

**Shivia empowers you to empower others**



**SHIVIA**

**Directors' Report and Financial Statements  
Period ended 31st March 2012**



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## Message from the Chairman

Shivia's aim continues to be making a positive socio-economic impact to the lives of the poor in India and Nepal. We have developed our own operations in West Bengal and sharpened our focus on the Partners Programme in Gujarat and West Nepal. We now have £229,000 of funds under management and are affecting the lives of approximately 3,500 clients directly and 18,000 indirectly.



Our focus is on training the poor in skills which will help them earn additional household income. Since January, we have trained and provided subsidised poultry toolkits to 1,200 home-farmers in West Bengal. As you will read elsewhere in this report, the outcome has been highly positive and we hope to extend the scope to other agricultural enterprises. Most encouraging is the fact that many home-farmers have developed to a stage where they do not feel they need our help any more, and they are training others in their local community. Whilst this has a negative effect on the growth of our own programme, and its ability to be financially self-sustaining, it is satisfying to make ourselves unnecessary in this way.

In Gujarat we are just commencing a scheme which aims to train 500 clients per year in construction trades such as masonry, carpentry and becoming electricians.

We are aware that our operations in India cannot be managed effectively from London and so are building our team in West Bengal. We are delighted with the appointment of Mr. Jogeshwar Rao in Kolkata as Acting General Manager. Mr. Rao will take over many of the day to day responsibilities and report directly to Ms. Olivia Donnelly who continues as Chief Executive.

Our Board of Directors in the UK remains the same with four directors covering financial, commercial, legal and international development backgrounds. It provides governance and oversight of the charity, meeting at least on a quarterly basis, or more frequently if required. As our activities expand the Board is considering recruiting further directors with the required skills and knowledge to help take the business forward. We are also strengthening governance in India with the recent appointment of two additional, local, external directors.

During the 7 month period, Shivia received donated, pro-bono services and gifts in kind totalling £5,500. In these financially challenging times we are immensely grateful to all those who have given us their time, knowledge and skills which have made a significant contribution to the governance and charitable activities of Shivia.

I would like to thank our donors, my fellow Directors and all our managers for their efforts to fulfil our objectives, and position Shivia as a successful, transparent and ambitious organisation.

A handwritten signature in black ink, which appears to read 'S. Tester'. The signature is fluid and cursive, written on a white background.

**Stuart Tester**

# Report from the CEO

## Introduction

Shivia works with the poorest of the poor in India and Nepal running training schemes so they can earn additional income. They all wish to send their children to school, have ready access to clean water for drinking and irrigation and enjoy proper medical and veterinary services. In addition those working in urban areas are motivated by sending remittances to their families back home in the villages.



An important aspect of our work is to be able to measure the effects we are achieving with our beneficiaries. To do this we compile Social Impact Assessments (SIAs) when we begin working with them, which we update annually. In this way we build up a picture which not only shows the tangible advances in each family, but also helps us to see which schemes are more successful.

I am aware that it is difficult to manage operations in India from 5,000 miles away in London and that it is more effective to employ local staff. In October 2012, we appointed Mr. Jogeshwar Rao as Acting General Manager in Kolkata with a remit to build a small team of skilled staff in West Bengal to design and implement appropriate training schemes.

For administrative reasons we recently changed our accounting date to bring us into line with our Indian operations, which by local law must make up the accounts to 31st March, so the attached accounts cover the 7 months to 31st March 2012.

We also changed our name from Shivia Microfinance to Shivia.

The 7 months have witnessed other changes too; our Livelihood Programme in West Bengal is gaining momentum and this is where we will focus the majority of our time and efforts in the future, as explained in more detail below.

## Livelihood Programme

Our Livelihood Programme is based on three concepts – training, creating productive enterprises and generating additional income. It is located in two rural locations in the state of West Bengal, our original site at Bhaluka (30 miles north of Kolkata), and since July this year at Babnan (38 miles north east of Kolkata).



Most home-farmers we are working with earn approximately Rs 100 (£1.15) per day as agricultural labourers for 200-250 days per year; they spend six months planting paddy and the rest on other fruits and vegetables. This amount of income is barely enough to meet essential living costs, so it is no wonder that many of them struggle to find the Rs 450 (£5.20) which we seek for their first toolkit as a commitment to the scheme. The fact that many of them do manage to find the funds indicates the value they put on our scheme. To help them, we have an arrangement for them to pay 50% on registration and the balance when the toolkit is delivered, a month later.

At present we operate solely in the agricultural sector, focusing on poultry, and since January 2012, we have worked with 1,200 home-farmers. We train and mentor the families for about three months and



provide subsidised toolkits, consisting of 10 one-day old chicks or ducks, vaccinations, medicines and feed. We have recently introduced ducks as an alternative to chickens to overcome problems during monsoons and to give home-farmers a choice of product. We are also tailoring the project to match the peak selling periods (the festival and dry seasons). The key challenges facing the home-farmers are rising grain prices and forging market links, both of which we are addressing. If the home-farmers choose to sell all their chickens, they can earn about £13, but many keep some of them either to eat, especially at festival time, or for egg production, which can yield approximately £14 per year per chicken. So if they keep half the birds they can increase their annual income by up to 30%.



We now employ 12 Livelihood Service Providers (LSPs) to market the programme, interview potential home-farmers, complete the SIAs, provide the training, deliver the toolkits and collect payments. In the early months of the project we had difficulties in retaining LSPs, which restricted our rate of expansion with the result that we have not achieved our target number of home-farmers. Since offering a more generous remuneration package and providing some of the LSPs with loans to acquire motorcycles to reach more home-farmers, the situation has improved and we are much nearer to our original targets.



We have been surprised at the number of home-farmers who have not bought second or third toolkits but feedback suggests that they are now training each other or indeed keeping their chickens and ducks for egg production, which we see as an unforeseen benefit of our efforts. This means that the LSPs will have to work harder to hit their targets and it has affected the financial aspect of the programme.

Our strategy of selling fewer toolkits to many poorer farmers, rather than many toolkits to a smaller number of farmers, results in a labour intensive model and with the need to increase the LSPs remuneration package referred to above, the project is not, and will not, be self-funding. What these high fixed costs do mean is that as more funds become available the activities can be increased for the same overhead cost. Each additional £1,200 of funding next year will increase our level of activity by about 9%.

## Partners Programme

Both our Partners are well established and respected organisations, which operate a number of programmes funded from different sources. The microfinance programmes we have funded share the objectives set out in my opening paragraph.

### Backward Society Education (BASE) Nepal

BASE is a mass membership organisation of over 170,000 members which works for the welfare of marginalised poor and deprived communities, in the mid and far western regions of Nepal which are principally rural economies. Its microfinance scheme was developed with and is funded entirely by Shivia. It operates in the Dang District of Nepal, a valley near the Indian border some 255 miles west of Kathmandu, and offers loans and training to women who are involved in a group and have contributed savings. Loans are approximately £160 and are repaid over a one year period. On average, beneficiaries earn £35 profit per year from these enterprises. The most popular activity is livestock-keeping (pigs, goats, sheep, cows, buffalo and poultry) followed by kitchen-gardening and small businesses. Not only are the members enabled to maintain their daily needs and educate their children, but their levels of

empowerment are raised allowing them to play a pivotal role in the community and minimise violence against women.

The number of beneficiaries has grown steadily since the scheme was set up in May 2009, and BASE has lent to over 1,000 clients with 428 loans outstanding.

I reported last year that BASE had expanded into Banke District, an even more remote, forest-dense district, lying to the west of Dang and I referred to the many challenges which it faced in such a location. It became clear quite soon that it was too dangerous for BASE's staff to travel there carrying cash, either as new loans or as repayments, and it was too remote to be financially sustainable. Accordingly in December 2011, BASE decided to withdraw from Banke; most loans are now repaid and the money is being redeployed in the Dang District.



BASE has experienced difficulty in persuading the local authorities in Dang to install the promised 3-phase electricity in the villages for the 8 water pumps we purchased in early 2011. The first pump began operating in June 2012, providing clean water to 250 villagers (45 households) for drinking and irrigation, crucial to the success of their agricultural microenterprises. A second pump should start operating in December 2012 and BASE is hopeful that the other 6 pumps will be connected before my next report.

### **SAATH Gujarat, India (SAATH means “Together, co-operation, a collective or support”)**

In contrast to BASE which works solely in rural areas, SAATH operates principally in the town of Ahmedabad where its integrated services reach over 100,000 slum dwellers. It also operates in many other towns in Gujarat and Rajasthan.

Since we started in October 2010, a total of 1,234 members have received loans and training, of which there are 717 loans outstanding. 80% of clients are female and both Hindus and Muslims; the Hindus generally come from the lowest castes. Approximately 77% attended school but 23% are illiterate and most have forgotten what they learnt. Despite this, all clients seem aware of their repayment schedules and loan staff are proactive at monitoring their businesses and situations. This close monitoring has ensured only one case of arrears and no defaults.



Approximately one third of the borrowers are engaged in “cloth-tailoring”; other common enterprises include vendors/traders in food and general goods, iron work and grocery shops. Seasonal businesses such as kite-making are also popular.

For the past year, we have been discussing with the management of SAATH how to best use the second £50,000 in our Gujarat Fund and have agreed to fund a scheme to train tradesmen for the construction industry in that State. SAATH will be drawing on its network of Urban Resource Centres to recruit trainees, who will attend evening classes for about 4 weeks and a further 4 weeks at relevant placements. We shall be advancing funds on a phased basis, starting in December 2012, so that Shivia may be satisfied that the Scheme is producing tradesmen - masons, carpenters and electricians - with the skills required by local employers.

We have no plans for further investment in the Partners Programme.

## Income

For the period under review, our voluntary income was £52,000 and we have been given legal advice, office space and website development free of charge to the value of £5,500. We held a party in London in 2011 to celebrate Diwali which raised £8,000; the contributions from home-farmers to the poultry project amounted to £2,000 and interest on bank balances brought in a further £3,000.

In the current year we are continuing to pitch to a variety of donors: individuals, foundations, trusts and corporates and we are also trying to generate new funds through our Regular Giving and Ambassadors Schemes. This is a change in strategy from focusing on a few donors for large amounts to many donors for smaller, regular amounts.

## The future

2012 has been a year of experimentation and learning in West Bengal – which breeds of chicken flourish in that climate; how the response of Bengali farmers differs from farmers in the state of Orissa (where our model was developed by our consultants); how best to recruit, train and motivate LSPs; and above all how important it is to have the correct management structure for our chosen area of operations with total responsibility for operations. 2013 will be a year of development and building on the lessons learnt in 2012. Our plan is to concentrate on poultry farming, perhaps opening a third branch, and to put much effort into building a team of professionals – at both the management and the staff levels - with skills in both training and poultry services.

We have sufficient funds to pursue an ambitious plan for the poultry project in 2014 and our partner in Gujarat, Saath Co-Operative, is also fully funded for its plans for the Training Scheme in Ahmedabad. In the two States we should train over 5,000 men and women.

Looking further ahead, and barring unforeseen circumstances, I am confident that Shivia will have sufficient support to extend our poultry project very substantially. The demand is certainly there and I believe that we shall have the people and the expertise to meet that demand.

## Acknowledgements

In these times of economic difficulty I am very conscious of the hardships faced by so many people; accordingly I am very grateful for the support we receive from both old and new donors.

I am also most grateful to all those advisers and supporters who have given their time, knowledge, guidance and skills; I am aware that we cannot do our work without their invaluable support.

On my visits to India and Nepal I am constantly told by our beneficiaries how much they appreciate our contribution to their lives. So on their behalf and on behalf of all of us who are employed by Shivia, I would like to say “Thank you all very much”.



**Olivia Donnelly**

# Report of the Directors

The directors present their annual report and the financial statements of the Company for the period ended 31st March 2012.

## 1 Directors

Mr. Stuart Tester	Non-executive chairman of the board
Ms. Olivia Donnelly	Chief Executive Officer
Mr. Timothy Neslen	Non-executive
Mrs. Annabel Heathcoat-Amory	Non-executive

## 2 Objectives and activities

The Company's objects are the relief of need in areas of social and economic deprivation, particularly in India and Nepal, by the provision of financial and technical assistance and the advancement of education and training.

The Company currently operates two programmes, a Livelihoods Programme under its own management and a Partners Programme through local partners.

## 3 Business model

### Livelihood Programme

The Livelihood Programme provides rural families, many of whom have had no training, with skills to increase their household income. The first livelihood project is poultry farming in two villages 30 miles north and 38 miles north-east of Kolkata; the family receives training in their own village and is supplied with a toolkit consisting of ten 1-day old chicks, a course of vaccinations, medication, feed for the first 4 weeks and daily mentoring. After about 13 weeks the chickens may be sold locally or kept for food, egg production or breeding.

The current position of the project is explained more fully in the Chief Executive's report.

Further projects will be considered when the Company has established sufficient resources to undertake them.

### Partners Programme

Donations received primarily from the UK have been lent interest-free to two local partners, which run microfinance schemes - SAATH in urban Gujarat and Backward Society Education ('BASE') in rural West Nepal (details in the Report from the CEO) which make loans and provide training to poor borrowers, who repay the loans with interest, typically over a one year period, in weekly or monthly instalments.

In December 2011 the directors of BASE decided to withdraw from operations in Banke District of Nepal (about 317 miles west of Kathmandu) as it was felt that it was too dangerous for staff to



travel there with cash and too remote for the project to be financially sustainable. Loans are currently being repaid and the money is being redeployed to borrowers in the Dang District which is considered safer.

The directors have no plans to lend to any new partners.

#### **4 Financial review of the period**

The Company's income for the period was £70,000, details of which are shown in the income and expenditure account on page 11; £10,000 was lent during the period to BASE making a total at 31st March of £73,000, which is repayable by December 2015.

The Board's policy is to retain sufficient cash balances to meet the following 12 months' costs.

#### **5 Governance and management**

##### **Governing document**

The Company is limited by guarantee, the governing document being its Memorandum and Articles of Association. Membership, which is limited to the subscribers to the Memorandum of Association and to the directors, is not transferable. The liability of each member in the event of the dissolution of the Company is limited to £10.

##### **Directors**

The directors may appoint additional directors or to fill a casual vacancy; such appointees must retire at the next annual general meeting, but may offer themselves for re-election. The Board, which must have at least three members, provides governance and oversight; it meets four times a year and holds interim telephone conferences. Mr. Tester is the Chairman of the Board. The Remuneration Committee comprises Messrs Tester and Neslen.

At the forthcoming annual general meeting, Mr. Neslen will resign as a Director and offers himself for re-election.

##### **Management**

As well as Ms. Olivia Donnelly, who is the Chief Executive Officer, the management team comprises Mr. Brooke Johns, Secretary, Mr. Jogeshwar Rao, Acting General Manager and Ms. Charlotte Allum-Smith, Executive Assistant, all of whom report to Ms. Donnelly.

Ms. Donnelly, who is in charge of the day to day running of the Company, planning, fund raising and the management of risk, reports to the Board of Directors. The Company, with the authorisation of the Charity Commission under section 26 of the Charities Act 1993, pays Ms. Donnelly a salary of £32,500 pa. From December 2011 to August 2012 Ms. Donnelly was on maternity leave, with the result that the charge in the accounts for her salary is considerably lower than that figure.

Mr. Johns, who works on a voluntary basis, develops financial and management controls and assists Ms. Donnelly with planning and organisation. He is responsible for the secretarial and accounting functions and advises the Board on matters of governance.

Mr. Rao is responsible for the day to day operations in Kolkata as well as monitoring the funds lent to the two partners.

Ms. Allum-Smith is responsible for day to day administrative matters, event organisation, helping with donor reports and newsletters as well as assisting Ms. Donnelly with fund-raising.

Shivia enjoys generous support from a number of friends and advisers (legal, website, office space) as well as volunteers who help with specific purposes, such as events.

### **Facilities and equipment**

The Company's registered office is at EFG Private Bank, London, a donated service for which it is most grateful.

This statement was approved and authorised for issue by the Board on 11th December 2012 and signed on its behalf by :



**Olivia Donnelly**

**Director**



**Stuart Tester**

**Director**

# Accounts

## SHIVIA

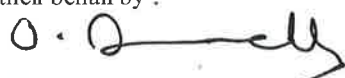
### Consolidated statement of financial activities including Income & Expenditure Account for the period ended 31st March 2012

				2012 7 months	2011 12 months
	Note	General fund £	Restricted funds £	Total £	Total £
<b>Incoming resources</b>					
Voluntary income	4	28,836	28,760	57,596	163,932
Activities for generating funds		7,726	0	7,726	0
Trading income		0	2,467	2,467	0
Investment income	5	113	2,477	2,590	36
Total incoming resources		36,675	33,704	70,379	163,967
<b>Resources expended</b>					
Cost of generating funds	6	3,712	0	3,712	2,959
Charitable activities	6	30,260	16,594	46,854	85,064
Governance costs	6	1,941	5,276	7,217	28,990
Provisions for exchange differences		2,234	11,347	13,581	7,044
Total resources expended		38,147	33,217	71,364	124,057
<b>Net movement in funds</b>		(1,472)	487	(985)	39,910
<b>Reconciliation of funds</b>					
Total funds brought forward		61,443	168,391	229,834	189,924
<b>Total funds carried forward</b>	15	59,971	168,878	228,849	229,834

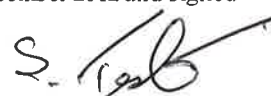
There are no recognised gains or losses other than the net income/(deficit) for the above two financial periods.

The accompanying notes and policies form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the directors on 11th December 2012 and signed on their behalf by :



**Olivia Donnelly**  
Director



**Stuart Tester**  
Director

# SHIVIA

## BALANCE SHEETS

31st March 2012

	Note	31 March 2012		31 August 2011	
		The Group	The Company	The Group	The Company
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	9,393	8,885	9,767	9,270
Programme related investments	11	109,040	152,071	108,272	108,272
Investment in Shivia India	12	0	0	0	47,380
		118,433	160,956	118,039	164,922
<b>Current assets</b>					
Debtors	13	6,510	3,684	1,817	1,751
Cash at bank		108,028	78,637	113,443	74,726
		114,538	82,321	115,260	76,477
<b>Creditors - amounts falling due within 1 year</b>	14	(4,122)	(2,599)	(3,465)	(2,488)
<b>Net current assets</b>		110,416	79,722	111,795	73,989
<b>Total assets less current liabilities</b>		<b>£ 228,849</b>	<b>£ 240,678</b>	<b>£ 229,834</b>	<b>£ 238,911</b>
<b>Funds</b>					
Unrestricted income funds	15	59,971	59,971	61,443	61,443
Restricted income funds :					
West Bengal fund	15	49,445	61,274	63,758	72,836
Gujarat fund	15	46,415	46,415	22,159	22,159
Nepal fund	15	8,616	8,616	7,704	7,704
Unspecified operations fund	15	64,402	64,402	74,770	74,770
<b>Total funds</b>		<b>£ 228,849</b>	<b>£ 240,678</b>	<b>£ 229,834</b>	<b>£ 238,911</b>

For the financial period ended 31st March 2012 the Company was entitled to exemption from audit under section 477 Companies Act 2006 ("the Act") relating to small companies. The members have not required the Company to obtain an audit of these financial statements in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accompanying notes and policies form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the directors on 11th December 2012 and signed on their behalf by :



**Olivia Donnelly**  
Director



**Stuart Tester**  
Director

# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

### 1 Accounting policies

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, adopting the following principal accounting policies :

#### b) Incoming resources

Voluntary income which provides core funding or is of a general nature is recognised when there is a certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred where the donor specifies that the donation must only be used in future accounting periods or has imposed conditions which must be met before the Company has an unconditional entitlement. Investment income is recognised on a receivable basis. Donated services and facilities are included at values estimated by the donors.

#### c) Volunteers

No provision is made in these financial statements for the value of services provided by volunteers. Further details of the contribution made by volunteers can be found in the Directors' Report.

#### d) Resources expended

Expenditure is recognised when a liability is incurred.

#### e) Value added tax

Irrecoverable value added tax is charged against the category of expenditure on which it was incurred.

#### f) Funds structure

The Company has a number of restricted income funds to account for situations where donors have given funds for specified purposes. Details of such funds are shown in note 15.

#### g) Programme related investments

Details of programme related investments are set out in note 11.

#### h) Depreciation of tangible fixed assets

Fixed assets are depreciated to write them off over their expected useful lives  
in the United Kingdom and Nepal by equal annual instalments at the rate of 20% on cost  
in India at the following rates on the reducing balance -

computers	60%
office equipment	20%

### 2 Legal status of the Company

The Company is limited by guarantee and has no share capital. The liability of each member in the event of the dissolution of the Company is limited to £10.

### 3 Consolidated accounts

The Company is the sole provider of funds to Shivia India (note 11) which is managing and financing a poultry project in two villages in rural West Bengal within 40 miles of Kolkata, being undertaken by Nirdhan Development & Microfinance ('Nirdhan') and its management team is closely involved in the management of the project. Accordingly the Directors of the Company consider that it, Shivia India and Nirdhan are managed on a unified basis and have prepared consolidated financial statements for the three entities on a line by line basis.



# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

	2012 7 months			2011 12 months
	£	£	£	£
<b>4 Sources of voluntary income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
Individuals	12,016	0	12,016	91,835
Foundations and trusts	15,000	25,000	40,000	37,500
Donated services	1,820	3,760	5,580	34,596
	28,836	28,760	57,596	163,932
<b>5 Investment income</b>				
Bank interest	113	2,477	2,590	36
<b>6 Resources expended</b>	<b>Generating funds</b>	<b>Charitable activities</b>	<b>Governance</b>	<b>Total</b>
Costs directly attributable to activities				
Staff costs		26,895		38,037
Travel and subsistence	577	9,711		16,752
Indian operations		7,441		13,203
Activities for generating funds	2,589			0
Office costs		2,198		22,152
Depreciation of fixed assets		1,442		1,030
Other	546	(833)		1,581
Irrecoverable loan to a local partner			0	12,255
Legal costs			0	11,910
Support costs				
Office costs			5,271	0
Travel & subsistence			1,104	0
Legal costs & bank charges			661	0
Audit fees			181	93
Provisions for exchange differences			13,581	0
	3,712	46,854	20,798	117,013

# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

	2012		2011	
	The Group	7 months The Company	The Group	12 months The Company
	£	£	£	£
<b>7 Analysis of staff costs</b>				
Ms O M Donnelly, gross salary	10,087	10,087	30,000	30,000
Other UK staff	5,833	5,833	500	500
Employer's national insurance	2,081	2,081	2,553	2,553
Indian staff	8,893	0	4,984	0
	<u>26,894</u>	<u>18,001</u>	<u>38,037</u>	<u>33,053</u>
<b>8 Movement in total funds for the period</b>				
Depreciation	1,442	1,310	1,030	0
Auditors' remuneration	<u>181</u>	<u>0</u>	<u>93</u>	<u>0</u>
<b>9 Taxation</b>				
The Company is a registered charity and no provision for taxation is considered necessary.				
<b>10 Tangible assets</b>				
<b>Water pumps in Nepal</b>				
<b>Cost</b>				
At 1st September 2011	10,300	10,300	0	0
Additions	<u>0</u>	<u>0</u>	<u>10,300</u>	<u>10,300</u>
At 31st March 2012	<u>10,300</u>	<u>10,300</u>	<u>10,300</u>	<u>10,300</u>
<b>Depreciation</b>				
At 1st September 2011	1,030	1,030	0	0
Depreciation charge	<u>1,202</u>	<u>1,202</u>	<u>1,030</u>	<u>1,030</u>
At 31st March 2012	<u>2,232</u>	<u>2,232</u>	<u>1,030</u>	<u>1,030</u>
<b>Net book value</b>				
At 1st September 2011	9,270	9,270	0	0
At 31st March 2012	8,068	8,068	9,270	9,270
<b>Office equipment</b>				
<b>Cost</b>				
At 1st September 2011	0	0	0	0
Additions	<u>1,565</u>	<u>925</u>	<u>497</u>	<u>0</u>
At 31st March 2012	<u>1,565</u>	<u>925</u>	<u>497</u>	<u>0</u>
<b>Depreciation</b>				
At 1st September 2011	0	0	0	0
Depreciation charge	<u>240</u>	<u>108</u>	<u>0</u>	<u>0</u>
At 31st March 2012	<u>240</u>	<u>108</u>	<u>0</u>	<u>0</u>
<b>Net book value</b>				
At 1st September 2011	0	0	0	0
At 31st March 2012	1,325	817	497	0
<b>Total net book values</b>				
At 1st September 2011	9,270	9,270	0	0
At 31st March 2012	<u>9,393</u>	<u>8,885</u>	<u>9,767</u>	<u>9,270</u>

# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

	2012		2011	
	The Group	7 months The Company	The Group	12 months The Company
	£	£	£	£
<b>11 Programme related investments</b>				
Backward Society Education, Nepal	66,210	66,210	61,113	61,113
SAATH Trust, Gujarat	42,830	42,830	47,159	47,159
Shivia India	0	43,031	0	0
	<u>109,040</u>	<u>152,071</u>	<u>108,272</u>	<u>108,272</u>

The loan to Backward Society Education, which is denominated in Nepalese Rupees, is to partly fund a project for the eradication of poverty in West Nepal and is repayable by December 2015.

The loan to Saath Trust which is denominated in Indian Rupees, is to partly fund a project for the eradication of poverty in the state of Gujarat and is repayable to Shivia India by 31st August 2015.

Shivia India, a public charitable trust within the meaning of the Indian Trust Act, 1908, manages and finances the operations in the state of West Bengal, which are being undertaken by Nirdhan, a private limited liability company formed under the provisions of section 25 Companies Act, 1956. A company formed under that section must apply its income to the promotion of its objects and may not pay dividends or remuneration to its members. The trustees are Messrs Vasant Subramanyan, Pramod Marar and Nishant Lalwani, all of Indian nationality and residence. The Company has no legal control over Shivia India nor over Nirdhan.

<b>12 Investment in Shivia India</b>	<u>0</u>	<u>47,380</u>
See note 11		

<b>13 Debtors</b>				
Prepayments	6,510	3,684	1,817	1,751
	<u>6,510</u>	<u>3,684</u>	<u>1,817</u>	<u>1,751</u>

<b>14 Creditors - amounts falling due within 1 year</b>				
Trade creditors	1,264	1,263	0	0
Accrued expenses	2,858	1,336	3,465	2,488
	<u>4,122</u>	<u>2,599</u>	<u>3,465</u>	<u>2,488</u>

# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

### 15 Analysis of funds movements

	General fund £	West Bengal fund £	Gujarat fund £	Nepal fund £	Unspecified operations fund £	Total £
<b>2012 The Group</b>						
Balance at beginning of period	61,443	63,758	22,159	7,704	74,770	229,834
Incoming resources	34,855	8,704	25,000	0	0	68,559
Resources expended	(36,327)	(23,017)	(744)	912	(10,368)	(69,544)
Balance at end of period	59,971	49,445	46,415	8,616	64,402	228,849

### 2012 The Company

Balance at beginning of period	61,443	72,836	22,159	7,704	74,770	238,912
Incoming resources	34,855	0	25,000	0	0	59,855
Resources expended	(36,327)	(11,562)	(744)	912	(10,368)	(58,089)
Balance at end of period	59,971	61,274	46,415	8,616	64,402	240,678

### 2011 The Group

Balance at beginning of period	72,424	40,000	25,000	0	52,500	189,924
Incoming resources	72,071	59,096	0	9,500	23,300	163,967
Resources expended	(83,052)	(32,931)	0	0	(1,030)	(117,013)
Provisions for exchange differences	0	(2,407)	(2,841)	(1,796)	0	(7,044)
Balance at end of period	61,443	63,758	22,159	7,704	74,770	229,834

### 2011 The Company

Balance at beginning of period	72,424	40,000	25,000	0	52,500	189,924
Incoming resources	72,071	50,000	0	9,500	23,300	154,871
Resources expended	(83,052)	(14,757)	0	0	(1,030)	(98,840)
Provisions for exchange differences	0	(2,407)	(2,841)	(1,796)	0	(7,044)
Balance at end of period	61,443	72,836	22,159	7,704	74,770	238,911

Income credited to the West Bengal, Gujarat and Nepal funds may be used only for operations in those states respectively.

Income credited to the Unspecified Operations fund may be used only for operations, in such locations as the Board may authorise.

# SHIVIA

## NOTES TO THE ACCOUNTS for the period ended 31st March 2012

	2012	2010
	7 months	12 months
The	The	The
Group	Company	Group
£	£	£

### 16 Related party transactions

The Company incurred the following expenses for three Directors in connection with the Company's operations as follows :

Travelling	6,303	7,352
Subsistence	1,697	1,612
Entertaining	0	30
Telephone	1,101	3,623
Other	0	555
	<u>9,101</u>	<u>13,172</u>

Shivia India reimbursed one Trustee for travelling expenses of £833 in connection with the Trust's operations.

The Company, with the authorisation of the Charity Commission under section 26 of the Charities Act 1993, pays Ms O M Donnelly a salary of £32,500 pa. Ms Donnelly was on Maternity Leave from 18th December 2011 to 27th August 2012.



# Statement of Directors' responsibilities

## General responsibilities

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements the directors are required to :

- select suitable accounting policies and apply them consistently
- make judgements and 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 confirm that they have complied with the above requirements in preparing the financial statements.

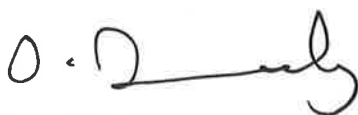
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2008. They are also responsible for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Directors' declaration on unaudited financial statements

In relation to the financial statements comprising the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes the directors approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the Company will continue in business.

The directors confirm that to the best of their knowledge and belief, the accounting records reflect all the transactions of the Company for the period ended 31st March 2012.

## Signed on behalf of the Board



**Olivia Donnelly**  
Director



**Stuart Tester**  
Director

## Independent examiner's report to the trustees of Shivia

I report on the accounts of the company for the period ended 31 March 2012, which are set out on pages 11 to 18.

### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

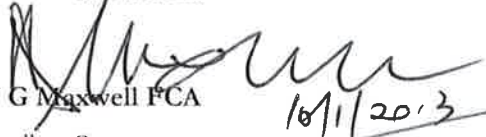
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

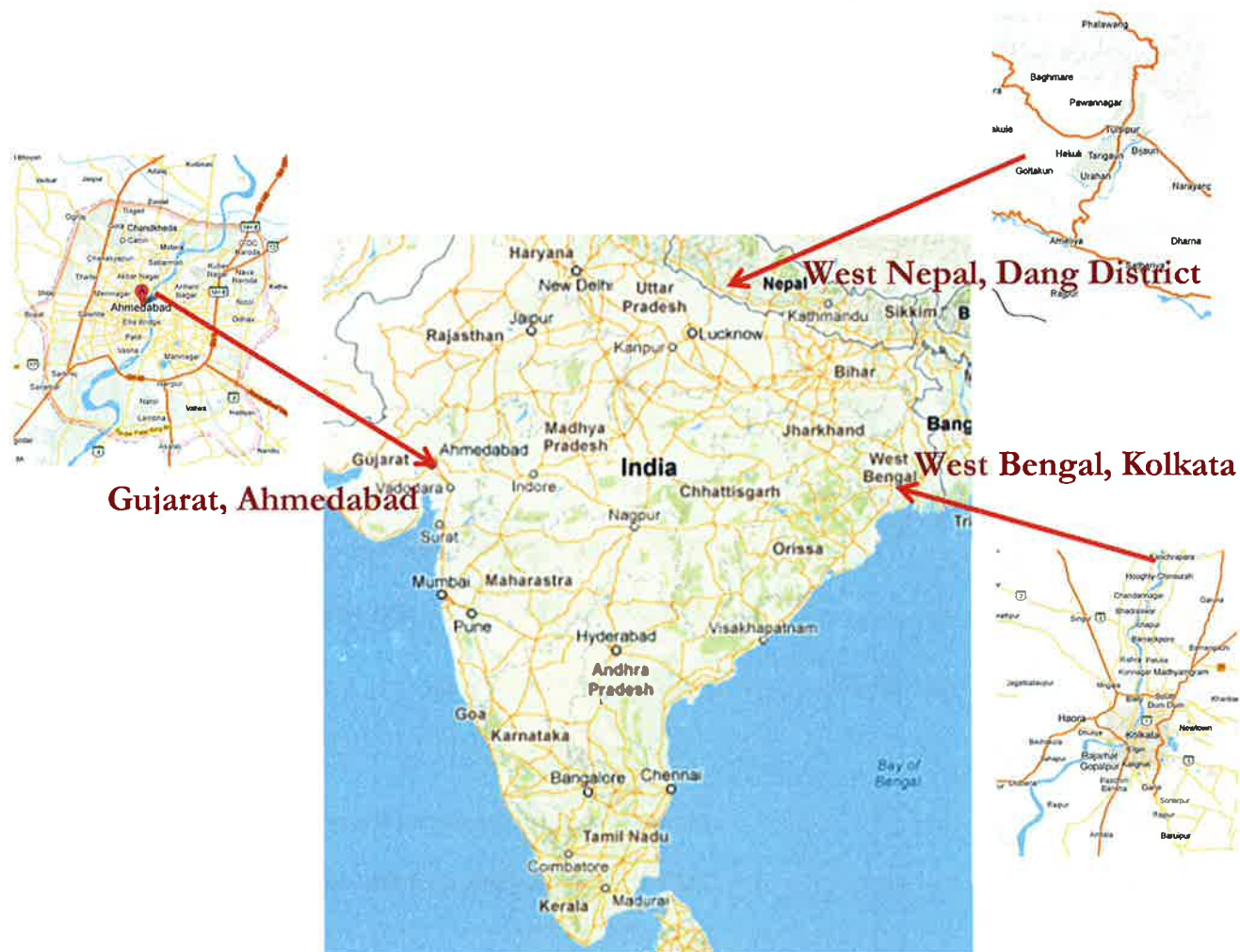
have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
H W G Maxwell FCA

Maxwell & Co  
Suite 13, The Granary  
Hones Yard  
1 Waverley Lane  
Farnham  
Surrey  
GU9 8BB

## Appendix One: Map of Operations



This map of India is not to scale and is for representative purposes only. Shivia does not make any representation with regard to the authenticity, completeness, reliability or accuracy of the map, including the borders shown on the map. Shivia does not take any responsibility and expressly disclaims all liability based on or arising from the use or application of, or reliance upon, this map. In no event shall Shivia be liable for any claim or damages whatsoever, whether direct, indirect, special, consequential and/or incidental arising from the access to and/or use of or inability to access and/or use of the map.

## Appendix Two: Administrative Details of Shivia UK and Shivia India

### Shivia UK

<b>Registered office address</b>	c/o EFG Private Bank Ltd, Leconfield House, Curzon Street, London W1J 5JB <b>Email:</b> info@shivia.com <b>Website:</b> www.shivia.com
<b>Company registration No.</b>	6596925
<b>Charity registration No.</b>	1126444
<b>Bankers</b>	HSBC Bank, 129 New Bond Street, London W1S 1EA
<b>Legal Advisers</b>	Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ

### Shivia India

<b>Trustees</b>	Messrs Vasant Subramanyan, Pramod Marar, Nishant Lalwani
<b>Registered office</b>	D2 Rawdon Chambers, 11A Rawdon Street, Kolkata 700017
<b>Registration no.</b>	11780
<b>Auditors</b>	Bannerjee & Bose, Chartered Accountants, 131/19 Netaji Subhas Chandra Bose Road, Kolkata 700 040
<b>Bankers</b>	HSBC Bank Ltd, 31, BBD Bagh, Kolkata- 700 001  Karur Vysya Bank, 37, Shakespeare Sarani, S.B. Towers, Kolkata-700017  SBI, Shakespeare Sarani Branch, Kolkata-700071
<b>Legal advisers</b>	Fox Mandal, 12 Old Post Office Street, Kolkata-700 001  LP Agarwalla & Co, 1B, Old Post Office Street, Emerald House, Ground Floor, Kolkata 700 001

## Appendix Three: Biographical Details

### UK personnel

#### Stuart Tester



**Role:** Chairman and Director

**Nationality:** British

**Age:** 61

**Appointment date:** Mr. Tester was appointed a Director of Shivia in May 2008 and Chairman of the Board in October 2009

**Career:** Mr. Tester is a consultant in the International Gas and Energy business. Prior to this he was a Senior Executive with Shell. He is now adviser to the Boards/CEOs of several businesses across a range of industry sectors

**Education:** Applied Chemistry at Greenwich University (First Class Honours)

**Other:** Former Special Adviser on Middle Eastern Affairs to TRHs The Prince of Wales and The Duchess of Cornwall

#### Tim Neslen



**Role:** Director

**Nationality:** British

**Age:** 30

**Appointment Date:** Mr. Neslen was appointed a Director of Shivia in September 2009; prior to this he volunteered for four months

**Career:** Mr. Neslen works for Europa Capital, a Real Estate Private Equity Fund, focusing on acquisitions in Southern Europe. Prior to this, he worked for Goldman Sachs in the Merchant Banking Division looking at private equity investments across Europe

**Education:** MA Geography at Oxford University, gaining the Shell prize for Field Work

**Other:** Tim has travelled extensively in South East Asia and Europe

#### Annabel Heathcoat-Amory



**Role:** Director

**Nationality:** British

**Age:** 32

**Appointment Date:** Mrs. Heathcoat-Amory was appointed a Director of Shivia in March 2010; prior to this she had helped on a voluntary basis

**Career:** Mrs. Heathcoat-Amory is a qualified solicitor and previously worked for Herbert-Smith LLP, primarily in its commercial litigation department. She also has experience in corporate, property and competition law

**Education:** Law at BPP, London and MA History at Oxford University



## Olivia Donnelly



**Role:** Chief Executive and Director

**Nationality:** British

**Age:** 32

**Appointment Date:** Ms. Donnelly founded Shivia in December 2007 and became a Director in May 2008. She became Chief Executive in September 2010

**Career:** Prior to Shivia, Ms. Donnelly worked at Accenture Strategy in London and the World Bank in Washington DC. At the World Bank, she was awarded the World Bank Youth Innovation Fund

**Education:** MSc (Distinction) and MA Geography (First Class Honours) both from Oxford University

**Other:** Ms. Donnelly is a Trustee for the charity MAITS. She is also involved in several charities in the UK and abroad; the foster home, Familia, for abused and abandoned children in West Bengal, India. [www.familiaindia.in](http://www.familiaindia.in). She is the UK ambassador for BASE, a leading NGO in Western Nepal. [www.nepalbase.org](http://www.nepalbase.org). Previously she sat on the Leonard Cheshire International Committee working with "People with disabilities" throughout the world. [www.lcint.org](http://www.lcint.org) and was a Trustee for the Moonpig Foundation. Ms. Donnelly was included in the Management Today's 2009 list: "35 women under 35". She sits on alumni committee for St. Edmund Hall, Oxford and the alumnae committee for St. Mary's School, Ascot

## Brooke Johns



**Role:** Chief Financial Officer and Secretary

**Nationality:** British

**Age:** 73

**Appointment Date:** Mr. Johns was appointed CFO and Company Secretary in September 2008

**Career:** Mr. Johns is a Chartered Accountant. He has knowledge of a number of industries having worked for 25 years at a senior level in the UK, Ireland, mainland Europe, the US, Africa and the Far East. He has been a director of two public listed companies and run his own business. He now works as consultant accountant with a small number of companies, where he advises on financial and general management

## Charlotte Allum-Smith



**Role:** Executive Assistant to Shivia

**Nationality:** British

**Age:** 30

**Appointment Date:** Ms. Allum-Smith joined as Shivia's Executive Assistant in September 2011

**Career:** Ms. Allum-Smith previously worked for Fitch Ratings as an analyst in Structured Finance. She then went on to run Neema Crafts Centre in Tanzania as Acting Director, a UK registered charity which provides employment through handicraft training to deaf and physically disabled people. She has provided business consulting on a pro-bono basis to small charities in both Tanzania and Zimbabwe

**Education:** MA Joint Hons International Business and French from the University of Edinburgh

**Other:** She is the founder of CPEC Africa, an NGO she set up to transfer skills from the voluntary sector to drive sustainable local community development in Africa. She currently lives in Zimbabwe

## Indian personnel

### Vasant Subramanyan



**Role:** Trustee of Shivia India (Chairman)

**Nationality:** Indian

**Age:** 47

**Appointment Date:** Mr. Subramanyan was appointed a Trustee and Chairman of the Board in December 2009

**Career:** Mr. Subramanyan is Director and CEO of Last Peak, a full-service Health Care Management and Billing Group. He is a serial entrepreneur, and has promoted a number of business entities providing services to various healthcare companies in the USA. He has also been a consultant in the Info Tech space to technology ventures in the US which have seen the convergence of platforms in data, voice and picture capture. Mr. Subramanyan was an international corporate compliance & financial administration consultant and former multi-national, F200 consultant on cross-border trade, statutory compliance, mergers and acquisitions

**Education:** Bachelor of Commerce and Bachelor of Law, Calcutta University

**Other:** Past President of Indo-American Chamber of Commerce (Eastern Regional Council) and Past President of TiE, Kolkata – a Not for Profit organisation, which advocates and promotes entrepreneurship

## Pramod Marar



**Role:** Trustee of Shivia India

**Nationality:** Indian

**Age:** 34

**Appointment Date:** Mr. Marar was appointed a Trustee in July 2010

**Career:** Mr. Marar is HSBC's Senior Vice President and Head of Business Banking in Western India. Prior to this role, he was instrumental in setting up the commercial Microfinance business for the bank in India in December 2007 and was the head of it in Mumbai until July 2010. He has extensive corporate banking experience having handled multinational, large local corporates and SME relationships within HSBC over the last eight years. He has also worked in domain specific areas like supply chain financing and factoring. During his earlier assignments in the non-banking sector, he had managed corporate treasury and equity research

**Education:** Post-graduate from the Indian Institute of Management, Indore and Commerce graduate from Shri Ram College of Commerce, Delhi

**Other:** Certified Associate of the Indian Institute of Bankers

## Nishant Lalwani



**Role:** Trustee of Shivia India

**Nationality:** Indian

**Age:** 31

**Appointment Date:** Mr. Lalwani was appointed a Trustee in July 2010

**Career:** Mr. Lalwani has extensive experience in the international development and social enterprise sectors, including working with some of India's largest microfinance companies. Mr. Lalwani was a core part of the Monitor Inclusive Markets group in India which is focused on 'market-based solutions to create social change'. In this role he published papers on how businesses can engage the Bottom of the Pyramid in journals such as the Harvard Business Review. Before Monitor, he worked with the UNDP in Zambia, where he helped develop new financing products for microfinance institutions across the country. Mr. Lalwani also spent several years in London and New York with Marakon Associates

**Education:** MA in Aeronautical Engineering and a BA in General Engineering from Cambridge University, UK

**Other:** Worked part-time with NGOs in Africa (Link Community Development) and India (Dalit Foundation) and continues to be involved with similar causes on an on-going, pro-bono basis

## Jogeshwar Rao



**Role:** Acting General Manager

**Nationality:** Indian

**Age:** 39

**Appointment Date:** Mr. Rao was appointed Acting General Manager in October 2012; he became Head of the Partners Programme in January 2012 and since March 2010 has been a Consultant to Shivia

**Career:** Mr. Rao was appointed Acting General Manager of Shivia in October 2012. Prior to this he was Manager of Operations for Last Peak which he joined 12 years ago; latterly he managed a team of over 500 professionals. Prior to this, he was in the hospitality industry for 8 years

**Education:** Bachelor of Commerce from Goenka College of Commerce and Business Administration, Kolkata, India

## Chandrani Banerjee



**Role:** Head of the Livelihood Programme

**Nationality:** Indian

**Age:** 38

**Appointment Date:** Ms. Banerjee was appointed Head of the Livelihood Programme in January 2012 and became a Consultant to Shivia in March 2010

**Career:** Ms. Banerjee has been the Manager of Human Resources and Process Coordination for Last Peak since September 2004. She had joined Last Peak in 2001 and started her career as Trainer cum Admin in the company

**Education:** Masters in Economics from Jadavpur University, Calcutta

**Other:** Software application skills and speaks English, Hindi, Bengali

## Aloke Saha



**Role:** Head of Finance

**Nationality:** Indian

**Age:** 40

**Appointment Date:** Mr. Saha was appointed Head of Finance in January 2012 and became a Consultant to Shivia in March 2010

**Career:** Mr. Saha heads the Corporate functions of Last Peak. He has held this role for more than 12 years and prior to this, he worked in several corporate houses in West Bengal as a Senior Accounts Officer

**Education:** Masters in Commerce from Annamalai University (First Class) and Graduate in Commerce from Calcutta University (Honours)

## Habib Reza



**Role:** Operations Consultant

**Nationality:** Indian

**Age:** 33

**Appointment Date:** Mr. Reza was appointed a Consultant to Shivia in March 2010

**Career:** Mr. Reza is assistant accountant for Last Peak

**Education:** Bachelor of Commerce (Accountancy Honours) from the University of Calcutta