

Charity registration number 1115741

Company registration number 5750186 (England and Wales)

DAI UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DAI UK

COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2022

| | |
|-----------------------------|--|
| REGISTERED CHARITY NAME | DAI UK |
| CHARITY NUMBER | 1115741 |
| COMPANY REGISTRATION NUMBER | 5750186 |
| PRINCIPAL OFFICE | 25 Gordon Road Windsor Berkshire SL4 3RG |
| REGISTERED OFFICE | 25 Gordon Road Windsor Berkshire SL4 3RG |
| TRUSTEES | Mr I M Derbyshire Mr J A Flewitt Mr C J Matthews (Chair) Revd. Dr. M Prior Mr J S Rogers Ms F Stevenson Pastor S Shrestha (appointed 26/01/2023) |
| INDEPENDENT EXAMINER | Frances Wilde FCCA DChA Warner Wilde Chartered Certified Accountants 4 Marigold Drive Bisley Surrey GU24 9SF |
| BANKERS | Barclays Bank Plc Town Gate House Church Street East Woking Surrey GU21 6XW |
| SOLICITORS | Lawson Lewis Blakers. 11-12 Hyde Gardens Eastbourne East Sussex BN21 4PP |
| ACCOUNTANTS | Elizabeth Sanders Limited 25 Gordon Road Windsor Berkshire SL4 3RG |

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the company for the year ended 31 December 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the Board and professional advisers

THE TRUSTEES

The Trustees who served the company during the period were as follows:

Mr I M Derbyshire
Mr J A Flewitt
Mr C J Matthews
Rev. Dr. M Prior
Mr J S Rogers
Ms F Stevenson

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

DAI UK is a charitable Company Limited by Guarantee. The company was established in 2006 under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10. DAI UK is part of the worldwide ministry of Development Associates International whose Head Office is in Colorado Springs USA.

Recruitment and Appointment of the Board of Directors (Trustees)

The Directors of the company are also Charity Trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Directors. The Memorandum and Articles of Association require that at each annual general meeting, one third of the Trustees retire by rotation and may, if eligible, offer themselves for re-election.

Trustees bring a variety of skills to the Board including, business & mission management, marketing experience, financial management, current first-hand knowledge of international issues, local UK Church supporter knowledge, charity management and charity law experience.

The Board keeps its work and composition under review and ensures that the composition of the Board remains adequate to ensure the strategic development of the company's work and proper oversight of its operations. Using its "Board Diversity, Experience and Skills inventory" identifies strategic gaps in its composition and takes steps to fill them.

Any new Directors (Trustees) who may be recruited are likely to be sought from people known to the Board, senior staff or those closely associated with the charity, and who can provide the necessary specialist skills and experience to ensure the effective working of the Board and the development of DAI UK's ministry.

Trustee Induction and Training

New Trustees are provided with a copy of the Memorandum and Articles of Association of the company and digital access to the Charity Commission's guidance, "The Role and Responsibility of Charity Trustees". New Trustees are encouraged to spend some time with senior staff to gain a proper understanding of DAI's work. The need for Trustee training is kept under review and appropriate training will be undertaken if the need is identified.

The Board has approved a policy which encourages Board members to accompany senior staff of the charity on specific training sessions particularly in the UK, in order to deepen their understanding of DAI's work and/ or to take part in teaching in DAI courses.

The Chief Executive keeps the Board well informed on a whole range of matters concerning the development of DAI UK's ministry and future plans for growth.

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Risk Management

The Trustees have considered the major risks facing the charity and the steps already in place to mitigate those risks. The review carried out each year records the risks identified, the steps in place to mitigate those risks and any actions required to further improve risk management.

Procedures are in place to safeguard the health and safety of staff, especially when working from home, with special attention given to the assessment of the risks both staff and volunteers face when travelling to areas of the world with known higher risks. DAI's Risk Policy document sets out the Board's attitude to risk, the organisation and responsibility for managing health and safety matters as well the specific arrangements for dealing with problems should they arise. Internal control risks are minimised by the implementation of appropriate systems and procedures including the segregation of authorisation of expenditure and payments.

DAI UK remains dependent on Development Associates International for a significant part of its funding. As DAI UK is now establishing itself as primarily a ministry to the UK, Development Associates International will seek to continue their support while DAI UK works towards becoming self sufficient over the next few years.

The Company's Reserves Policy has been formulated so that monies held in reserve are generated from UK giving.

Organisational Structure

2022 has seen the further development of DAI UK's ministry to diaspora churches and international students studying in the UK. This has been done in partnership with other churches, notably the Nepali Church, and with other organisations. This has been inspiringly led by CE Liz Taylor, assisted by an increasing number of very able volunteers and facilitators. These growing ministries have required more administrative support and DAI UK was pleased to recruit Megan Pitt as a part-time Administrative Assistant specifically for the Certificated Courses in Organisational Leadership and her work has already proved to be of great value.

Currently the Board of Directors (Trustees) is drawn from a variety of professional and charity backgrounds relevant to the work of the charity.

Related Parties

Development Associates International (DAI) provides the corporate identity for DAI's work worldwide. DAI also provides a significant part of the funding for DAI UK at this time.

OBJECTIVES AND ACTIVITIES

The Charity Commission's general guidance on public benefit is borne in mind when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The company's objects and principal activities are, to use all the resources at its disposal for religious, educational and charitable purposes and specifically to enhance the effectiveness and integrity of Christian leaders by providing leadership development training courses, management consultancy and mentoring.

It has been agreed with Development Associates International that, in meeting these objectives, DAI UK should focus mainly, but not exclusively, on serving the needs of the Diaspora Churches and Overseas Student Communities in the UK. DAI UK will also continue to provide Facilitators and support for DAI's Masters Degree Courses around the world and consultancy support overseas as and when requested.

ACHIEVEMENTS AND PERFORMANCE: DAI UK OVERVIEW

DAI UK's main objective for 2022 was to continue to work in partnership with others to provide diaspora churches and international students studying in the UK with leadership training specifically developed to meet their needs. In addition to this, plans were laid to develop the organisation's leadership capacity and finances as well as continue to support DAI's international ministry. Efforts continued to explore the potential for working with additional diaspora and student communities and DAI UK remains open to other servant leadership training opportunities.

1 Facilitate Leadership Training in the UK

The main focus for the work of DAI UK in 2022 was in establishing the Certificate in Organizational Leadership which we are delivering in partnership with Ambrose University in Canada. In 2022 we held the first UK Cohort to complete the Certificate, which was held in the south of England. 19 leaders attended the course, of whom 18 were Nepali, with participants coming from Aldershot, Farnborough, Oxford, Maidstone, Colchester and Southampton. The course consisted of 4 modules covering: Servant Leadership, Conflict Management and Transformation, Leading Strategically and Culture, Ethnicity and Diversity. Each

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

module involved a minimum of 20 hours of facilitated learning delivered as a mix of in person and on-line workshops. As well as attending the workshops and receiving feedback on their assignments, these students have benefited from having a mentor offering on-line support. The students are required to submit and pass two assignments per module in order to achieve the University Certificate, and 12 have so far completed all the assignments and received their certificates. The course concluded with a graduation ceremony, which was a joyous event, which the participants celebrated with family, friends and local church leaders and which concluded with a Nepali meal.

A new cohort of the course began in October 2022 based in Bradford and is being delivered in partnership with Transformation Leeds, a charity that works with international students in the Leeds area. Eight young adults have enrolled and are due to graduate in the summer of 2023. 5 of the participants originate from Bhutan or Nepal, with the others coming from China, Kenya and Ecuador. One of the strengths of this course is the mix of nationalities, cultures and experiences that the students bring. We have also benefited from the experience of a new volunteer facilitator who is assisting with this cohort who based in the Manchester area and is from the Nepali community.

In addition to the partnership with Transformation Leeds, DAI UK has benefited from the support of several churches and particularly from the Nepali Christian Church in Ash Vale, Aldershot and from St John's Church in Bradford, who have so generously provided venues for the in-person workshops of the course.

Other activities during the year included DAI UK supporting one of our partners in Nepal by delivering two virtual workshops on Strategic Planning for 25 students studying for a Masters Degree in Theology.

We were also able to support a number of events and conferences hosted by other organizations. These included leading a workshop for 100 people on developing multi-cultural church, and also contributions at both the Transformation Leeds Annual Conference and the national gathering of The Nepal Christian Churches Network. All-together these activities have impacted approximately 1,000 people. Mentoring relationships have also been maintained with 2 church leaders and 1 leader of a Christian charity.

2 Governance and Leadership

The DAI UK Board has remained consistently engaged throughout the year, has undertaken reviews of all major policies and is continuing the process of seeking diversity in its membership in terms of age and ethnicity. We are delighted that a new Trustee, Mr Abraham Shrestha who is a leader amongst the Nepali Christian community, has been recruited and he will take up his role in January 2023.

During the year the staff base has also expanded to include a part time administrative assistant. We were also delighted to have recruited another volunteer facilitator/coach for our Certificated Courses, bringing the total to 6 volunteer facilitators and with the 7 existing mentors, this gives us a total of 13 volunteers – our target for the year was 12. It was also hoped that we would be able to recruit at least 2 contracted facilitators who would take responsibility for delivering whole modules of the Certificated Course to relieve pressure on staff. This was not possible in 2022 but plans are underway for this to take place in 2023.

3 UK Fundraising

Fundraising has continued to be challenging, as has been the case with many charities following the impact of COVID19 and the rising cost of living. Despite this, we have been able to attract funding of £4,000 from two Grant making Trusts. Some funding is also received from individual supporters, but there is still a heavy reliance on a grant from DAI International. Recognising the long term weakness of the Charity's position, the Board engaged a Fundraising and Strategy Consultant to advise them on how best to address these issues and accepted their recommendations which included the need to recruit a part-time "Engagement Officer". This post is expected to take significant responsibility for fundraising, communications and publicity and is anticipated to be operational in the first half of 2023. While DAI UK builds its support base DAI International will continue to provide financial support.

4 International Ministry

A number of relationships were maintained through online opportunities, including supporting evaluations of two training organizations in Nepal. In addition DAI UK was able to raise £125 for international COVID relief in particular for SE Asia as well as on-going support for international ministries including Dr Cindy Perry, one of DAI's Senior Consultants.

5 FINANCIAL REVIEW

Income from UK sources for 2022 was £26,880 (£35,336 in 2021). Of this £12,639 (£32,549 in 2021) was restricted income for specific international projects which DAI UK is supporting.

DAI US continues to provide a significant part of the operational funding required by DAI UK. In 2022, DAI US underwrote £16,947 of the operating costs of DAI UK (£20,148 in 2021). With limited staff, there has been no concentrated effort to increase UK sources of funding during 2022. However, the Board will re-establish efforts to increase UK sources of funding

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TRUSTEES ANNUAL REPORT (*continued*)

YEAR ENDED 31 DECEMBER 2022

once we have more staff in place and recognises that this will require significant dedicated effort. In terms of regular donor support, total income from individual donors increased to £15,166 (£25,212 in 2021).

Investment Policy

There are no restrictions on the charity's power to invest. Given the small sums of money currently involved and the limited objectives of such investment, the investment strategy is determined solely by the Trustees. The overall investment policy is to protect the value of the capital and preserve, as far as is possible, the real value of the capital by seeking returns to mitigate the impact of inflation. It is considered that this policy is best implemented, at this time, by investing cash in an interest savings account without exceeding the maximum sum covered for the chosen deposit-taking institution of the Deposit Protection Scheme administered by the FSCS.

Reserves Policy

DAI UK remains significantly dependent on income from Development Associates International (DAI) to fulfil its objects. However, as part of its Risk Management process, Trustees concluded that, should funds from DAI US cease to be available, the current main liability would be meeting the employment costs of staff for three months and have established a reserve fund which at the year-end amounted to £15,000.

6 DAI - INTERNATIONAL OBJECTIVES AND ACTIVITIES

DAI UK is a member of the DAI International family which seeks to enhance the effectiveness and integrity of Christian leaders worldwide by providing leadership development training courses, management consultancy and mentoring, and is active in 79 countries internationally.

7 ACHIEVEMENTS AND PERFORMANCE: INTERNATIONAL OVERVIEW

During 2022 far more training internationally was conducted face to face than the previous year had allowed because of the deep impact of the COVID epidemic and many more courses were able to be delivered in a mix of face to face and online than previously. In her review of 2022, Jane Overstreet, International President of DAI, observed that the ministry had had a **deeper impact than ever before** and commented that she had never read or heard as many stories and testimonies of the impact of DAI's ministry.

Internationally during 2022, DAI was able to have the following impact:

| | |
|---|----------------|
| Leaders completing Workshops on Leadership: | 35,654 |
| Leaders attending the MA in Organisational Leadership | 1,121 |
| Leaders being Mentored | 1,556 |
| Consulting of Connecting projects | 747 |
| Digital discipleship | 163,729 |
| Total Leaders Served | 202,811 |

DAI continues to see growing instability in the nations which the organisation serves, resulting in unprecedented challenges for Christian leaders to be the salt and light of the world which is even more desperately needed in these places. These leaders know they need help and ongoing growth to lead in such challenging environments. This provides the motivation for DAI to continue to improve the quality of everything it does and thus expand and deepen its impact in the lives of the incredible leaders it has the privilege to serve.

8 PLANS FOR FUTURE PERIODS

In line with the 5 year Strategic Plan our plans have been set against the same 4 headings as last year: Facilitated Learning, Governance and Leadership, UK Fundraising and Supporter Development and International Ministry.

Facilitated Learning

- Continue to develop partnerships with diaspora communities and those involved in international student ministry including building relationship with at least 1 new people group and emerging partnerships with 2 new organisations.
- Complete delivery of the second certificated course in Organisational Leadership and start a third and fourth course with a minimum of 12 students per course.
- Maintain contact with alumni of the certificate courses, completing a review 6 months after graduation and offering at least 1 additional learning opportunity,
- Have at least 1 contracted facilitator able to take responsibility for leading a certificate course module including marking assignments.

DAI UK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Governance and Leadership

- Continue to strengthen the composition and age range and diversity of the Board.
- Establish a succession plan for both the Chief Executive and the Board.
- To have in place 12 volunteers (facilitators and mentors) plus 2 assistant facilitators (contracted) who would support the co-ordination and delivery of some of the modules of the Certificated Course
- Engage with DAI UK's Stakeholders in refining our ministry and unique position in the UK Christian environment

UK Fundraising and Supporter Development

- Attract major investors in the work of DAI UK from among high worth individuals, grant-making trusts and other organisations. Suggest £10,000 to come from these sources.
- Continue to seek to attract investment and prayer in DAI UK's work from Churches, individuals and course participants and in so doing increase our mailing list to at least 200.
- Establish good regular communications with our supporters and back this up with a regularly refreshed and informative website.

International Ministry

- When requested, give support to DAI Nepal and to the DAI SE Region.
- Continue to mentor and support Facilitators, from the UK and elsewhere, for the global MA and Non-Formal Workshop programmes.
- Facilitate the practical financial support from the UK for Cindy Perry, and DAI-associated projects in Nepal and Northeast India.
- Continue to explore with DAI's Director Central Asia & Europe, and other colleagues in the region, the European links to the UK diaspora communities and the facilitated learning opportunities that might exist.

INDEPENDENT EXAMINER

Warner Wilde Limited has been appointed as Independent Examiner for the ensuing year.

Registered Office:
25 Gordon Road
Windsor
Berks
SL4 3RG

Signed on behalf of the Trustees

Mr. Chris Matthews

Chris Matthews

signed on 02/08/2023, 20:17:11 BST

DAI UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DAI UK

I report to the trustees on my examination of the financial statements of DAI UK (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



signed on 03/08/2023, 08:05:07 BST

Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

03/08/2023

Dated:

DAI UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total Unrestricted funds 2022 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|-------|------------------------------------|----------------------------------|--|----------------------------------|--------------------|
| | Notes | | | | | |
| Income from: | | | | | | |
| Donations and legacies | 3 | 35,177 | 12,639 | 47,816 | 25,217 | 57,766 |
| Charitable activities | 4 | 3,532 | - | 3,532 | 3,330 | 3,330 |
| Investments | 5 | 19 | - | 19 | 2 | 2 |
| Total income | | 38,728 | 12,639 | 51,367 | 28,549 | 61,098 |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | 34,197 | 12,639 | 46,836 | 32,648 | 61,311 |
| Net income/(expenditure) for the year/ Net movement in funds | | 4,531 | - | 4,531 | (114) | (213) |
| Fund balances at 1 January 2022 | | 11,921 | - | 11,921 | 12,035 | 12,134 |
| Fund balances at 31 December 2022 | | 16,452 | - | 16,452 | - | 11,921 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DAI UK

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|---------------|---------------|---------------|---------------|
| Current assets | | | | | |
| Debtors | 10 | 1,167 | | - | |
| Cash at bank and in hand | | 17,744 | | 25,831 | |
| | | <u>18,911</u> | | <u>25,831</u> | |
| Creditors: amounts falling due within one year | 11 | (2,459) | | (13,910) | |
| Net current assets | | | 16,452 | | 11,921 |
| | | | <u>16,452</u> | | <u>11,921</u> |
| Income funds | | | | | |
| Unrestricted funds | | | 16,452 | | 11,921 |
| | | | <u>16,452</u> | | <u>11,921</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

27th July 2023

The financial statements were approved by the Trustees on

Chris Matthews

..... signed on 02/08/2023, 20:17:11 BST

Mr C J Matthews (Chair)

Trustee

Company registration number 5750186

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

DAI UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Gordon Road, Windsor, Berkshire, SL4 3RG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The value of any volunteer help is not included in the accounts, with the exception of the provision of professional services which would be valued and included as a gift in kind in voluntary income and a corresponding cost in the relevant category.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.11 Debtors

Prepayments are valued at the amount prepaid after taking account of any discounts due.

1.12 Creditors

Creditors are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured or estimated reliably.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|--|-------------------------------|-----------------------------|---------------|-------------------------------|-----------------------------|---------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Donations and gifts | 10,689 | 12,639 | 23,328 | 2,405 | 29,599 | 32,004 |
| Grants receivable for core activities | 24,488 | - | 24,488 | 22,812 | 2,950 | 25,762 |
| | <u>35,177</u> | <u>12,639</u> | <u>47,816</u> | <u>25,217</u> | <u>32,549</u> | <u>57,766</u> |

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

(Continued)

Donations and gifts

| | | | | | | |
|---------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Donations from individuals | 7,455 | 5,372 | 12,827 | 1,804 | 18,642 | 20,446 |
| Gift Aid Tax recovered | 1,234 | 1,107 | 2,341 | 601 | 4,165 | 4,766 |
| Donations from Churches | - | 4,160 | 4,160 | - | 4,992 | 4,992 |
| Donations from Trusts and Foundations | 2,000 | 2,000 | 4,000 | - | - | - |
| Donations from other organisations | - | - | - | - | 1,800 | 1,800 |
| | <u>10,689</u> | <u>12,639</u> | <u>23,328</u> | <u>2,405</u> | <u>29,599</u> | <u>32,004</u> |

Grants from DAI US are made up as follows:

| | 2022 | 2021 |
|---------------------|----------------|----------------|
| For operating costs | £16,947 | £20,148 |
| MA costs | £3,241 | £1,629 |
| Matching grants | <u>£4,300</u> | <u>£3,985</u> |
| | <u>£24,488</u> | <u>£25,762</u> |

4 Charitable activities

| | 2022 £ | 2021 £ |
|-------------------------|--------------|--------------|
| Workshop fees and sales | 3,282 | 3,330 |
| Other income | 250 | - |
| | <u>3,532</u> | <u>3,330</u> |

5 Investments

| | Unrestricted funds 2022 £ | Unrestricted funds 2021 £ |
|---------------------|---------------------------------|---------------------------------|
| Interest receivable | <u>19</u> | <u>2</u> |

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Staff costs | 22,470 | 18,900 |
| Education and training | 10,639 | 32,549 |
| Other costs | 493 | - |
| Workshop costs | 2,382 | 1,213 |
| Travel and accommodation costs | 348 | - |
| MA costs repaid by DAI US | 3,241 | 1,630 |
| Consulting | 1,847 | 1,380 |
| | <u>41,420</u> | <u>55,672</u> |
| Share of support costs (see note 7) | 3,850 | 4,405 |
| Share of governance costs (see note 7) | 1,566 | 1,234 |
| | <u>46,836</u> | <u>61,311</u> |
| Analysis by fund | | |
| Unrestricted funds | 34,197 | 28,663 |
| Restricted funds | 12,639 | 32,648 |
| | <u>46,836</u> | <u>61,311</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | Support costs £ | Governance costs £ | 2021 £ |
|--|--------------------|-----------------------|--------------|--------------------|-----------------------|--------------|
| Office, finance and subsistence | 411 | - | 411 | 1,018 | - | 1,018 |
| Computer support | 90 | - | 90 | 429 | - | 429 |
| Accountancy | 3,349 | - | 3,349 | 2,958 | - | 2,958 |
| Board expenses | - | 242 | 242 | - | - | - |
| Insurance | - | 178 | 178 | - | 142 | 142 |
| Independent Examination | - | 1,146 | 1,146 | - | 1,092 | 1,092 |
| | <u>3,850</u> | <u>1,566</u> | <u>5,416</u> | <u>4,405</u> | <u>1,234</u> | <u>5,639</u> |
| Analysed between Charitable activities | <u>3,850</u> | <u>1,566</u> | <u>5,416</u> | <u>4,405</u> | <u>1,234</u> | <u>5,639</u> |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and no-one was reimbursed for expenses.

9 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|-------------------------|-------------------|-------------------|
| Management staff | <u>1</u> | <u>1</u> |
| Employment costs | 2022 £ | 2021 £ |
| Wages and salaries | 21,430 | 18,000 |
| Other pension costs | 1,040 | 900 |
| | <u>22,470</u> | <u>18,900</u> |

There were no employees whose annual remuneration was more than £60,000.

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------------|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Other debtors | 1,167 | - |
| | <u> </u> | <u> </u> |

11 Creditors: amounts falling due within one year

| | Notes | 2022 £ | 2021 £ |
|------------------------------|-------|-------------------|-------------------|
| Deferred income | 12 | - | 2,000 |
| Other creditors | | 156 | 10,719 |
| Accruals and deferred income | | 2,303 | 1,191 |
| | | <u> </u> | <u> </u> |
| | | 2,459 | 13,910 |
| | | <u> </u> | <u> </u> |

12 Deferred income

| | 2022 £ | 2021 £ |
|--------------------------------|-------------------|-------------------|
| Arising from Income in advance | - | 2,000 |
| | <u> </u> | <u> </u> |

Deferred income is included in the financial statements as follows:

| | 2022 £ | 2021 £ |
|-------------------------------------|-------------------|-------------------|
| Deferred income is included within: | | |
| Current liabilities | - | 2,000 |
| | <u> </u> | <u> </u> |
| Movements in the year: | | |
| Deferred income at 1 January 2022 | 2,000 | - |
| Released from previous periods | (2,000) | - |
| Resources deferred in the year | - | 2,000 |
| | <u> </u> | <u> </u> |
| Deferred income at 31 December 2022 | - | 2,000 |
| | <u> </u> | <u> </u> |

13 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,040 (2021 - £900).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | Movement in funds | | | |
|---|---------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------------------|
| | Balance at 1 January 2021 | Incoming resources | Resources expended | Balance at 1 January 2022 | Incoming resources | Resources expended | Balance at 31 December 2022 |
| | £ | £ | £ | £ | £ | £ | £ |
| Himalayan Region "Beloved" sponsorship | - | 375 | (375) | - | 393 | (393) | - |
| Himalayan Region - CP support | - | 7,624 | (7,624) | - | 3,350 | (3,350) | - |
| Himalayan Region - D Tamang | - | 1,275 | (1,275) | - | 863 | (863) | - |
| UK - Nepal training | 99 | - | (99) | - | - | - | - |
| Himalayan Region - Myanmar Orphanage (CP project) | - | 450 | (450) | - | 450 | (450) | - |
| MA Student Support | - | 600 | (600) | - | 600 | (600) | - |
| Polk Support | - | 144 | (144) | - | 144 | (144) | - |
| Translation and other projects | - | 500 | (500) | - | 2,000 | (2,000) | - |
| DAI US/Clark Support | - | 6,492 | (6,492) | - | 4,473 | (4,473) | - |
| DAI SA Compassion/ Covid Relief | - | 15,089 | (15,089) | - | 125 | (125) | - |
| DAI appeal - Sri Lanka | - | - | - | - | 241 | (241) | - |
| | 99 | 32,549 | (32,648) | - | 12,639 | (12,639) | - |

The restricted funds support project work in specific geographical areas.

15 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Liz Taylor, the Chief Executive of DAI UK, acts as a trustee for Transformations Leeds. In the year, DAI UK received £300 from Transformation Leeds.