

Charity Registration No. 1115741

Company Registration No. 5750186 (England and Wales)

DAI UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

DAI UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R Willison (Chair) Mr J A Flewitt Mr I M Derbyshire Rev P Simpson Mr C J Matthews	(Appointed 6 August 2018)
Chief Executive	Mr J S Rogers	
Secretary	Mr J A Flewitt	
Charity number	1115741	
Company number	5750186	
Registered office and Principal office	7 Cherwell Close Abingdon OX14 3TD	
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 & Co. 37 Brassey Avenue Hampden Park Eastbourne East Sussex BN22 9QD	
Accountants	Elizabeth Sanders Limited 25 Gordon Road Windsor Berkshire SL4 3RG	

DAI UK

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DAI UK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

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 (from 6 August 2018)
Rev P S Nevins (until 8 August 2018)
Rev P Simpson
Mr R Willison

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

DAI UK is a charitable Company Limited by Guarantee. The company was established 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 continues to keep its work and composition under review and to ensure that the composition of the Board remains adequate to ensure the strategic development of the company's work and proper oversight of its operations and continues to maintain a "Board Diversity, Experience and Skills inventory", developed in 2014, to identify strategic gaps in its composition.

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

Trustee Induction and Training

The Board has approved a document setting out the Role and Responsibility of Board Members and a copy of this is given to new Trustees, together with a copy of the Memorandum and Articles of Association of the company and a copy of the Charity Commission's booklet "The Role and Responsibility of Charity Trustees". New Trustees are encouraged to spend some time with the Chief Executive and other members of the senior staff to gain a proper understanding of DAI's work and of the Chief Executive's specific responsibilities. 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 in the UK or overseas, in order to deepen their understanding of DAI's work or to take part in teaching in DAI courses.

The Chief Executive continues to keep the Board well informed on a whole range of matters concerning DAI internationally and the curriculum development and teaching ministry which has been the primary focus of DAI UK's ministry.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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 and volunteers 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 as 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 is still dependent on Development Associates International for a significant part of its funding. During 2018, the Board had limited success with its fundraising initiatives and failed to make significant progress towards the ultimate objective of making DAI UK a net contributor of resources to the worldwide ministry of DAI.

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

Organisational Structure

At the beginning of 2018, DAI UK had two members of staff. However during 2018 both staff members retired. Colin Rye who had been serving as Chief Executive retired at the end of March and John Rogers, who had been serving part-time as Senior Consultant for Non-Formal Training and Adult Education retired at the end of August. Between April and August, John Rogers took on the responsibilities of Chief Executive in addition to his other role, and since the end of August has continued to oversee the work of the charity in a volunteer capacity.

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

We have referred to the guidance in the Charity Commission's general guidance on public benefit 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 worldwide by providing leadership development training courses, management consultancy and mentoring.

These objectives are met through four core functions as follows:

Education

DAI provides training and education uniquely geared to the needs of Christian leaders and trainers in Africa, Asia, Latin America, the Middle East, parts of Europe and Russia. These programmes are made accessible in a variety of formats but mainly through training Workshops and distance learning. DAI provides a variety of leadership training courses in three main formats:

- Non-Formal Education: Workshops on a variety of Christian leadership issues including servant leadership, mentoring, strategic management, fundraising and training of trainers.
- Formal Education through the well-established MA Degree in Organisational Leadership which is currently being taught in partnership with Christian universities and seminaries in 18 countries in Africa and Asia. This is a three year, part-time, distance learning degree course with bi-annual residential learning opportunities (Residencies) for students.
- Online Education through the DAI Institute - DAI's online learning platform - launched in 2016. Seven courses, broadly based on the content of our Non-formal Workshops, are currently available.

Mentoring

DAI helps experienced leaders to share their knowledge and skills with new and emerging leaders by providing them with training and support so they can help younger leaders apply what they are learning to their own lives and work.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Consulting

DAI provides short-term management consultancy to leaders and their organisations to help them find the right solutions to the challenges they face in terms of organisational development, financial management, adult-learning and research and evaluation.

Connecting

DAI works together with other organisations and their leaders to develop leadership training and development programmes to meet their organisational needs. DAI also works in partnership with similar ministries to create and deliver leadership development programmes for others. DAI is committed to fostering partnership working between other organisations to meet their goals.

DAI UK is involved in providing input for these activities specifically by creating curriculum teaching materials, providing training for DAI staff, teaching within DAI's established MA Degree programme and building adult learning skills in leaders and trainers of partnering organisations.

ACHIEVEMENTS AND PERFORMANCE: INTERNATIONAL OVERVIEW

Internationally 2018 continued to see significant growth in DAI's global ministry, as we continued to serve leaders in Africa, Asia and Latin America. There was significant growth in numbers, in the quality of DAI's materials, in leaders served, and most importantly, in growth in evidence of the impact on leaders' lives.

During 2018, DAI served a total of 47,192 leaders globally (33,065 in 2017). These numbers were made up of:

- 31,844 leaders in our ongoing education programmes (31,187 in 2017) of which
 - 28,203 attended non-formal workshops
 - 987 were students in our formal MA programme
 - facilitation of 1,358 mentoring relationships in which clearly measurable growth occurred (1,130 in 2017)
 - the completion of 505 consulting projects (409 in 2017)
 - the connection of 791 ministries and leaders to much-needed resources (339 in 2017)
- 15,288 leaders were served digitally of which
 - 4,038 leaders took on-line courses at the DAI Institute
 - 11,250 leaders as a minimum were served by other digital delivery systems

DAI's global income in 2018 was \$5,315,930 (\$5,259,677 in 2017).

DAI has Ministry Centres in Argentina, Columbia*, Costa Rica, Cuba*, Ecuador, Haiti*, Mexico, Peru, Burkina Faso, Cameroon, Cote d'Ivoire, DRC, Senegal, Togo, Kenya*, Nigeria, South Sudan, South Africa, Uganda, Russia, Sweden, India, Indonesia, Myanmar, Nepal, Sri Lanka, Philippines, China, Mongolia, Canada, USA, United Kingdom and a number of countries in the Middle East (details withheld for security reasons).

** denotes 4 Ministry Centres established in 2018.*

Our MA in Christian Organisational Leadership is currently offered in 18 countries. In 2018, 987 students were studying in the programme (978 in 2017). This is a three year, part-time programme which is offered in partnership with local universities or seminaries in the countries where the programme is offered

Every DAI Ministry Centre charges a locally appropriate amount for its Workshops and other services. In addition to charging Workshop fees, they endeavour to raise local donations and gifts in kind.

Working with other Christian organizations has always been one of DAI's core practices. The very mission of DAI is to build healthier leaders and healthier ministries who can do their work more effectively. As a result, DAI responds to the requests of churches, mission agencies, NGOs, schools, government offices or hospitals. For example, we work in partnership with local universities, seminaries and Bible colleges to provide the MA in Organisational Leadership. But we partner with other organizations as well.

Examples of partnerships with other organizations during 2018 include:

Compassion International invited DAI to contribute our curriculum and facilitators into a programme called *Equipping Leaders* for their international people managers. *Equipping Leaders* is a multi-phase experience designed to help participants become more effective servant leaders. DAI worked with Compassion International staff to create a custom-tailored course that blends our Servant Leadership and Spiritual Formation workshops together. During 2018, 171 members of Compassion International staff from around the world worked through the curriculum in cohorts and followed up their time together with a retreat. Comments from participants included:

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FOR THE YEAR ENDED 31 DECEMBER 2018

"The most meaningful part for me was having the space and time to address my spiritual identity and how this shapes the way that I lead and will ultimately share my team . . . I also appreciated working through negative past professional experiences which may unknowingly shape the way we lead or work." (Thailand)

The leadership retreat that I had the privilege of attending in Rwanda last week had a deep impact on me... It is no exaggeration to say that in my 23 years at Compassion this has by far been the most meaningful leadership experience of my career. (Rwanda)

Lifewater International works in East Africa and Asia and during 2018 DAI provided 129 Lifewater staff in three countries with two weeks of small group training on servant leadership. In addition, six of their senior leaders began DAI's three-year Master's Degree in Organizational Leadership (MAOL) program. Staff reported significant changes in those who participated:

"One of our program managers is much more engaged with the staff under him, encouraging them from time to time, and is delegating more tasks to them as well."

"One manager has really improved her attitude and is engaging more with co-workers; she now is humbling herself and giving more instructions and helping them to improve in their work."

One of Lifewater's senior leaders commented that "DAI unlocks the potential of national Lifewater staff in ways that we'd never be able to do on our own".

International Care Ministries (ICM) works in the Philippines with families living in extreme poverty. In 2016, they began a 36 month training session in partnership with DAI for thousands of community pastors. Because of the amount of training required, DAI focused on training a cadre of trainers who then worked with the local pastors to enable the training to be contextualized and presented in the local language as well as leaving behind a team of equipped trainers for ongoing local work. DAI offered three of our workshops: Servant Leadership the first year, Mentoring the second and Strategic Management in the third year (2018). ICM recently completed a very positive study of the impact. Here is an example of what the local pastors said:

"The topic [Strategic Management] was new and really speaks of the reality of my experiences in the ministry. Starting first with the leadership course then going to mentoring and now strategic management progressively brought us to a higher level of learning. Session two on wise and godly strategies brought unforgettable impact because it led us to the reflection of ourselves. The discussion on character and roles and role play on how effective strategic thinking was an 'eye opener,' particularly the part on discovering blind spots. We wrestled together to discover our blind spots and this really challenged me."

DAI continues to see growing instability in the nations where the organisation serves, resulting in unprecedented challenges for Christian leaders to be the salt and light that 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.

ACHIEVEMENTS AND PERFORMANCE: DAI UK OVERVIEW

DAI UK is a member of the family of ministries which make up DAI as an international entity. DAI UK's specific ministry has made a significant contribution to the global ministry of DAI through its focus on curriculum development and the facilitation of training Workshops.

The main aims and achievements for 2018 were:

1. Curriculum Development

Non-Formal Workshops for "Servant Leadership for Ages 13+", "Culture, Ethnicity and Diversity" and "Growing Marriage" were all launched during 2018. The "Spiritual Formation" workshop changed from the initial plans, because the translation of the Russian materials which the workshop was being based on, was taking longer than had been expected, so a new short-course was developed during the later part of the year to fill this particular gap in our provision. In addition, the creation of a revised version of a "Strategic Thinking and Management for Leaders" was initiated, with our Senior Consultant for Adult Learning mentoring a new curriculum writer based in the USA.

2. Training, Mentoring, Consulting and Coaching

DAI UK continued to identify and provide appropriately qualified people from the UK to serve as facilitators for DAI's MA courses internationally and our Senior Consultant for Adult Learning worked with three existing facilitator and oriented a new facilitator into the programme who will be teaching at a residency in early 2019. Our Senior Consultant also taught the "Conflict" Course to a cohort in Uganda in March. The plans for him to facilitate the "Introduction to

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Leadership" module in the MA course when it was launched in Cameroon was postponed on two occasions because of the instability in the country.

3. Governance and Staffing

Colin Rye (Chief Executive) retired at the end of March 2018 and John Rogers (Senior Consultant for Adult Learning) also retired at the end of August 2018). While the board considers the future role of DAI UK within the international ministry of DAI, John Rogers agreed to oversee the charity as a volunteer until such time as a more permanent plan could be developed.

Peter Nevins resigned as a trustee in August 2018 because of the increasing demands of his curacy. Chris Matthews, the founding chairman of DAI UK agreed to return as a trustee, also with effect from August 2018.

DAI UK continued to provide financial support to a variety of projects across DAI's International ministry. During the year £13,406 (\$17,328) was raised in the UK specifically for international projects.

FINANCIAL REVIEW

Developing income from UK sources continues to be a challenge and donations from individuals, Churches and Trusts in the UK decreased in 2018.

Income from UK sources for 2018 was £23,787 (£33,574 in 2017). Of this £13,406 (£21,175 in 2017) 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 2018, DAI US underwrote £22,414 of the operating costs of DAI UK (£57,690 in 2017). With limited staff, there has been no concentrated effort to increase UK sources of funding during 2018. However, the Board will re-establish efforts to increase UK sources of funding 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 decreased to £8,506 (£16,754 in 2017)

During the year, we also received a number of restricted, one-off gifts: £8,382.

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 a high 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 £12,768 (£13,503 in 2017).

PLANS FOR FUTURE PERIODS

The key focus for 2019 is to ascertain what the future direction of DAI UK could be following the retirement of its two employees and reallocation of much of the responsibility for curriculum development and project management away for the UK.

After discussions with the CEO of DAI the Board has appointed an experienced external consultant, funded by DAI, to investigate a number of potential opportunities including:

- a. Training workshops in cross-cultural ministry and in management and leadership for the staff and volunteers of a variety of church movements in the UK who are working globally
- b. Serving diaspora churches in the UK through leadership and management training and mentoring, specifically exploring Nepali, Indian, African and Iranian church networks
- c. Encouraging the use of the Servant Leadership for Youth materials across UK churches
- d. Identifying any other opportunities that may emerge during research including support of other international
- e. DAI ministry centres.

DAI UK

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The purpose of this work is to articulate and quantify:

- a. The opportunity for DAI
- b. The willingness of potential partners to work with DAI
- c. The impact of other providers of leadership learning and development who may already be operating in this space.
- d. The risks involved in looking to pursue each opportunity.
- e. What will be required of DAI UK to address these opportunities in practical terms - resources, skills, expertise, board composition - and how any gaps for each of these areas might be addressed.

We expect a full report to be completed and presented to the UK Board during the Autumn and the conclusions will determine DAI UK's main focus in the future.

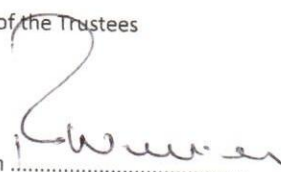
INDEPENDENT EXAMINER

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

Registered Office:
7 Cherwell Close
Abingdon
OX14 3TD

Signed on behalf of the Trustees

Mr. Robin Willison



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 2018.

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.



Frances Wilde FCCA DChA

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

Dated: 16 July 2019

DAI UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	40,339	13,406	53,745	93,330
Charitable activities	4	-	-	-	1,649
Investments	5	24	-	24	5
Total income		40,363	13,406	53,769	94,984
<u>Expenditure on:</u>					
Raising funds	6	1,409	-	1,409	3,438
Charitable activities	7	39,689	13,406	53,095	97,582
Total resources expended		41,098	13,406	54,504	101,020
Net expenditure for the year/ Net movement in funds		(735)	-	(735)	(6,036)
Fund balances at 1 January 2018		13,503	-	13,503	19,539
Fund balances at 31 December 2018		12,768	-	12,768	13,503

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 2018

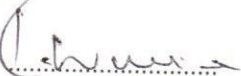
	Notes	2018 £	£	2017 £	£
Current assets					
Cash at bank and in hand		14,013		16,740	
Creditors: amounts falling due within one year	12	(1,245)		(3,237)	
Net current assets			12,768		13,503
Income funds					
Unrestricted funds			12,768		13,503
			12,768		13,503

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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 9-7-19.



Mr R Willison (Chair)
Trustee

Company Registration No. 5750186

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 Accounting policies

Charity information

DAI UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 7 Cherwell Close, Abingdon, OX14 3TD.

1.1 Accounting convention

The accounts 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)" (as amended for accounting periods commencing from 1 January 2016). 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 unless the funds have been designated for other purposes.

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 Incoming resources

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 2018

1 Accounting policies

(Continued)

1.5 Resources expended

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.

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.

1.7 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.

1.8 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.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

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.

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 2018	Total 2017
	£	£	£	£
Donations and gifts	10,357	13,406	23,763	31,920
Grants receivable for core activities	29,982	-	29,982	61,410
	<u>40,339</u>	<u>13,406</u>	<u>53,745</u>	<u>93,330</u>
For the year ended 31 December 2017	<u>72,155</u>	<u>21,175</u>		<u>93,330</u>
Donations and gifts				
Donations from individuals	2,790	4,184	6,974	13,570
Gift Aid Tax recovered	693	840	1,533	3,184
Donations from Churches	6,600	-	6,600	7,800
Donations from Trusts and Foundations	240	-	240	7,366
Donations from other organisations	34	8,382	8,416	-
	<u>10,357</u>	<u>13,406</u>	<u>23,763</u>	<u>31,920</u>
Grants from DAI US are made up as follows:				
For operating costs	£22,415			
MA costs	£7,047			
Other UK costs	£520			

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable activities

	2018	2017
	£	£
Other income	-	1,649
	<u> </u>	<u> </u>

5 Investments

	2018	2017
	£	£
Interest receivable	24	5
	<u> </u>	<u> </u>

6 Raising funds

	2018	2017
	£	£
<u>Supporter Relationship Development</u>		
Other fundraising costs	-	68
Staff costs	1,409	3,370
	<u> </u>	<u> </u>
Supporter Relationship Development	1,409	3,438
	<u> </u>	<u> </u>
	<u>1,409</u>	<u>3,438</u>

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

7 Charitable activities

	Education and training	Mentoring and consulting	Curriculum and developmen t	Partnership building	Total 2018	Total 2017
	£	£	£	£	£	£
Staff costs	9,861	2,818	9,863	1,409	23,951	57,293
Education and training	13,406	-	-	-	13,406	21,321
Resources and books	31	-	-	-	31	114
Travel and accommodation costs	1,476	-	-	-	1,476	2,374
MA costs repaid by DAI US	7,047	-	-	-	7,047	2,680
DAI UK Expenses in UK	-	-	-	-	-	1,039
Curriculum development	-	-	520	-	520	19
	<u>31,821</u>	<u>2,818</u>	<u>10,383</u>	<u>1,409</u>	<u>46,431</u>	<u>84,840</u>
Share of support costs (see note 8)	4,130	-	-	-	4,130	8,597
Share of governance costs (see note 8)	2,534	-	-	-	2,534	4,145
	<u>38,485</u>	<u>2,818</u>	<u>10,383</u>	<u>1,409</u>	<u>53,095</u>	<u>97,582</u>
Analysis by fund						
Unrestricted funds	25,079	2,818	10,383	1,409	39,689	
Restricted funds	13,406	-	-	-	13,406	
	<u>38,485</u>	<u>2,818</u>	<u>10,383</u>	<u>1,409</u>	<u>53,095</u>	
For the year ended 31 December 2017						
Unrestricted funds	41,041	6,840	23,610	3,370		74,861
Restricted funds	22,721	-	-	-		22,721
	<u>63,762</u>	<u>6,840</u>	<u>23,610</u>	<u>3,370</u>		<u>97,582</u>

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Support costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	2,819	-	2,819	6,740	
Office, finance, travel and subsistence	375	-	375	673	
Computer support	936	-	936	1,184	
Board expenses	-	13	13	232	Governance
Accountancy fees	-	1,418	1,418	2,877	Governance
Insurance	-	179	179	176	Governance
Independent Examination	-	924	924	860	Governance
	<u>4,130</u>	<u>2,534</u>	<u>6,664</u>	<u>12,742</u>	
Analysed between Charitable activities	<u>4,130</u>	<u>2,534</u>	<u>6,664</u>	<u>12,742</u>	

9 Trustees

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

10 Employees

Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Management staff	<u>1</u>	<u>2</u>
Employment costs	2018 £	2017 £
Wages and salaries	25,880	61,034
Social security costs	1,538	3,155
Other pension costs	761	3,214
	<u>28,179</u>	<u>67,403</u>

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

DAI UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Financial instruments	2018	2017
	£	£
Carrying amount of financial liabilities		
Measured at amortised cost	1,245	1,595
	<u>1,245</u>	<u>1,595</u>
12 Creditors: amounts falling due within one year	2018	2017
	£	£
Other taxation and social security	-	1,642
Other creditors	163	-
Accruals and deferred income	1,082	1,595
	<u>1,245</u>	<u>3,237</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 £761 (2017 - £3,214).

14 Restricted funds

	Balance at 1 January 2018	Movement in funds		Balance at 31 December 2018
	£	Incoming resources	Resources expended	£
Himalayan Region "Beloved" sponsorship	-	375	(375)	-
Himalayan Region - CP support	-	3,000	(3,000)	-
Himalayan Region - D Tamang	-	375	(375)	-
Himalayan Region - Myanmar Orphanage (CP project)	-	450	(450)	-
MA Student Support	-	600	(600)	-
Polk Support	-	144	(144)	-
Translation and other projects	-	8,462	(8,462)	-
	<u>-</u>	<u>13,406</u>	<u>(13,406)</u>	<u>-</u>

The restricted funds support project work in specific geographical areas.

15 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).