

Company Registration No. 06368740 (England and Wales)

Development Initiatives Poverty Research Limited

**Annual report and financial statements
for the year ended 31 December 2020**

Development Initiatives Poverty Research Limited

Company information

Directors	Harpinder Collacott Dr Alex Ezeh Timothy Takona Paul Stuart Elizabeth Drew Diane Kingston Susan Wardell	(Appointed 1 March 2021)
Secretary	Janet Reilly	
Company number	06368740	
Registered office	1st Floor Centre The Quorum Bond Street South Bristol BS1 3AE	
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ	

Development Initiatives Poverty Research Limited

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Development Initiatives Poverty Research Limited

Directors' report

For the year ended 31 December 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Harpinder Collacott

Dr Alex Ezeh

Timothy Takona

Paul Stuart

Tina Blazquez-Lopez

(Resigned 11 February 2021)

Elizabeth Drew

Diane Kingston

Susan Wardell

(Appointed 1 March 2021)

Principal activities

Development Initiatives Poverty Research Limited ("DI") exists to provide data-drive evidence and analysis, technical support to strengthen data ecosystems, and advisory programmes to support partners to:

- Better respond to people's needs through improved quality and use of data and evidence in policymaking
- Improve the quantity, quality and coherence of public finance and private investment
- Challenge systemic and structural barriers to equity and support the reform of existing systems.

Our purpose is apply the power of data and evidence to build sustainable solutions that create an equitable and resilient world.

Our mission is to work closely with partners to ensure data-driven evidence and analysis are used effectively in policy and practice to end poverty, reduce inequality and increase resilience.

We work at global, national and local levels, through a global hub connected to a growing network of regional hubs and partners.

2020 key achievements

2020 was a year like no other, spent largely in the grips of deadly pandemic that swept across the globe confining us all to our homes and challenging how we have always delivered on our work. The speed at which our staff, partners and funders adapted was immense and inspiring – with such an uncertain and worrying future ahead there was never a sense that we were going to struggle alone. We were proud to be part of a powerful movement of people across the world that were determined to ensure the poorest people and those at most risk of being left behind were the focus of our efforts. We used our expertise in data to keep the focus on those most at risk, what the impact of the crisis was likely to be in different countries and contexts, as well as where and how international support would be most needed. Public finance all over the world, became an important tool for all nations to safeguards jobs and livelihoods in their countries. As a result, we brought renewed focus on aid in our work demonstrating how it was changing in the midst of the pandemic, providing the first ever comprehensive picture of aid allocations in near real time.

Directors' report (continued)

For the year ended 31 December 2020

We focused more than usual on the UK and its aid spending in 2020. As one of the largest donors in the world, we knew we needed to set out the implications of suspending its commitment to 0.7% and the decision to merge its main aid agency DFID into the Foreign and Commonwealth Office. At the same time, we remained focused on tracking what was happening with health and welfare budgets of the Kenyan and Uganda governments in response to the pandemic.

Back in 2019 we were already looking beyond aid at how regional and global public finance systems need to reform for the future. The pandemic accelerated this debate as the world grappled with how to build back *fairer* to address the inequalities starkly exposed by the pandemic. As a result, I was asked to join the Expert Working Group on Global Public Investment (EWG-GPI) and sit on its Steering Committee to take this concept forward. The unique role of public finance is no longer disputed but how it is channelled, governed and delivered all needs to be refreshed and our (EWG) report, due in April 2021, will bring the concept to life.

2020 was also a year of reflection for us organisationally as we embarked on the creation of a new 10-year strategy to take us to 2030. Despite the challenge of developing a strategy while we were mostly lockdown in our homes, we were able to undertake extensive consultation and research resulting in a clear vision for the role we want to play and the road map to get us there. At the end of such a challenging year, it has enabled us to look forward to what's to come, working closely with partners to ensure data-driven evidence and analysis are used effectively in policy and practice to end poverty, reduce inequality and increase resilience.

Progress addressing poverty, inequality and vulnerability under the SDGs was already off-track, the pandemic only served to further increase the challenge. The pandemic saw people who already did not have access to nutritious food, social protection, and essential services most impacted by the consequences of the lockdowns, losing jobs, their children being most impacted by school closures and food shortages. What was interesting was how universal this challenge was as inequalities in even the richest of societies were exposed.

Accurate, timely data on development and crisis interventions became vitally important during the Covid-19 pandemic. With our expertise in making sense of complex datasets on financing, DI has been in a unique position to start developing a near real-time picture of aid and how it is changing. As technical lead for the IATI, we provided development and humanitarian organisations with new guidance on publishing data on their activities to combat Covid-19 just two weeks after the WHO declared it a pandemic.

This real-time IATI data fed into our initial analysis of how Covid-19 was impacting development finance as early as June 2020, as well as informing this year's Global Humanitarian Assistance Report. We followed this with the launch of a Covid-19 aid tracker, which provides near real-time insights into aid and how it is changing during the pandemic, with monthly updates. This has proven hugely valuable and our analysis has been used by media outlets including Devex, the Washington Post and The New York Times to inform the public about impacts on aid. It has been accessed over 5,000 times and has contributed to the work of other organisations such as Oxfam, whose CEO called its findings "shocking". The UN Foundation also shared it with the President of the UN General Assembly in advance of their special session on Covid-19/real-time trends in aid spending for least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS).

Directors' report (continued)

For the year ended 31 December 2020

In 2020, we expanded our work in East Africa, widening our network of partners in the region and deepening our collaboration with local actors. Our work analysing the budgets of Kenya and Uganda and their impact on the poorest people took on new significance. In June, we published two papers examining the socioeconomic impacts of the Covid-19 pandemic in Kenya and Uganda, and how budget allocations could be changed to support affected sectors. These papers came to be two of DI's most widely accessed resources and, between them, were read more than 30,000 times. We also expanded our budget work to focus more on spending to support persons with disabilities. We worked closely with organisations of persons with disabilities in Kenya and its counties to provide them with the evidence they needed to advocate for greater economic inclusion. Our analysis enabled the Bungoma Disability Empowerment Network to secure the promise from the County Governor, on International Day of Persons with Disabilities, that a disability directorate would be set up in Bungoma to handle issues relating to disability.

We also continued our work in analysis on disaster risk reduction across Africa and launched collaborations to take this further in 2020. Following our analysis in 2019 on subnational budgeting for disaster risk reduction in Kenya and the national budget of Uganda, we were invited to share our work with the African Union and the Economic Community of West African States (ECOWAS). In early 2020, we supported the UN Office for Disaster Risk Reduction (UNDRR) to analyse investments in Rwanda and Tanzania and produced an overview of disaster risk reduction spending by synthesising 16 sub-Saharan African countries' risk-sensitive budget review reports. This has supported their work in the region throughout 2020 and led to the inclusion of Ethiopia as another focus country to track its investments towards disaster risk reduction.

In 2020, we produced a unique analysis of how the Covid-19 pandemic is impacting poverty and inequality. Presented at the UN World Data Forum, our interactive briefing allows users to compare poverty projections for every country and region – and has been explored by users from 67 countries. We also provided recommendations for how aid must adapt to ensure the poorest people are not left behind in the pandemic. This has been taken up and used by a range of CSOs and policy actors to inform and strengthen their work.

We launched the 2020 Global Nutrition Report, which led to media reports in over 60 countries and called for governments, businesses and CSOs to address malnutrition by tackling inequity in food and health systems. These messages were heard and echoed by powerful voices including the directors of United Nations Children's Fund (UNICEF), the WHO, the Food and Agriculture Organization (FAO) and the Bill & Melinda Gates Foundation. The Global Nutrition Report's annual reports and online resources, including Country Nutrition Profiles for every region and country in the world, continue to be go-to resources for data and evidence on malnutrition.

We also worked with the International Women's Development Agency (IWDA) to assess their Individual Deprivation Measure (IDM) – a new, gender-sensitive, multidimensional measure of poverty. We helped them understand the broader data landscape in which their measure would operate, and the costs associated with deploying surveys using it. The IWDA valued our support and we hope it will contribute to the wider use of this measure in future.

This has never been more important than in 2020, when the Covid-19 pandemic put unprecedented strain on our staff and their families. In these challenging times, we are proud of the support we have provided to our staff and the ways staff have supported each other. The Black Lives Matter movement also sparked change for us in 2020. As an organisation we offered safe spaces for discussion on issues of race, and all line managers undertook unconscious bias training. These steps form part of an ongoing programme of work to develop our equality, diversity and inclusivity as an organisation.

Development Initiatives Poverty Research Limited

Directors' report (continued)

For the year ended 31 December 2020

With the Covid-19 pandemic bringing challenges for staff in all our locations this year, we have focused on supporting our staff and ensuring our vital work can continue. All staff have been encouraged to work from home, and we made sure our offices could remain open for staff who needed them – wherever possible – by completing rigorous Covid-19 safety assessments. We introduced policies to support staff, including leave for child or elder care, and flexible working hours. We also provided office furniture for home working, and financial support for the staff that needed it most. In October 2020, we signed the Time to Change Employer Pledge, and have a 12-month action plan to increase awareness and break down mental health stigma and discrimination in the workplace. As part of this commitment, we trained 11 Mental Health First Aiders across all of our locations. These initiatives have been supported by our Staff Voice group – a new forum run by staff – who communicate regularly with the executive team. Representatives have been chosen by their teams to make sure that all our voices are heard.

This year, we invested in the first phase of our reward project, to make sure that we attract, retain and reward our staff fairly. Our focus in 2020 was to introduce an equitable and transparent framework for pay awards. We have been a Living Wage Employer in the UK since 2013, and are committed to ensuring that the same principles apply to salaries across all our locations. We also continue to monitor our gender pay gap and voluntarily publish the results. In 2020, the UK mean and median gaps stood at -5.53% and -12.28% respectively. This means that on average women earn more than men at DI, which is because more women occupy senior-level positions.

A range of organisations continue to support and fund our work, primarily private philanthropic foundations, governments and multilateral organisations that are committed to global development and ending poverty. Despite the changes in many donor priorities in 2020, DI managed to continue to deliver on its main projects which had already been funded. Our income in 2020 did fall by £644,787. This was largely driven by the scaling down of some projects and the reduction in travel as projects were put on hold while the world adjusted to the lockdown. After an initial freeze of three-months, changes were made to plans and all our projects were back up and running as the world adjusted to living with Covid-19. Most of the work which would have required travel moved on online instead with projects trying new methods of working to overcome travel restrictions globally. As a result, 2020 saw a dramatic decrease in our travel costs from £334,905 to £85,321. We anticipate travel will remain minimal in 2021 too.

Additional costs incurred in 2020 were toward the review of the previous strategy and the development of the new one. We invested a total of £173,136 of which £112,536 were staff time costs). We did manage to secure additional grants from the New Venture Fund and the William and Mary Hewlett Foundation to part fund this work. The rest was supported by our general support grants.

In 2020, as in previous years, our highest expenditure was on staff costs and professional services. Staff costs did increase in 2020 as more staff were recruited and some staff received an increase in their salaries following the pay review. Our consultant costs were down from £1,633,304 in 2019 to £1,103,580 in 2020 as a result of work undertaken by our founders on the P20 project coming to an end in 2019, our partnership with Publish What You Fund for the Grand Bargain finished and a few other consultancies were also closed as projects came to an end.

Training and development costs were lower in 2020 than 2019 as a major all-staff training and development programme completed in 2019. The majority of the support provided to staff in 2020 was around managing the new ways of working and additional stress and anxiety caused by the pandemic and the impact of closures on people. Bespoke training to improve staff's technical skills continued in 2020, however, it was lower than normal as staff doubled down on managing work and home priorities in a unusual year of lockdowns.

Development Initiatives Poverty Research Limited

Directors' report (continued)

For the year ended 31 December 2020

DI finished the year in a stable position after year of great change and transition. In 2021 DI will also move into a new head office in Bristol. The refit, move and increased rent will result in an increase in our overhead costs for the future. This is being planned into the finance strategy. The income pipeline for 2021 is healthy, with staff and programmes in place to continue to strengthen our work as a trusted partner working at the global, regional, national and local levels to ensure data-driven evidence and analysis are used effectively in policy and practice to end poverty, reduce inequality and increase resilience.

Auditor

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Harpinder Collacott

Director

Date: 21/07/21

Development Initiatives Poverty Research Limited

Directors' responsibilities statement For the year ended 31 December 2020

The directors are responsible for preparing the annual 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Development Initiatives Poverty Research Limited

Independent auditor's report

To the members of Development Initiatives Poverty Research Limited

Opinion

We have audited the financial statements of Development Initiatives Poverty Research Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Development Initiatives Poverty Research Limited

Independent auditor's report (continued)

To the members of Development Initiatives Poverty Research Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Development Initiatives Poverty Research Limited

Independent auditor's report (continued)

To the members of Development Initiatives Poverty Research Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Development Initiatives Poverty Research Limited

Independent auditor's report (continued)

To the members of Development Initiatives Poverty Research Limited

Use of our report

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 auditor's 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.

Michael Sf

Michael Strong (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date: 20 August 2021

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Development Initiatives Poverty Research Limited

Income statement

For the year ended 31 December 2020

		2020	2019
	Notes	£	£
Turnover		5,136,528	5,784,315
Operating costs		(5,141,907)	(5,738,884)
Operating surplus		(5,379)	45,431
Interest receivable and similar income	3	43,307	77,414
Interest payable and similar expenses		(9,575)	(23,166)
Surplus before taxation		28,353	99,679
Tax on surplus		(541)	(459)
Surplus for the financial year		27,812	99,220

Development Initiatives Poverty Research Limited

Statement of financial position

As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	4		38,400		72,600
Tangible assets	5		10,229		22,470
Investments	6		64,800		64,800
			<u>113,429</u>		<u>159,870</u>
Current assets					
Debtors	7	691,884		1,085,842	
Cash at bank and in hand		2,146,764		1,710,613	
		<u>2,838,648</u>		<u>2,796,455</u>	
Creditors: amounts falling due within one year	8	<u>(2,498,218)</u>		<u>(2,530,278)</u>	
Net current assets			<u>340,430</u>		<u>266,177</u>
Total assets less current liabilities			<u>453,859</u>		<u>426,047</u>
Capital and reserves					
Total equity			<u>453,859</u>		<u>426,047</u>

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 board of directors and authorised for issue on 21/07/21 and are signed on its behalf by:



Harpinder Collacott
Director

Company Registration No. 06368740

Development Initiatives Poverty Research Limited

**Statement of changes in equity
For the year ended 31 December 2020**

	Profit and loss reserves £
Balance at 1 January 2019	326,827
Year ended 31 December 2019:	
Surplus and total comprehensive income for the year	99,220
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Balance at 31 December 2019	426,047
Year ended 31 December 2020:	
Surplus and total comprehensive income for the year	27,812
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Balance at 31 December 2020	453,859
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1 Accounting policies

Company information

Development Initiatives Poverty Research Limited is a private company limited by guarantee incorporated in England and Wales. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. The registered office is 1st Floor Centre, The Quorum, Bond Street South, Bristol, BS1 3AE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities or grants made to the Company. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when:

- The Company has entitlement to the revenue, having discharged applicable restrictions on how the funds can be applied;
- Economic benefits have flowed or future economic benefits are reasonably certain to flow to the Company;
- The amount of revenue can be reliably measured.

Where a contract spans more than one reporting period, revenue for that contract is recognised in proportion to the total costs incurred to date, unless the contract assigns values for specific performance obligations.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1 Accounting policies (continued)

1.3 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of an entity represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over the useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20%-25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

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

1.8 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business 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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1 Accounting policies (continued)

1.13 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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

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. A liability is held as a foreign currency denominated liability so long as there is either a contractual obligation to do so or the funds giving rise to the liability are held in a foreign currency. Should neither apply, the liability will be converted into a Sterling denominated liability at the exchange rate actually attained. All exchange differences are taken into account in arriving at the operating result.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	80	77
	<u> </u>	<u> </u>

Of these 80 employees in the year, 5 received salaries over £65,000.

3 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	41,250	75,000
	<u> </u>	<u> </u>

Development Initiatives Poverty Research Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

4 Intangible fixed assets

Goodwill
£

Cost

At 1 January 2020 and 31 December 2020

190,200

Amortisation and impairment

At 1 January 2020

117,600

Amortisation charged for the year

34,200

At 31 December 2020

151,800

Carrying amount

At 31 December 2020

38,400

At 31 December 2019

72,600

5 Tangible fixed assets

**Plant and
machinery
etc**
£

Cost

At 1 January 2020

166,240

Disposals

(4,374)

At 31 December 2020

161,866

Depreciation and impairment

At 1 January 2020

143,770

Depreciation charged in the year

6,510

Eliminated in respect of disposals

1,357

At 31 December 2020

151,637

Carrying amount

At 31 December 2020

10,229

At 31 December 2019

22,470

Development Initiatives Poverty Research Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

6 Fixed asset investments

	2020	2019
	£	£
Shares in group undertakings and participating interests	64,800	64,800

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 & 31 December 2020	64,800
Carrying amount	
At 31 December 2020	64,800
At 31 December 2019	64,800

7 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	311,909	64,129
Amounts owed by group undertakings	-	134,594
Other debtors	379,975	887,119
	691,884	1,085,842

Development Initiatives Poverty Research Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	22,856	52,665
Amounts owed to group undertakings	25,397	-
Corporation tax	391	459
Other taxation and social security	67,412	86,995
Other creditors	-	45,000
Accruals and deferred income	2,382,162	2,345,159
	<u>2,498,218</u>	<u>2,530,278</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	-	77,517
	<u>-</u>	<u>77,517</u>

10 Related party transactions

Remuneration of key management personnel

	2020	2019
	£	£
Aggregate compensation	95,792	95,000
	<u>95,792</u>	<u>95,000</u>

10 Related party transactions (continued)

Other information

During the year the company provided services to its subsidiary DI International Limited totalling £299,971 (2019: £642,138), and received a sub-grant from DI International Limited of £582,454 (2019: nil) of which £82,980 was recognised in the year. The company also continued to provide a loan to its subsidiary which is interest free and repayable on demand. The balance at the year end was -£25,397 (2019: £134,594). The company received dividends during the year from its subsidiary of £41,250 (2019: £75,000).

Development Initiatives Poverty Research America Inc. (DIPRA) is a separately established US registered charity. There is substantial overlap between the boards of DIPR and DIPRA. During the year the company received a sub-grant from DIPRA totalling £920,647 (2019: £605,583), with £646,233 being recognised in the year, and DIPRA owed the company £286,018 (2019: £502,709). DIPRA also provided services to DIPR totalling £121,934 (2019: £112,208).

During the previous year the company purchased services from 2020 Initiatives Limited, a company controlled by the former directors Antony German and Judith Randel. These services had a total value of £197,419. There were no transactions with this company in the current year.

The company had an interest free loan from Antony German and Judith Randel, against which the final repayment of £45,000 was made during the year. This left a year end balance of £nil (2019: £45,000 reported within 'creditors due within one year').

Development Initiatives Poverty Research Limited

**Management information
for the year ended 31 December 2020**

Detailed income and expenditure account

For the year ended 31 December 2020

	2020	2019
	£	£
Turnover		
Bill and Melinda Gates Foundation	858,699	1,630,401
United Nations Office for Project Services (UNOPS)	733,056	768,371
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	522,038	-
Government of the Netherlands	462,459	494,989
Canadian International Development Agency	353,143	83,218
William and Flora Hewlett Foundation sub-awarded from DIPRA	314,364	426,415
DI International Limited	299,512	644,559
SDG Kenya Forum	265,773	44,081
Swedish International Development Agency	264,045	208,483
Swiss Agency for Development and Cooperation	246,992	231,141
Foreign, Commonwealth & Development Office	188,546	140,773
Sightsavers	165,815	75,313
USAID	151,839	190,643
European Commission	82,980	65,535
The Asia Foundation	69,865	-
Food and Agriculture Organisation	54,849	30,376
New Venture Fund	38,952	-
Irish Aid	30,624	54,619
United Nations Office for Disaster Risk Reduction	25,862	83,265
United Nations	5,822	-
Other income	1,293	47,754
Federal Ministry of Economic Cooperation and Development	-	285,727
Danish International Development Agency	-	203,951
Agropolis International	-	74,701
	<u>5,136,528</u>	<u>5,784,315</u>
	-	-
Operating costs	<u>(5,141,907)</u>	<u>(5,738,884)</u>
Operating surplus/(deficit)	(5,379)	45,431
Investment revenues		
Bank interest received	2,057	2,414
Dividends receivable from group companies	41,250	75,000
	<u>43,307</u>	<u>77,414</u>
Interest payable and similar expenses		
Foreign exchange gains/(losses)	(9,575)	(23,166)
	<u>28,353</u>	<u>99,679</u>
Surplus/(deficit) before taxation	<u>28,353</u>	<u>99,679</u>

Development Initiatives Poverty Research Limited

Schedule of operating costs For the year ended 31 December 2020

	2020	2019
	£	£
Operating costs		
Wages and salaries	2,527,598	2,360,522
Social security costs	232,743	204,680
Staff recruitment costs	27,838	39,958
Staff welfare	14,256	18,207
Private health insurance	17,802	17,942
Staff training	26,826	47,356
Staff pension costs defined contribution	118,327	108,717
Other staff costs	4,580	(825)
Directors' remuneration	95,792	95,000
Directors' social security costs	10,964	11,063
Disbursements	69,943	103,652
Rent and rates	191,784	151,516
Cleaning	5,496	8,600
Power, light and heat	4,292	4,787
Premises insurance	25,338	26,734
Computer running costs	336,348	294,364
Travelling expenses	85,321	334,905
Professional subscriptions	17,181	15,020
Legal and professional fees	22,332	45,056
Accountancy	9,703	3,126
Audit fees	25,773	8,886
Bank charges	3,843	5,498
Advertising	2,505	-
Telecommunications	10,771	21,421
Office expenses	80,412	85,408
Freelance and outsourced contracts	1,103,580	1,633,304
Irrecoverable VAT	29,849	53,951
Sundry expenses	-	(159)
Amortisation	34,200	34,200
Depreciation	6,510	5,995
	<u>5,141,907</u>	<u>5,738,884</u>

This page does not form part of the financial statements on which the auditors have reported.