

Registration number: 06368740

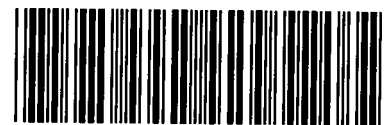
Development Initiatives Poverty Research Limited

(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 December 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 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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 activities of the company during 2013 were to contribute to the end of poverty by 2030 by:

- Researching and delivering high-quality data and analysis to inform decision making and resource allocation aimed at reducing poverty, promoting development and effective humanitarian response.
- Engaging with policymakers to promote transparency, the effective use of information and actions which will contribute to the wellbeing, inclusion and empowerment of the poorest 20% of population both globally and within countries and communities.

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 by 2030. 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 and reporting data relating to poverty and making it accessible.
- Applying knowledge to develop structures, policies and procedures that prioritise poverty eradication, security and opportunity for the poorest people.
- Building capacity and confidence to use information.
- Engaging and supporting people trying to achieve change.

Development Initiatives Poverty Research Limited

Directors' report for the year ended 31 December 2013

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Development Initiatives

Development Initiatives Poverty Research Limited (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, 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 Development Initiatives. The name Development Initiatives is 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.

External context for our work

The context within which Development Initiatives works continues to change rapidly with the establishment of the Global Partnership (co-chaired by UK Secretary of State Justine Greening) alongside the Organisation for Economic Co-operation and Development (OECD), Development Assistance Committee (DAC) and United Nations Development Co-operation Forum (UNDCF), with the growing influence of major actors including Brazil, India, Indonesia, Turkey and Nigeria and with increased emphasis on the post 2015 settlement.

In May 2013 the UN High Level Panel co-chaired by PM David Cameron presented its report, including a set of indicative goals for 2030. The High Level Panel Secretariat was led by Homi Kharas of Brookings Institution, one of our principal collaborators on Investments to End Poverty.

Over the second half of 2013, Development Initiatives used every opportunity to promote this excellent report and its recommendations. In particular, the report's emphasis on the need for a data revolution and its commitment to ensuring that nobody lives below \$1.25 and that every country puts in place national poverty lines equivalent to \$2 by 2030, are entirely in line with our two main strategic goals. The High Level Panel insistence that the world should '*leave no one behind*' and on shared goals that are applicable to every country also tie in with Development Initiatives' recognition of the reality that the conditions which cause and perpetuate poverty exist in every country.

Through 2013 the UK sustained its commitment to increasing the aid budget in order to meet the UN 0.7% target in 2013. The Department for International Development (DFID) chaired the 2013 G8 meeting and Development Initiatives assisted DFID to produce the G8 accountability report, reflecting the confidence of external partners in Development Initiatives' track record of delivering high quality and objective monitoring of commitments.

Achievements and Performance

Making the most of knowledge, people and financial resources

This report is written following a year in which DIPR has built on and developed its capabilities following its relocation to Bristol offices in September 2012. It is clear that the new location makes engagement activities easier, helps with recruitment and reduces travel costs and time for a majority of staff, as well as environmental impact. Very fast broadband also makes internal communications more effective.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2013

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Work to upgrade IT in Bristol and especially Nairobi meant that we were able to have a first Development Initiatives wide staff teleconference in December 2013, looking at Operational Plans for 2014. Our investment meant that colleagues in, Nairobi, New York, Bristol and other UK locations were able to join in the same conversation effectively. We will make increasing use of IT to ensure that we are communicating and learning as efficiently as possible across several locations. 2013 also saw the launch of our Sharespace intranet, again reducing email traffic and enabling us to share more information and knowledge easily and cheaply. Our IT officer has energetically managed to offset some of the costs of IT improvements, by selling off used equipment and other measures to save money on external IT support and services.

Our Central Services team make possible the work that produces some of our more visible outputs. Alongside ongoing financial control work, Central Services have played a key role in recruitment and in areas such as ensuring the safety and wellbeing of staff who represent both our biggest cost and greatest resource, enabling us to contribute to change for the world's poorest people. Given the costs of recruitment and the potential loss of knowledge and expertise that results from staff turnover, in 2013 we offered a new part time associate status to two staff who planned to leave to pursue further study, with the aim of ensuring that their knowledge and contribution to our work would continue.

Development Initiatives has expanded rapidly since the establishment of DIPR in 2007 and during 2013 we decided to review our internal systems to check that they were not overly elaborate. As a result we have streamlined some processes and placed a bit more emphasis on people, rather than systems. We expect this streamlining and focus on initiative will continue through 2014 as we seek to build a culture of social entrepreneurship – Development Initiatives as an *enterprise to end poverty*.

Continued work on high quality data and analysis

Through 2013 we have continued to produce objective, independent and rigorous data and analysis both to support work on our strategic goals and to provide governments, foundations, academic organisations and non governmental organisations (NGOs) with the data they need. For example over 2013 Development Initiatives contributed data and analysis to the third Chronic Poverty Report, continuing Development Initiatives' engagement with work on chronic poverty that began in 2000. Through 2013, the Bill and Melinda Gates Foundation not only supported our work on Investments to End Poverty but also used Development Initiatives analysis to help inform the Foundation's broader work on aid and financing.

We are proud that our commitment to analysis about Africa, produced by analysts based within Africa, continues to bear substantial fruit. In an effort to increase access to hitherto unavailable budget data in Kenya and Uganda, during 2013 the Africa hub engaged a team of more than a dozen of dynamic young people from the Uwezo Kenya and Uganda National NGO Forum as trainee analysts on short term contracts. They engaged in a hefty programme of data scraping to make possible analysis of large quantities of data on domestic financing. This means data is now available to be used by partners and uploaded on the Uganda Open Development Partnership Platform. And at the same time we have made a modest contribution to the experience and capacity of the young people who did the work.

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

Whilst efforts continue to try and ensure that as much energy as possible is devoted to trying to meet outstanding Millennium Development Goals commitments, attention over 2013 began to focus strongly on the post 2015 settlement. Our decision to second a Senior Engagement Adviser to New York for most of 2013 enabled us to engage extensively with a range of relevant people and organisations. It meant that we have been fully engaged in key discussions – as well as well placed to contribute to relevant meetings around the UN General Assembly in September.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2013

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There is no doubt that having a Development Initiatives representative in New York contributed to the successful launch of Investments to End Poverty in the US. We intend to maintain a presence on the East Coast of the US as far as resources, visa and personnel constraints allow.

In pursuit of our goal of getting access to information written into the post 2015 settlement, over 2013 we have:

- produced materials and engaged in a range of meetings;
- worked with civil society organisations in the UK, EU and US on the issue of access to information;
- participated in and presented at meetings such as the 2013 Development Cooperation Forum in Vienna and presented to DFID staff on the post 2015 goals at the invitation of the Parliamentary Under Secretary of State.
- provided briefings to officials, politicians, advisers and groups such as the Inter Parliamentary Union on how access to information enables accountability, effective use of resources, empowerment and good governance.

Our accounts show a high level of spending on costs such as travel. This is because direct engagement – face to face dialogue and relationship building – remains absolutely central to the way Development Initiatives works and to our theory of change and impact. The level of trust people have in Development Initiatives' analysis, people's ability to understand and apply data, the extent to which key people hear, engage with and use the evidence and arguments we put forward are inextricably linked to the impact we have. This means that even though we can make as much use as possible of social media, teleconferencing and other less costly means of communication, for the foreseeable future our spending on travel and other costs associated with personal engagement will remain higher than those of many other organisations working in development.

Through 2013 we worked with others to promote a stand-alone goal on information within the post-2015 framework. Through our membership of the UK Beyond 2015 campaign, we were invited to attend a meeting with David Cameron and Justine Greening where we emphasised the link between data and poverty eradication. Development Initiatives feels its investment in advocacy on access to information will have contributed to the strong references in the High Level Panel report on transparency and the need for a data revolution.

Making the personal links that add value to information and analysis enables us to play our distinctive role. The chain of causation between our work and ultimate benefit to people in poverty is a long one and the impact on people's thinking and actions is much harder to measure than if we were, for example, digging wells. But we believe that even small improvements in the efficiency with which the world spends US\$140 billion of aid brought about by better access to information will make a big difference to poor people, and we are increasingly putting effort into gathering evidence that this is the case.

Global Humanitarian Assistance (GHA)

This emphasis on the effective use of resources to improve impact on the most vulnerable continued to guide our Global Humanitarian Assistance (GHA) programme through 2013.

In 2013 we invited a guest editor to give the 2013 GHA report a fresh perspective. We also recruited a new head of the GHA team to guide our humanitarian work in the future. The GHA report was launched at a very well attended side event (50 participants including the Director General of European Community Humanitarian Office (ECHO)) at the Economic and Social Council (ECOSOC) in Geneva.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2013

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Our work on humanitarian financing, mechanisms, institutions and incentives means that Development Initiatives is well placed to help convene meetings to discuss collaborative action. One example from 2013 was our joint initiative with the Financial Tracking Service (FTS) and International Aid Transparency Initiative (IATI) to hold a Geneva workshop on humanitarian reporting with the aim of improving the standard of humanitarian finance reporting.

Over the year we continued to produce and update country profiles (48 as at December 2013) and Crisis Briefings such as those on the Central African Republic and Typhoon Haiyan.

Over several years Development Initiatives has wanted to extend its analysis on the area where humanitarian, military and security efforts overlap because insecurity is a key driver both of humanitarian crisis and chronic poverty. We have been considering the costs and benefits of developing in house capacity on military and security data and our spending on external expertise. In 2013 we decided to form a collaboration with the Stockholm International Peace Research Institute (SIPRI) in order to draw on their longstanding and highly regarded expertise. In the event the first output from this collaboration has been a contribution to Investments to End Poverty on the area where military finance is used alongside official development assistance (ODA).

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

In 2013 the management of the IATI Secretariat changed from DFID hosting with Development Initiatives support to a new consortium comprising United Nations Development Programme (UNDP), United Nations Office for Project Services (UNOPS), governments of Sweden and Ghana, plus Development Initiatives. Finance for Development Initiatives' contribution to the IATI Secretariat came from the government of Sweden and DFID until September 2013. After this the new funding arrangement for the Consortium meant that funding for Development Initiatives' work comes from IATI membership contributions via UNOPS. Development Initiatives has been very fortunate in having its overall work on access to information funded by the Hewlett Foundation since 2008. The understanding and flexibility of the Hewlett Foundation, especially in the early stages of IATI, has enabled Development Initiatives to act quickly, take initiatives and sometimes fill gaps, helping to get to the point where IATI is now self financing.

Continued input from Development Initiatives covers technical, engagement and communications work to ensure that:

- the Common Standard works and is adopted as widely as possible
- that political commitment to IATI and open data continued to grow
- that the data is used, understood and applied as widely as possible.

Work to support the Technical Advisory Group – making practical arrangements, helping set agendas, facilitating participation, providing technical advice and keeping up levels of energy and commitment – are typical of the contributions and style that Development Initiatives makes in several areas, often behind the scenes. We continue in many areas of Development Initiatives work to be guided by Harry S Truman's maxim, *"It is amazing what you can accomplish if you do not care who gets the credit."*

Development Initiatives continues to play an energetic role assisting the IATI Technical Advisory Group and encouraging NGOs, Governments and multilateral bodies to sign up to and publish to the standard. During 2013, the number of organisations publishing to IATI doubled to over 200. The first private sector consultancies began publishing to IATI this year, and our work with PwC on the Girls Education Challenge Fund has enabled us to further our work on traceability.

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Directors' report for the year ended 31 December 2013

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Increasing emphasis in 2013 was on the quality of data – because ultimately the success of IATI depends on additional, readily useable data being made available and actually used to support decision making, resource allocation and accountability. Development Initiatives' engagement with partners in Nepal including Young Innovations has contributed to the Open Nepal Initiative and the Kathmandu launch of the Open Nepal Data Portal. Such achievements by Development Initiatives and partners in harnessing local energy and commitment represent outcomes in which considerable funding (time, travel and consultancy costs) has been invested over several years. Our judgement and experience is that the difference between data being available and being used can include time spent understanding stakeholders' data needs and money spent producing visualisations which make data easy and attractive to users. The costs involved can be seen in the detailed financial data that is available in line with our commitment to IATI.

Recently we have broadened our focus beyond aid to consider a wider joined-up 'open data' approach to transparency of all resources. During 2013 Development Initiatives helped initiate a process on 'joint transparency' to advance collaboration between different transparency initiatives (IATI, Extractive Industries Transparency Initiative (EITI), Construction Sector Transparency Initiative (CoST)). This joined up approach in the area of transparency ties in with our Investments to End Poverty programme and other thinking – which is that whilst ODA remains vitally important for the world's poorest people, it always has to be seen and analysed alongside other (larger) resources such as domestic finance and private flows which also have a key role in ending poverty.

Investments to End Poverty

Over 2013 our team of analysts continued detailed work on aid and other resource flows to prepare for the launch of a major report called Investments to End Poverty. As noted last year, Investments to End Poverty aimed 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.

Our work on Investments to End Poverty during 2013 was one of our biggest cost centres – not just staff time doing and checking the analysis, but engagement with potential readers and a range of experts as well as extensive work on data visualisation. We also invested in the kind of production and dissemination appropriate to a report which we hoped would be seen as a substantive contribution to global discussions on financing for development.

Investments to End Poverty was launched in New York in September 2013 with 85 attendees and a strong panel, coverage in over 50 outlets including The Economist, the Guardian, Duncan Green's Blog and World Bank website. Further launch meetings and presentations of the report were undertaken in Washington (with USAID and State Department), Paris (at the OECD), London, Nairobi and Kampala.

Our partnerships with Brookings and work with CDI and DataActLab greatly assisted us in the writing, production and dissemination of Investments to End Poverty – and having a senior policy officer based in New York also made many connections which added value to the process. Generous support from the Bill and Melinda Gates Foundation made all the work on Investment to End Poverty possible.

Development Initiatives Africa hub and partnership with Development Research and Training

The Development Initiatives hub in East Africa has continued to develop, building up its programme of work, and establishing working relationships with a range of partners including think tanks, government agencies and civil society organisations (CSOs).

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Directors' report for the year ended 31 December 2013

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The Development Initiatives Nairobi office has initiated periodic informal roundtables on key issues. The fact that a meeting such as the roundtable on the data revolution in October was attended by 18 representatives of partner organisations shows that our investment in engagement has given Development Initiatives the ability to convene. We believe such meetings lead to specific actions and collaborations that promote greater transparency and action on poverty and access to data. This is in line with Development Initiatives' overall theory of change, whereby we invest resources in engagement because such engagement greatly increases the likelihood that information is actually used to inform resource choices and actions that will promote the interests of the poorest. Feedback from one partner who attended the roundtable on data is supportive of our approach: *"I also see a crucial role of the DI Africahub in providing spaces for conversations on post2015 monitoring of agreed goals within the axis of development and use of new technology tools by citizens"*.

Over 2013 we have continued to develop our work with our key partner organisation in Uganda, Development Research and Training (DRT) with two Development Initiatives staff being based in the DRT offices. Development Initiatives has attempted to offer DRT extra support to help with capacity whilst DRT's Director undertakes further studies funded by the Irish government.

During 2013 further exchanges of staff and visits between Bristol and Nairobi continued. Having done a brief assessment of the additional costs associated with moving staff between offices, we remain confident that the capacity development, and knowledge gained from this movement is justified – so we plan for visits and placements to continue – though increased use of IT may reduce the scale of exchange in future years.

One aspect of Development Initiatives' continued commitment on the issue of Chronic Poverty is Africa Director Charles Lwanga Ntale's key role in the Chronic Poverty Advisory Network. The Africa hub's production of country profiles is one outlet for continued analysis Development Initiatives produces on social protection – a key response to chronic poverty. As well as assisting with the third Chronic Poverty Report Development Initiatives has worked with DRT on the new Uganda Chronic poverty report and continues analysis that will feed into an East Africa Poverty Report.

DFID Programme Partnership Arrangement (PPA)

Development Initiatives' Programme Partnership Arrangement (PPA) with DFID began in 2011 and was due to run for 3 years with funding of £400,000 per year. The use of the funding is unrestricted but linked to delivery on specific milestones including; producing annual GHA reports, country profiles, a graph-led website (now called Charting Progress), maintaining an East Africa hub and in-country research, analysis and training in Uganda and Kenya.

The flexible nature of PPA funding enables us to do things in line with the *Initiatives* under our name – such as organising an informal dinner discussion with key UK based experts on the question of the potential redefinition of ODA. Another initiative which Development Initiatives established in 2013 was the South West Global Development Network – an informal gathering of people working on sustainable development in the region. This now involves local universities and a range of CSOs and provides a networking and knowledge sharing platform.

Our work under the PPA continues to be done in close collaboration with our partners DRT in Uganda under our memorandum of understanding, outlining a common vision and shared goals on access to information and ending poverty. 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 Development Initiatives to have certain flexibility to respond to opportunities. At the end of 2013, three Development Initiatives analysts were based in DRT's office in Kampala .

A few examples from 2013 follow on how Development Initiatives and DRT use the resources we are given, to produce analysis and engage externally, in order to make sure that financing information is understood and turned into action:

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Directors' report for the year ended 31 December 2013

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- Hosting pre-budget press conference and examination of release for the Civil Society Budget Advocacy Group (CSBAG)
 - In partnership with the Uganda National NGO Forum, organised data/information sharing meeting for the members of the CSO Aid and Development Effectiveness Platform
 - Undertake trainings for local government legislators in Kotido and Katakwi districts.
 - Engage with Northern Uganda MPs using findings from the public expenditure review
- A memorandum of understanding has been agreed with the Uganda Bureau of Statistics which we believe will be mutually beneficial in terms of developing statistical capacity and increasing access to quality data.

In 2013 Development Initiatives was notified of the likelihood, subject to a revised log frame, that its PPA would be extended for a further two years, taking the funding through to 2016.

External engagement built on Development Initiatives analysis.

Since 2011 Development Initiatives has placed substantially more emphasis – and spent an increased proportion of resources - on engagement and impact activities. The intention here is to ensure that information is used – that research and analysis is applied to decision making that will produce greater impact on the lives of poor people. So for example, resources are devoted to the blogs on our websites, to briefing papers for busy people that summarise our more in depth work. We invest in work on social media to make people aware of the numbers and analysis that is available and relevant to their work. Charting Progress is one example of how we are trying to make graph based data more accessible. It is funded using our PPA. Since our engagement is increasingly built in to all activities, how spending on engagement added value is referred to in other sections of this note. But here we just give a few indicative examples of the engagement we do and why we do it.

Making connections and investments to equip Development Initiatives for the period to 2030.

Building on initial discussions in May 2012, during 2013 we formalised our partnership with GIP (Public Interest Management) in Brazil, with Ana Toni, director of GIP and Chair of Greenpeace International agreeing to become a Special Adviser to Development Initiatives alongside Professor Myles Wickstead. GIP contributed to Investments to End Poverty and preparations were made for the placement of a Development Initiatives analyst (Mariella di Ciommo) in the GIP office in Rio. This is a strategic investment for Development Initiatives, which we expect will strengthen our understanding of Brazil's global role (including on key areas such as social protection and as a provider of external cooperation) and of the linkages between the climate and poverty agenda. In addition we see it as the basis for three way collaboration between Brazil, Africa and the UK.

Development Initiatives has had good relationships with successive chairs of the OECD DAC and so, in 2013, we were pleased to have an initial meeting with new DAC chair Erik Solheim, to hear his priorities and to explain Development Initiatives' role on data, financing and transparency.

Financial Review

Income for 2013 was £3,863,403 compared with £3,238,930 which is an increase of 19.3%. Funding for 2014 has already been secured with funds of £2,373,640.

Development Initiatives Poverty Research Limited
Directors' report for the year ended 31 December 2013

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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 and working in a group structure with DI International Ltd which was established in 1993.

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 £10.

The directors who served during the year and up to the date of this report are set out at the start of the accounts.

The directors periodically reassess the major risks to which the organisation is exposed and a risk log is maintained and updated.

Conclusion

Overall 2013 has been a year of continued expansion for DIPR, with a significant level of funding secured for 2014 and beyond. The Directors will continue to work hard to ensure that DIPR has the necessary levels and mix of personnel to deliver a distinctive 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 8/5/14 and signed on its behalf by:



Ms J Randel
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 2013, set out on pages 13 to 19. 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 10), 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 2013 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

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

Date:.....*8/5/14*.....

Development Initiatives Poverty Research Limited
Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	3,863,403	3,238,930
Administrative expenses		<u>(3,805,513)</u>	<u>(3,120,259)</u>
Operating profit	3	57,890	118,671
Other interest receivable and similar income		18,130	2,103
Interest payable and similar charges		<u>(46,194)</u>	<u>(16,119)</u>
Profit on ordinary activities before taxation		29,826	104,655
Tax on profit on ordinary activities	5	<u>(3,623)</u>	<u>(421)</u>
Profit for the financial year	10	<u><u>26,203</u></u>	<u><u>104,234</u></u>

Development Initiatives Poverty Research Limited

(Registration number: 06368740)

Balance sheet at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	6	<u>33,660</u>	<u>37,877</u>
Current assets			
Debtors	7	577,819	396,520
Cash at bank and in hand		<u>2,209,762</u>	<u>3,123,269</u>
		2,787,581	3,519,789
Creditors: amounts falling due within one year	8	<u>(2,621,807)</u>	<u>(3,384,435)</u>
Net current assets		<u>165,774</u>	<u>135,354</u>
Net assets		<u>199,434</u>	<u>173,231</u>
Capital and reserves			
Profit and loss account	10	<u>199,434</u>	<u>173,231</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 8/5/14 and signed on its behalf by:



Ms J Randel
Director

The notes on pages 15 to 19 form an integral part of these financial statements.

Development Initiatives Poverty Research Limited
Notes to the financial statements for the year ended 31 December 2013

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

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.

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.

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2013

..... *continued*

2 Turnover

During the year 86.88% of the company's turnover related to exports (2012 - 69.32%).

During the year The Department for International Development donated £389,326 (2012 - £389,716) as part of their Programme Partnership Arrangement. Of this, £225,707 (2012 - £510,530) is included in turnover in accordance with the company's policy for income recognition.

3 Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Auditor's remuneration - The audit of the company's annual accounts	6,825	4,200
Foreign currency (gains)/losses	(25,160)	108,861
Depreciation of tangible fixed assets	<u>17,458</u>	<u>17,579</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013 £	2012 £
Remuneration	<u>127,557</u>	<u>155,138</u>

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

	2013 No.	2012 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 2013

..... *continued*

5 Taxation

Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax		
Corporation tax charge	3,623	-
Deferred tax		
Origination and reversal of timing differences	-	421
Total tax on profit on ordinary activities	<u>3,623</u>	<u>421</u>

6 Tangible fixed assets

	Plant and machinery	Total
	£	£
Cost		
At 1 January 2013	88,354	88,354
Additions	<u>13,241</u>	<u>13,241</u>
At 31 December 2013	<u>101,595</u>	<u>101,595</u>
Depreciation		
At 1 January 2013	50,477	50,477
Charge for the year	<u>17,458</u>	<u>17,458</u>
At 31 December 2013	<u>67,935</u>	<u>67,935</u>
Net book value		
At 31 December 2013	<u>33,660</u>	<u>33,660</u>
At 31 December 2012	<u>37,877</u>	<u>37,877</u>

7 Debtors

	2013	2012
	£	£
Trade debtors	63,835	258,206
Other debtors	<u>513,984</u>	<u>138,314</u>
	<u>577,819</u>	<u>396,520</u>

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2013

..... *continued*

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	94,161	124,306
Amounts owed to connected companies	24,069	49,995
Corporation tax	3,626	424
Other taxes and social security	28,550	26,965
Other creditors	97,761	21,406
Deferred grant income	2,373,640	3,161,339
	<u>2,621,807</u>	<u>3,384,435</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 2013	173,231	173,231
Profit for the year	<u>26,203</u>	<u>26,203</u>
At 31 December 2013	<u>199,434</u>	<u>199,434</u>

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 £29,239 (2012 - £14,659).

Contributions totalling £7,663 (2012 - £6,103) were payable to the scheme at the end of the year and are included in creditors.

Development Initiatives Poverty Research Limited

Notes to the financial statements for the year ended 31 December 2013

..... continued

12 Commitments

Operating lease commitments

As at 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
Within two and five years	<u>61,654</u>	<u>61,654</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 £571,615 (2012 - £530,331) for the provision of staff, £11,512 (2012 - £180,560) for overhead costs and £nil (2012 - £1,115) for fixed assets.

During the year the company recharged salary costs of £23,789 (2012: £nil), overheads of £34,046 (2012: £68,622) and fixed asset purchases of £nil (2012: £565) to DI International Limited. At the balance sheet date the amount due to DI International Limited was £24,070 (2012 - £49,995).

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 £nil (2012 - £1,800). At the balance sheet date the amount due to Sayer Vincent was £nil (2012 - £nil).