at the average closing rate for the year.

Cash and Bank Balances Held in:	31 <sup>st</sup> December 2007 £	31 <sup>st</sup> December 2006 £
UK	44,062	15,362
Kathmandu	108	496
Sunsari (Excluding Revolving Fund)	142	86
<b>Total</b>	<b>44,312</b>	15,944

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## 3 Revolving fund

The revolving fund is held at the Co-operative Bank in Nepalese Rupees locally in Sunsari. Amounts held in Nepalese Rupees at year end have been translated at the average closing rate for the year.

Revolving fund:	<b>31<sup>st</sup> December 2007</b> £	31 <sup>st</sup> December 2006 £
Sunsari (revolving fund)	<i>775</i>	<i>757</i>
<b>Total</b>	<b><i>775</i></b>	<b><i>757</i></b>