



Development
NEPAL

Development Nepal

Annual report and accounts
for the year ended 31st December 2009

Registered Charity Number: 1085199

Development Nepal

Annual report and accounts for the year ended 31st December 2009

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Trustees and Officers

Trustees

Christopher Kelly
Mike Scott (resigned 4th November 2009)
Brian Wong
Rebecca Picton
Nicholas Renshaw
Charlie Ullman

Secretary

Mike Scott (resigned 4th November 2009)
Brian Wong (appointed 4th November 2009)

Registered Address

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Beaconsfield
Bucks
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Report of the Trustees for the year ended 31st December 2009

The Trustees present their annual report and the financial statements for the year ended 31st December 2009.

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 Project *Ujyalo Bhabisyia*

Review of the charity's activities and future developments

2009 was the 5th and final year of the 2005-2009 5 year cycle of Development Nepal's Project *Ujyalo Bhabisyia*. Project *Ujyalo Bhabisyia* works through local facilitators and local trainers to provide holistic community programmes. The programmes provide non-formal education through adult literacy classes, child supplementary literacy classes, life-skills, health, nutrition and sanitation training, business training and access to micro-savings and micro-finance.

During 2009 Development Nepal has continued to work with Project UB communities with whom we started to work in 2007 and 2008 core including:

1. Prakashpur 1 – Nayabasti (2007)
2. Prakashpur-2, Kalithan (2007)
3. Prakashpur-3, Chandrabanshi tole (2007)
4. Prakashpur-7, Gaderi tole (2007)
5. Bhokraha-3, Khoriya tole: (2007)
6. Prakashpur-3, Chaudhari tole (2008)
7. Prakashpur-7, Uranw tole (2008)
8. Mahendranagar-3, Officer line (2008)
9. Mahendranagar-9, Shantinagar (2008)
10. Mahendranagar-9, Chaukhola (2008)

Ram Niraula has continued to deliver as Project Co-ordinator, with Kalpana Ghimire supporting as Assistant Project Co-ordinator (APC) and Simta Subba as a 'social motivator' with a primary focus on supporting and engaging with the community facilitators.

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During 2009 there has been a particular emphasis on infrastructure support including irrigation and community housing and the establishment of, and support to, savings groups which have then made loans for primarily income generating purposes.

Monitoring and evaluation are key parts of Development Nepal's approach to promoting effective implementation of and learning from project activities. Over the past year, Project UB co-ordinators submitted regular reports on project activities. These measured progress against annual work-plans prepared with the communities at the beginning of the year. Development Nepal appointed a consultant at the beginning of the year to conduct an independent evaluation of project activities and the delivery of the project's objectives and aims this year. This allows the Trustees to continually improve Development Nepal's projects and ensure that maximum benefit is brought to the communities with whom Development Nepal works.

Towards the end of the year several of the Trustees (at personal expense) visited the project in Nepal to understand progress, and to plan for Project UB's future post 2010. The result of this has been the initiation of an Institutional Capacity

The statement of financial activities for the year to 31st December 2009 is set out on page 8. A summary of the financial results is set out below.

Ongoing cost expenditure

Income during the year has been £6,796 (prior year: £9,145) with expenditure during the year of £10,321 (prior year: £12,309). The charity's funds have decreased during the year to £38,398 (from £41,923). Expenditure relates to costs incurred in delivering the 5th year of the Project UB 2005-09 cycle and principally to training, facilitators and general Nepal project costs. Income has reduced as a consequence of a difficult fundraising environment. 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 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 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. Construction of a community house and several irrigation systems were concluded during the year, and ownership has been transferred to the local communities, and as a consequence the costs incurred have been 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 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 in excess of 18 months of activity. At the

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31st December 2009 the Revolving Fund which is held as Foreign Deposits continues to be treated as a restricted reserve. The revolving fund has been increased to £1,700 during the year to fund a part of the charity's operations in country.

Governance of the charity

During the year the trustees formally met four 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 Mike Scott left the board of trustees. The Chair and other trustees wish to express their gratitude for all the hard work that Mike has put into Development Nepal over the last 4 years, and are delighted that he will remain engaged with Development Nepal as a UK advisor.

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 Bhabisya* 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 2009. 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, SPW and Nepali advisors

The charity is grateful for the unstinting efforts of UCHEP for their crucial input as implementation delivery partners of Project *Ujyalo Bhabisya*. The trustees are particularly grateful to the Project *Ujyalo Bhabisya* core staff: Ram Prasad 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 Bhabisya*.

During the year Development Nepal parted company with SPW Nepal – and wish to recognise the invaluable support that SPW has provided over the last 9 years, and particularly in the formative years.

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 (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 31st December 2009, 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

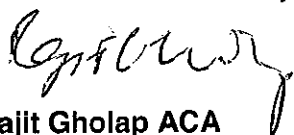
In connection with my examination, no matter has come to my attention: (1) which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that: proper accounting records are kept (in accordance with section 41 of the 1993 Act); and accounts 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: Rajit Gholap

Relevant professional qualification or body: ACA (ICAEW)

Address: 7 Caprea Close, Yeading, UB4 9PE

Date: February 2010



Rajit Gholap ACA

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Statement of financial activities for the year ended 31st December 2009

	2009	2008
	GB £	GB £
Incoming resources		
Donations and gifts	6,748	8,180
Interest receivable	48	965
Total incoming resources	6,796	9,145
Charitable expenditure:		
Direct project expenditure	(10,638)	(12,245)
Other charitable expenditure	-	(15)
Foreign exchange gains (losses)	317	(49)
Total resources expended	(10,321)	(12,309)
Net receipts (payments)	(3,525)	(3,164)
Net movement in funds		
Fund balances brought forward at 1 st January 2009	41,923	45,087
Net receipts	(3,525)	(3,164)
Fund balances carried forward at 31st December 2009	38,398	41,923

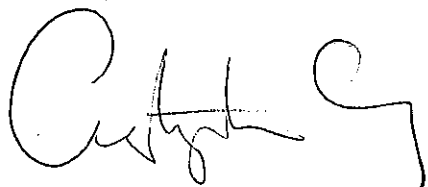
All incoming resources and resources expended are derived from continuing activities. All funds are unrestricted.

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Balance Sheet as at 31st December 2009

	Note	2009 GB £	2008 GB £
Current assets			
Cash at bank and in hand	2	36,578	40,776
Foreign Deposits (revolving fund)	3	1,820	1,147
Net assets		38,398	41,923
Reserves:			
Unrestricted funds		38,398	41,923
Total funds		38,398	41,923

The accounts on pages 8 and 9, together with the related notes on pages 10 and 11, were approved by the Trustees on 1st March 2010 and were signed on their behalf by:



Christopher Kelly 1st March 2010

Chair



Brian Wong 1st March 2010

Secretary

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Notes to the Financial Statements for the year ended 31st December 2009

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.

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.

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. Amounts held in Nepalese Rupees at year end have been translated at the closing rate. The closing rate at 31st December 2009 is 120 Rps to £1GB, and the average rate of exchange during 2009 is 119 Np Rps to £1GB (prior year average rate being 124 Np Rps to £1GB).

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.

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 and in the prior year funds held in Kathmandu by SPW Nepal 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 31st December 2009 exchange rate.

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Cash and Bank Balances Held in:	31 st December 2009 £	31 st December 2008 £
UK	34,994	42,914
Kathmandu	-	(1,988)
Sunsari (Excluding Revolving Fund)	1,584	(150)
Total	36,578	40,776

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 31st December 2009 closing rate.

Revolving fund:	31 st December 2009 £	31 st December 2008 £
Sunsari (revolving fund)	1,821	1,147
Total	1,821	1,147

