

Registration number 06368740

Development Initiatives Poverty Research Limited

(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 December 2012

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27/03/2013
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Development Initiatives Poverty Research Limited

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Development Initiatives Poverty Research Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

Mr A C German

Ms J Randel

Mr C Childs (non-executive)

Ms C Sayer (non-executive)

Principal activity

The principal activity of the company is that of undertaking research, educational and advisory activities in connection with poverty, development and humanitarian issues

Objectives and Activities

Development Initiatives Poverty Research Ltd (DIPR) was established as a not for profit company in 2007 with the following objects

To undertake research, education, advisory and operational activities designed to

- Increase access to and understanding of statistical and other information relating to poverty, development cooperation, human rights, humanitarian and development assistance, and
- To increase awareness of the factors which cause and perpetuate poverty

Our vision is the end of absolute poverty. It is our mission to empower and enable people to make evidence-based and data-informed decisions that deliver more effective use of resources for poverty eradication. Our role is to enable more effective use of information.

Our work focuses on

- Gathering, analysing, making accessible and reporting on data relating to poverty,
- Applying knowledge to develop structures, policies and procedures that prioritise poverty eradication, security and opportunity for the poorest,
- Building capacity and confidence to use information, and
- Engaging and supporting people trying to achieve change

Development Initiatives (DI)

DIPR was established with initial support from DI International Limited (DII). The two companies now cooperate very closely across a range of activity under the name of Development Initiatives (DI), maintaining very strict procedures to ensure financial separation between DIPR's grant funded work and DII's contract funded work. This narrative explains how the grant funding given to DIPR is applied in order to deliver on our poverty and strategy goals. Collectively the two companies working together are referred to as DI. The initials DI are used except where using DIPR or DII will give a clearer sense of how resources are being received and applied. DII is itself a limited company producing audited accounts on the same financial year basis.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2012

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External context for our work

The context within which DI works is evolving rapidly. Within the UK, the government has sustained its commitment to increasing the aid budget in order to meet the 0.7% target in 2013. This will be a historic achievement for DFID and the UK, which will be the only G8 donor meeting the UN aid target. The UK and DFID continue to play a leadership role on poverty and development, with Prime Minister David Cameron co-chairing the High-Level Panel, which will make recommendations on the post 2015 settlement, and Secretary of State Justine Greening co-Chairing the Global Partnership. This has emerged following the Busan High Level Forum on aid effectiveness, which DI attended in autumn 2011.

DFID is chairing the 2013 G8 meeting. In preparation for this, in late 2012, DI was asked to assist DFID in producing the G8 accountability report. This reflects DI's longstanding track record of working with a range of organisations to monitor commitments on development and poverty.

Achievements and Performance

Making the most of knowledge, people and financial resources

This report is written following a transformational year in DIPR's development, as we have managed the transition to an organisation with the capacity to deliver on our ambitious strategy.

Key to this transformation has been the relocation in September 2012 of staff to a new office in the centre of Bristol that provides a well resourced UK hub with good IT and transportation links, with sufficient space to enable the recruitment of more staff and interns as programmes demand.

As we have expanded to cope with increased work, we have reviewed and established processes and systems necessary for the effective management of a medium-sized business. We have worked proactively with staff to explain and help us deliver organisational priorities. We have increased the number of external speakers who visit to give presentations on key poverty related issues central to our mission, ensuring everyone who works within DI can see their work in the context of DI's contribution to wider efforts to eliminate poverty.

The DI hub in East Africa has been developing rapidly since it was established in November 2011, with a clear programme of work, properly established systems and a strong working relationship with our partner organisation in Uganda, Development & Research Training (DRT).

During the year DIPR's management was strengthened by the appointment of 3 programme directors: Charles Lwanga Ntale as Africa Programme Director, Dan Coppard as Programme Director of Analysis, and Harpinder Collacot as Programme Director of Engagement and Impact.

Given our organisational emphasis on transparency and effective use of resources, the continued efforts of our small finance team have been critical in moving us to a position where we can work more effectively. In addition, we have appointed a new head of finance whose priorities include further improvements to our management accounting system as well as further steps to improve value for money.

DI's strategic perspective has been strengthened by Professor Myles Wickstead joining us, during 2012, as a part time special adviser.

Recruitment, over the past year, of a new Engagement and Communications team is in line with the commitment in our strategy to be more proactive in reaching a wider audience with the analysis we produce, ensuring the information contributes more effectively to policy and poverty impact. Our need for the capacity to deliver on an ambitious agenda has meant substantial recruitment, significantly helped by our new office base in Bristol.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2012

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Continued work on high quality data and analysis

We have a track record of providing objective, independent and rigorous data and analysis to governments, multilateral agencies, NGOs and foundations. We are relied upon for practical advice and support by the UK's Department for International Development (DFID), the International Aid Transparency Initiative (IATI), the Good Humanitarian Donorship group, ONE, the William and Flora Hewlett Foundation (the Hewlett Foundation) and the Bill and Melinda Gates Foundation (the Gates Foundation). During 2012 a substantial amount of our funding was devoted to research and high quality analysis by our team of analysts based in Bristol, Nairobi and Kampala. We are proud that over the year, our commitment to analysis about Africa produced by analysts based within Africa, has turned from an aspiration into reality. Examples of the grant funded outputs of our team of analysts include submissions of evidence, including on how DFID data could be better published and used, to the International Development Select Committee of the UK parliament.

The Millennium Development Goals (MDG's) and Beyond 2015

The Millennium Development Goals have played an important part in focusing global attention and aid resources on the world's poorest people. An opportunity now exists for DI to work with others to improve efforts to eliminate poverty under the post 2015 settlement. Over 2012, in line with our strategy, we have taken significant steps to contribute to the post 2015 settlement in three particular areas:

- access to information,
- improved use of all resources with the potential to contribute to poverty reduction, and
- based on what we learned from our 10 years of partnership within the Chronic Poverty Research Centre, the need for the post 2015 settlement to provide basic income/livelihoods guarantee for the world's poorest and most vulnerable people.

During 2012 we began to engage substantively with the post 2015 process. DI's experience over many years underpins our strategic objective of getting information used more effectively to contribute to poverty reduction. In pursuit of our goal of getting access to information written into the post 2015 settlement, we have produced materials and engaged in a range of meetings. Specifically we have:

- worked with civil society organisations in the UK and Europe on the issue of access to information,
- participated in and presented at meetings such as the 2012 Development Cooperation Forum in Vienna, a presentation to DFID staff on 2015 goals, and
- provided briefings to officials and advisers on how access to information enables accountability, effective use of resources, empowerment and good governance.

Global Humanitarian Assistance (GHA)

Our emphasis on the effective use of resources to improve impact on the most vulnerable is central to our Global Humanitarian Assistance (GHA) programme which works to provide better visibility of the resources available to people in humanitarian crises, answering questions such as who provides humanitarian assistance, where the money is spent, what the money is spent on, and what organisations the money is spent through. Our 2012 Global Humanitarian Assistance report was launched at the UN ECOSOC (Economic & Social Council) in July.

The usefulness of GHA reports is substantially extended by virtue of the fact that they are backed up by a great deal of data made available online through the GHA website, which is backed up by a free helpdesk enabling users of data to get help with understanding and applying GHA analysis. On the strength of our GHA work, DI was invited to participate in the prestigious Clinton Global Initiative annual meetings in New York. Such opportunities for increased engagement on the analysis DI produces reflects our commitment to the idea that information needs to be effectively communicated if it is to make an impact. During 2012 the governments of Canada, Sweden and Netherlands decided to renew their generous multiyear support for GHA. DI wrote the world humanitarian trends section for the annual report of the UN Office for the Coordination of Humanitarian Assistance, and contributed a chapter to the World Disasters Report.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2012

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GHA is a resource which is drawn upon by bilateral and multilateral agencies, academics, CSOs and journalists involved in humanitarian assistance. GHA provides analysis, which supports the work of the Good Humanitarian Donorship group. DI has worked with the group on the development of indicators, in addition to extending the range of Country Profiles. During 2012 we have published GHA resource papers on issues such as Disaster Risk Reduction, Private Finance in Emergencies, South South Cooperation and Common Humanitarian Funds. Presentations on the work of GHA were made to a variety of organisations including the Office of Foreign Disaster Assistance at USAID.

Transparency (International Aid Transparency Initiative (IATI)), and the aidinfo programme

Our work on transparency and access to information through aidinfo provides practical illustrations of how better information can mean better aid and improved poverty reduction. By December 2012 the number of aid agencies signed up to IATI reached 100, which means that over 75% of global aid is now provided by agencies who are IATI signatories, offering the future prospect of greater traceability on how money flows through the system to ultimate impact. During 2012 the aidinfo team continued technical and systems-based work on the IATI standard and steps towards the common open standard for the exchange of information, as well as providing support (including in association with BOND) to a wide range of agencies wanting practical advice on how to implement IATI. This technical work has reinforced our engagement and communications work to build political support for transparency in general and IATI in particular. Our substantial work with partners in Nepal has shown in concrete terms how IATI can make a difference at country level, and a wide range of organisations have seen the practical value of IATI in terms of effective management and coordination.

Visits by the aidinfo team to countries such as Colombia have helped underpin confidence of developing country partners that IATI offers a practical tool supporting resource use at country level. Support from the Hewlett Foundation has been critical in enabling us to respond flexibly in all of the above areas as the transparency agenda and IATI have developed quickly. We have used resources from the Hewlett Foundation alongside an accountable grant from DFID for our work to support the IATI Secretariat. Resources from the foundation have also supported work by DI and DRT in East Africa with Hewlett partners working in the areas of reproductive health and education on capacity development related to their use of resource data at country level.

In November DI was invited by the United Nations Development Partnership (UNDP) to join a consortium (consisting of UNDP, the Governments of Sweden and Ghana, the United Nations Office for Project Services (UNOPS) and DI) to bid to host the IATI Secretariat. Work to prepare the hosting bid continued through the end of 2012.

Over 2012 the scope of work DI, and our partners DRT, have undertaken using Programme Partnership Agreement (PPA) and the Hewlett Foundation funding has broadened from a particular focus on the use of aid, to engagement with the issue of open data and open government. We see this as being entirely appropriate as the very dominant role of aid to date becomes increasingly (and properly) seen in the context of country ownership, national priorities and the key accountability of developing countries to their own citizens for delivering on poverty elimination. The support of the Gates Foundation for the work of the DI hub in Africa has enabled us to take a regional perspective on issues such as transparency and open government from a position of doing practical work on resource numbers within the region.

Investments to End Poverty (ITEP)

Over 2012 our team of analysts has been undertaking detailed work on aid and other resource flows in preparation for the launch of a major report called Investments to End Poverty (ITEP), to be published in September 2013. An initial publication in the ITEP series - a guide to Official Development Assistance (ODA) - was published as a working paper in advance of Overseas Development Institute's (ODI) major CAPE meeting in autumn 2012, one of several ITEP background papers published to stimulate discussion and feedback.

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ITEP aims to pull together a comprehensive picture of all the resources (aid, private finance and investment, military and security spending, remittances, etc) with the potential to contribute to poverty elimination, in hope of getting more value for every pound spent on aid, and looking at how non-aid resources can contribute more effectively to poverty elimination. DI's work on ITEP is being greatly assisted by the establishment of a formal partnership with the Brookings Institution, under which Brookings provides both specific analysis and ongoing intellectual support and peer review. During 2012 DI established a partnership with Communications Development Incorporated of Georgetown who are providing support and guidance on writing, editing and outreach for ITEP. A series of meetings and discussions with organisations such as Oxfam GB, Oxfam America and ODI has helped to frame the approach to resource analysis that ITEP will take, and to link the analysis to different organisations development priorities.

The funding for ITEP (which had been provisionally called the Global Poverty Investment Report (GPIR)) is being provided by the Gates Foundation as part of a wider programme called Better Data, Better Aid. Additionally, this programme supports the development of the DI Africa hub.

During 2012 DI commissioned an ITEP background paper on poverty elimination in Brazil from Global Infrastructure Partners (GIP), an organisation founded by Ana Toni, whose wide experience on poverty and environmental issues DI hopes to draw upon as our work on ITEP continues.

DI Africa hub and partnership with DRT

Support from the Gates Foundation, the Hewlett Foundation and our DFID PPA has allowed the work of the Africa Hub to develop over 2012 much faster than originally anticipated. In addition to the training of 4 analysts (2 in Nairobi, 2 in Kampala) DI has undertaken a major programme of networking and engagement with Kenyan and Ugandan CSOs, with representatives of the East African Community, with government departments, and East African Think Tanks. The aim has been to identify precisely where DI can add value to existing work being undertaken by others.

Our support on data analysis and the technical side of transparency and open government has been matched to country level work both by DI itself and our partners DRT, without whose depth of expertise much of DI's work would not have been possible. During 2012 exchanges of staff between Bristol and Nairobi proved successful, enabling staff to visit, learn from and exchange ideas and ways of working. These exchanges will continue as a normal part of DI working, as the experience demonstrates that the additional costs are outweighed by the benefits.

The Africa hub has already started to produce substantive analysis of its own, including country profiles and analysis on social protection. Preparatory work has also been done on a future East Africa Poverty Report.

DFID Programme Partnership Agreement (PPA)

At the end of 2012 we are eighteen months through a three-year funding agreement with DFID. The grant relates to specific milestones including, producing annual GHA reports, country profiles, a graph-led website, maintaining an East Africa office and in-country research, analysis and training in Uganda and Kenya. In addition to helping us deliver on these specific goals, the PPA provides flexible funding enabling DI to be responsive to opportunities that arise to further our strategic poverty goals. The flexible nature of PPA funding allows it to be used alongside finance received from other funders.

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Directors' report for the year ended 31 December 2012

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Our work under the PPA is done in close collaboration with our partners Development Research and Training (DRT) in Uganda, with whom we have a Memorandum of Understanding, based on common vision and shared goals. Under our agreement, DRT receive earmarked funding linked to specific deliverables, but also a measure of predictable funding for the duration of the PPA, enabling DRT like DI to have certain flexibility to respond to opportunities. At the end of 2012, two DI analysts were based in DRT's office in Kampala and DRT's UK representative is based in DI's office in Bristol, helping the two organisations to identify opportunities for collaborative action on poverty.

External engagement built on DI analysis.

Over 2012 DI's increased commitment to engagement resulted in the organisation being represented at a wide range of meetings, often using these as a vehicle to present analysis or perspectives drawing on past experience and evaluation. The following list is indicative.

- Participation in the three UK major party conferences, using the opportunities to bring information on key poverty priorities to the attention of opinion formers and policymakers,
- Engagement with senior academics and analysts from institutions including Manchester University, the World Bank, Institute of Development Studies Sussex, Universities of London, Bath, Bristol, Princeton, IIPA Delhi, National Council of Applied Economic Research Delhi, African Centre for Economic Transformation Ghana,
- Participation in the annual meetings of the Africa Progress Panel chaired by Kofi Annan,
- Technology, Entertainment, Design (TED) Bristol Presentation,
- Presentations to DFID London and East Kilbride,
- Presentations within USAID,
- Meetings and briefings with Liberal Democrats International Team,
- Discussions with UNDP Human Development Report Office,
- Participation in and engagement around the Knowledge Policy and Statistics Conference in Delhi, and
- In early 2012 DI also hosted a dinner in London for key organisations working on Africa to consider and discuss issues around the post 2015 agenda.

Making connections and taking initiatives

As our name and private sector origins suggest, DI aims to be responsive and alive to opportunities to take initiatives that will further our poverty elimination goals, sometimes drawing on DII resources where an initiative seems outside the parameters of our grant funding. Examples of quick response and specific initiatives during 2012 include:

- Organising at 2 days notice a venue and refreshments for civil society partners coming from many countries to participate on consultations with the High Level Panel on the post 2015 settlement,
- Organising a small informal workshop to promote the work of BOOST, a World Bank housed initiative to put a user friendly front end on the accounts and budgets of developing countries, and
- Organising a meeting to enable DAC Chair Brian Atwood to make a keynote speech on transparency in London.

Financial Review

Income for 2012 was £3,238,930 (2011: £1,630,777) which is an increase of 98.61%. Funding for 2013 has already been secured with funds of £3,161,339 (2011: £2,242,722) already received in 2012 for work which will be delivered in 2013.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2012

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Investments and Reserves Policy

Most of the organisations funds are required to be spent in the short term so there are few funds available for long term investment. Funds in excess of immediate needs are held in instant access interest bearing deposit accounts.

DIPR does not maintain a capital base but instead spends grant income in accordance with its objectives and those of its funders.

Structure, governance and management

The organisation is a not for profit company limited by guarantee, incorporated on 12 September 2007.

The company was established under a Memorandum of Association which established the objects and powers of the 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 £100.

The directors who served during the year and up to the date of this report are set out on page 1.

The directors endeavour to maintain a broad mix of skills amongst the management body to ensure the organisation can be managed effectively.

The directors have conducted a review of the major risks to which the organisation is exposed and a risk log is maintained and updated monthly. The risk log is reviewed quarterly by Directors. Mitigating actions are identified and prioritised.

Conclusion

Overall 2012 has been a year of expansion for DIPR, with a significant level of funding secured for 2013 and beyond. The Directors are confident that DIPR has the necessary staff mix of skills and experience and is uniquely placed to make a concrete contribution to poverty elimination.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Milsted Langdon LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The Directors' report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 23.03.13 and signed on its behalf by



Mr A C German
Director

Development Initiatives Poverty Research Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Development Initiatives Poverty Research Limited

We have audited the financial statements of Development Initiatives Poverty Research Limited for the year ended 31 December 2012, set out on pages 11 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities (set out on page 8), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of
Development Initiatives Poverty Research Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Milsted Langdon LLP

Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Bristol

Date

25/3/13.

Development Initiatives Poverty Research Limited
Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	3,238,930	1,630,777
Administrative expenses		<u>(3,120,259)</u>	<u>(1,808,501)</u>
Operating profit/(loss)	3	118,671	(177,724)
Other interest receivable and similar income		2,103	439
Interest payable and similar charges		<u>(16,119)</u>	<u>(41,391)</u>
Profit/(loss) on ordinary activities before taxation		104,655	(218,676)
Tax on profit/(loss) on ordinary activities	5	<u>(421)</u>	<u>(92)</u>
Profit/(loss) for the financial year	10	<u><u>104,234</u></u>	<u><u>(218,768)</u></u>

Development Initiatives Poverty Research Limited

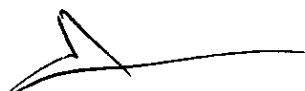
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Balance sheet at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	6	<u>37,877</u>	<u>17,963</u>
Current assets			
Debtors	7	396,520	264,615
Cash at bank and in hand		<u>3,123,269</u>	<u>2,270,451</u>
		3,519,789	2,535,066
Creditors, amounts falling due within one year	8	<u>(3,384,435)</u>	<u>(2,484,032)</u>
Net current assets		<u>135,354</u>	<u>51,034</u>
Net assets		<u>173,231</u>	<u>68,997</u>
Capital and reserves			
Profit and loss account	10	<u>173,231</u>	<u>68,997</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the board on 23/3/13 and signed on its behalf by



Mr A C German
Director

Development Initiatives Poverty Research Limited
Notes to the financial statements for the year ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Grant income

Grant income is recognised as the work is completed in accordance with paragraph 4.13 of FRSSE 2008. An adjustment has been made to exclude the value of income received in advance during the year.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation rate and method
Plant and machinery	25% straight line

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

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Notes to the financial statements for the year ended 31 December 2012

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Pensions

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

2 Turnover

During the year 69.32% of the company's turnover related to exports (2011 - 58.92%)

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2012 £	2011 £
Auditor's remuneration - The audit of the company's annual accounts	4,200	4,000
Foreign currency losses/(gains)	108,861	(28,025)
Depreciation of tangible fixed assets	<u>17,579</u>	<u>12,112</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration	<u>155,138</u>	<u>128,050</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No	2011 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2012

..... continued

5 Taxation

Tax on profit/(loss) on ordinary activities

	2012	2011
	£	£
Current tax		
Corporation tax charge	-	92
Deferred tax		
Origination and reversal of timing differences	421	-
Total tax on profit/(loss) on ordinary activities	<u>421</u>	<u>92</u>

6 Tangible fixed assets

	Plant and machinery etc £	Total £
Cost		
At 1 January 2012	50,862	50,862
Additions	<u>37,492</u>	<u>37,492</u>
At 31 December 2012	<u>88,354</u>	<u>88,354</u>
Depreciation		
At 1 January 2012	32,899	32,899
Charge for the year	<u>17,578</u>	<u>17,578</u>
At 31 December 2012	<u>50,477</u>	<u>50,477</u>
Net book value		
At 31 December 2012	<u>37,877</u>	<u>37,877</u>
At 31 December 2011	<u>17,963</u>	<u>17,963</u>

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2012

..... continued

7 Debtors

	2012	2011
	£	£
Trade debtors	258,206	89,748
Other debtors	<u>138,314</u>	<u>174,867</u>
	<u><u>396,520</u></u>	<u><u>264,615</u></u>

8 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	124,306	50,322
Amounts owed to group undertakings and undertakings in which the company has a participating interest	49,995	131,726
Corporation tax	424	-
Other taxes and social security	26,965	24,565
Other creditors	21,406	34,697
Deferred grant income	<u>3,161,339</u>	<u>2,242,722</u>
	<u><u>3,384,435</u></u>	<u><u>2,484,032</u></u>

9 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £100 towards the assets of the company in the event of liquidation.

10 Reserves

	Profit and loss account	Total
	£	£
At 1 January 2012	68,997	68,997
Profit for the year	<u>104,234</u>	<u>104,234</u>
At 31 December 2012	<u><u>173,231</u></u>	<u><u>173,231</u></u>

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2012

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11 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £14,659 (2011 - £11,257)

Contributions totalling £6,103 (2011 - £2,078) were payable to the scheme at the end of the year and are included in creditors

12 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Over five years	<u>61,654</u>	<u>-</u>

13 Related party transactions

Other related party transactions

During the year the company entered into the following related party transactions

DI International Limited

(The members of the company are also controlling directors of DI International Limited)

During the year the company paid DI International Limited the sum of £530,331 (2011 - £435,825) for the provision of staff, £180,560 (2011 - £210,105) for overhead costs, and £1,115 (2011 - £15,634) for fixed assets

During the year the company recharged overheads of £68,622 (2011 - £nil) and fixed asset purchases of £565 to DI International Limited. At the balance sheet date the amount due to DI International Limited was £49,995 (2011 - £131,726)

Sayer Vincent

(Ms C Sayer, non-executive director of Development Initiatives Poverty Research Limited, is also a partner in Sayer Vincent)

During the year the company paid for the provision of consultancy services amounts totalling £1,800 (2011 - £3,561). At the balance sheet date the amount due to Sayer Vincent was £nil (2011 - £nil)