

# DORS

Development Organisation of Rural Sichuan  
四川农村发展组织

Annual Report and Financial Statement for the 1<sup>st</sup> January 2020-31<sup>st</sup>  
December 2020

## ADMINISTRATIVE INFORMATION

UK CHARITY NUMBER: 1061133

FINANCIAL PERIOD: 1 January 2020 - 31 December 2020

TRUSTEES:                      Rose Acock MBE  
                                     Dr Emma Stone  
                                     Richard Veal  
                                     Derek Acock  
                                     Barbara Acock

REGISTERED ADDRESS:      Apt 45, Llanthony Priory,  
                                     St Ann Way  
                                     Gloucester GL2 5GQ  
                                     UK

BANK:                            Lloyds,  
                                     Tewkesbury  
                                     Gloucestershire

INDEPENDENT EXAMINER:   Mr Paul Stafford  
                                     APS Accounting  
                                     7 Grasmere Road  
                                     Longlevens  
                                     Gloucester  
                                     GL2 0NQ

## TRUSTEES REPORT FOR THE YEAR ENDED 31 December 2020

DORS is governed by a constitution adopted on the 3 January 1997, and amended in 2004.

The objective of the Charity is to facilitate the development of rural communities in poor regions of Sichuan in an integrated manner that targets those most in need for long-term sustainable development.

DORS has a legally recognized representative office in Hanyuan County, Sichuan Province. UK support is provided by the Trustees who work on a voluntary basis. There are 8 staff in Sichuan, Vice Director, Finance Manager, 5 programme staff, and driver.

The charity supports village development projects in poor areas of rural Sichuan. DORS Representative Office in Sichuan presents its work plan and expected income from foreign sources to the Public Security Bureau for approval each January. Financial regulations include preparing annual accounts which are audited by a Chinese auditor. This was successfully completed for the period 1<sup>st</sup> January 2020-31<sup>st</sup> December 2020.

In addition to DORS Representative Office in Sichuan, DORS also has a small local registered Chinese NGO, which will be able to receive Chinese funding from Chinese foundations (the representative office cannot). This Chinese NGO is currently dormant.

There is no financial arrangement with the local government and project expenditure goes directly from DORS to the project villages.

### PROJECT PROGRESS SUMMARY

Progress was hindered by the Covid restrictions which resulted in no community visits being allowed between February and May, in addition, we were required to suspend one of our projects from February to mid August 2020. This was followed by a period of heavy rain, flooding and poor travel conditions which resulted in further delays. Due to the covid outbreak, there are heightened security and reluctance by local officials to allow DORS visits to rural communities and visits between counties.

#### Livelihood for Yi Communities Project

This project improves livelihoods in 6 villages in Pianma Township Hanyuan County and two villages in Xide County. It was a three-year project November 2016 – October 2019, which was extended until March 2021. It is funded partly by Misereor donation is 605,000 Euro, and total project cost 810,000 Euros.

There were significant difficulties in implementing the project after the outbreak of Covid 19. Despite this, the project continued to make progress during the year. DORS was able to secure an extension, from October 2020 to March 21, which would give us the opportunity to catch up on the delayed activities.

During the year we continued to develop the cooperatives and their capacities to produce and trade walnuts and huajiao in Pianma Township. Through the cooperatives and directly with villagers, the capacity to develop e-commerce has increased significantly. The villagers now have several different routes to market, they also have processing equipment in place which means they can sell produce at different time, maximizing the fluctuations in market price. And selling both fresh and dried products. The market for walnuts and huajiao have been adversely affected during the covid outbreak as there has been a down turn in the hospitality sector, which is the main purchaser of these products.

The youth enterprise grants have been successful with several businesses set up and flourishing, and these have created additional employment in the communities.

In Xide County, the two project villages, the income generating projects for women were continued and supported for 290 households, with training and grants. Literacy and financial skills training also contributed to the business successes. Women that have expanded their piglet breeding have benefited from the rise in pork prices, which is a result of widespread swine flu. Women continue to increase their household income and are more involved in community decision making.

The elderly people and those with special needs were assessed and some necessary items of blankets, food and clothing provided.

#### Xide Yi Women's Livelihoods and Well-being Project

A new project was started in March 2020 in Xide County of Liangshan Yi Minority Autonomous Prefecture. The total budget for the project is £543,266, which includes grant from Kadoorie Charitable Foundations of £448,370, and local and government contributions. The project aims to Improve the livelihoods and well-being of Yi people in 2 villages, particularly women.

Specific Objectives:

1. To increase and diversify household income to reduce poverty.
2. To build the capacity of women to engage in livelihoods activities and community affairs.
3. To improve health and sanitation situation particularly to benefit women and children.
4. To develop and promote a model for Yi community development. Indicator: Model prepared and shared with over 20 organisations/departments.

Project start-up was delayed due to the covid 19 outbreak and related restrictions. During this time, there were also restrictions on travel to the project site, and we were unable to continue in one of the two villages. An alternative location was found and baseline study conducted later in the year.

#### Fuel efficient stoves Project

A new two-year project was started in May 2020 for £63,919 to build 420 fuel efficient stoves in rural households. Part of the costs and materials are provided by the household.

### Loan Scheme

The loan project remains suspended due to unclear regulations around NGO authorization to conduct loan schemes. The original donors no longer require follow up reports on the use of the funds. These funds can be designated for use as small business development grants when needed.

### Education Projects

DORS is not currently supporting any students. Although there are some funds available for 2021.

## **FINANCE**

DORS received donations and grant income of £98,333 (last year £201,643). The total incoming funds were £101,751 (last year £202,886). The main donors this year were Kadoorie Foundation and the private donor for the stoves project.

Of this year's total income, £98,333 was restricted for specific projects and the remainder is unrestricted funds.

In total, the Charity expended £126,954 during the year (last year £152,300).

Of the total expenditure, project expenditure was £116,377 (last year £139,858). The admin costs were £1587 as most staff and office running costs are covered by project expenditure.

At the end of December 2020 DORS had total assets amounting to £313,979 of which £6,968 were fixed assets (vehicle £6,415 purchased in 2017). There is a balance of £307,111 carried forward and available for financing the two new projects, the temporarily suspended loan scheme, further projects and as a reserve. This is particularly high as we have a loan fund of £152,926 that we are not currently loaning as our legal status relating to loans is unlikely to be clarified in the near future, and the project progress has been slow due to Covid restrictions.

DORS has two Sterling bank accounts with Lloyds, and a Euro account for the Misereor project opened in Nov 2016.

We have one bank account in China in line with the new International NGO law. Some cash is kept in a higher interest short term bond with the same bank. All accounts and cash are balanced on a monthly basis.

Trustees – Payment to trustees. There were no payments to trustees during this period.

### **Reserves**

DORS has revised its reserves policy to take into account employment law in China. The minimum reserve will cover the costs of closing down the programme and related staff redundancy costs, and the costs of international staff repatriation in case on an emergency. The required sum will be kept under review by the Director to account for varying circumstances. At the present time, it is set at £51,136. The actual unrestricted funds available are sufficient to cover this.



Rose Acock  
On behalf of Trustees  
6 October 2021

Development Organisation Of Rural Sichuan  
Statement of Financial Activities for the Period 1st January 2020 to 31st December 2020  
Exchange rate 1 GBP = 8.8 RMB  
1 GBP = 1.15 Euro  
Income and Expenditure

	Restricted GBP	CNY	Unrestricted GBP	CNY	Total Funds GBP	CNY	2019 GBP
1 Incoming resources							
1.1 Charitable donations	98,333	863,368	690	6,072	99,023	869,440	201,643
1.2 Other Income	0	0	2,728	24,005	2,728	24,005	1,243
Bank Interest CN	0	0	2,232	19,640	2,232	19,640	
Bank Interest EN	0	0	24	208	24	208	
Loan management fee	0	0	0	0	0	0	
Exchange rate gain	0	0	0	0	0	0	
DORS admin income	0	0	6	57	6	57	
Assets 3	0	0	466	4,100	466	4,100	
Total Income	98,333	863,368	3,418	30,077	101,751	893,445	202,886
2 Resources expended							
2.1 Charitable Expenditure 4	116,377	1,024,119	0	-	116,377	1,024,119	139,858
2.2 Admin Expenditure: 5	0	0	1,587	13,964	1,587	13,964	3,301
Audit fee (UK)	0	0	0	0	0	0	
Audit fee (China)	0	0	631	5,554	631	5,554	
DORS project admin China	0	0	956	8,410	956	8,410	
of which fundraising	0	0	0	0	0	0	
2.3 Other Expenditure	0	0	8,990	79,494	8,990	79,494	9,141
Loan management			405	3,567	405	3,567	
Asset depreciation	0	0	7,229	63,615	7,229	63,615	
Exchange rate loss 6	0	0	1,196	10,525	1,196	10,525	
Bank fees CN	0	0	95	835	95	835	
Bank fees EN	0	0	65	952	65	952	
Total Expenditure	116,377	1,024,119	10,577	93,458	126,954	1,117,577	152,300
3 Gross transfer between funds 7	15,187	133,646	-15,187	-133,646			
Net Incoming Resources	-2,857	-27,105	-22,346	-197,027	-25,203	-224,132	50,586
Total Funds Brought Forward (at ex rate of 8.8)	219,079	1,927,895	120,103	1,056,906	339,182	2,984,801	
Total Funds Carried Forward (at ex rate of 8.8)	216,222	1,900,790	97,757	859,879	313,979	2,760,669	

Development Organisation Of Rural Sichuan

Balance Sheet as at 31 December 2020

Exchange rate 1 GBP: 8.8 RMB

Total GBP

**Fixed Assets**

6,968

Restricted Vehicle	5,749	
Unrestricted Furniture and equipment	1,219	

**Current Assets 7**

Account balances	GBP	CNY	305,699
Hanyuan CNY Account 1811	122,848	1081065	
Hanyuan CNY Acc 1811 6 month bond	115,405	1015560	
UK Account 9580	1,286		
UK Account 4774	66,158		
UK Euro account (ex 0.854 31 Dec 2019)	2	20	

Cash balances			457
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Cash CNY	457	4017.24	
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<b>Debtors</b> (amount falling due within the year)			7,421
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Loan funds outstanding loans	710	6,250	
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Staff loans and deposit	463	4074	
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Staff costs owed for Project 003 Misereor	5,168	45477	
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Advance payment of rent	1,080	9500	
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Net Current Assets			313,576
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**Creditors** (amounts falling due within the year)

-6,566

Payments due	-6,566	-57782.5	
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Total assets less liabilities			313,979
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Net Assets			313,979
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**Net Assets Represented by:**

	GBP	CNY	
<b>1. Restricted Funds:</b>			<b>216,222</b>

Xide Yi Women Well-being (Kadoorie)	34,334	300,181	
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Stoves Project (Hong Kong donor)	26,718	235,118	
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Education Project	2,244	19,744	
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Loan scheme capital (MC and PAA)	152,926	1,345,750	
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<b>2. Unrestricted Income Funds</b>			<b>97,757</b>
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Unrestricted funds	37,117	326,630	
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Reserve funds	51,136	449,997	
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Designated funds:			
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Loan scheme management	9,504	83,636	
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313,979



## Development Organisation of Rural Sichuan

Notes to the Accounts for the Period 1 January 2020 to 31 December 2020

### 1. General

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014

As a condition of the Registration of a Representative Office in China, DORS Representative office in Sichuan has annual audits in China of all Chinese related transactions. Therefore, the UK accounts were prepared using the information in the audited accounts for the same period, with the addition of UK income and expenditure.

At the balance sheet date the exchange rates are as follows:

1 Pound Sterling (GBP) = 8.8 Renminbi (RMB) / Chinese Yuan (CYN)  
1 Pound Sterling (GBP) = 1.15 Euro

### 2. Income

#### Restricted Donations

Xide Yi Women's Livelihood and Well-being Project (Kadoorie Charitable Foundations)	£65,773
Stoves Project (Private donor Hong Kong)	£31,960
Education (Private donors)	£600

#### Unrestricted Donations

Several donations were received from private donors	£690
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Most of the donations received by the charity are for use on specific projects. Each project has a restricted fund. The fund title refers to the project name and major donor. Some of the project's income comes from local contributions, so the amounts do not always exactly match that which is donated by the donor.

Villager contributions are included in project accounts along with the donor donations.

### 3. Assets

One laptop computer was purchased. No other assets were purchased in 2020.

### 4. Charitable Expenditure

## Restricted

Xide Yi Women's Livelihood and Well-being Project (Kadoorie)	£31,438 CNY276,660
Earthquake Fund	£807 CNY7,098
Quaker Education Project	£28 CNY243
Private Donor Stoves Project	£5,242 CNY46,128
Integrated Rural Development and Livelihoods Project (Misereor)	£78,862 CNY693,990

## Unrestricted

Loans Scheme management costs	£405 CNY3,567
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### 5. Admin expenditure:

The project office running costs are mostly covered as part of the charitable expenditure above. The Sichuan Representative Office is audited by a Chinese Auditor in China in compliance with the INGO law. UK Independent Examination fee was not paid during this 12-month period and will appear in 2021 accounts.

### 6. Exchange rate loss

These losses are due to fluctuations in the exchange rate over the year, especially related to the transfer from Kadoorie Charitable Foundations.

### 7. Gross transfer between funds

There was a transfer of £15,187 from unrestricted to restricted to account for the over expenditure in Misereor funded project.

### 8. Current Assets & Liabilities

**Creditors** – DORS is holding £6,566 (CNY57,782) in staff salary as performance pay that is not yet due, these funds were reported as spent in project accounts.

#### Assets –

Loan funds outstanding £710 (CNY6,250)

Staff loans and deposit for apartment £463 (CNY4,047)

Misereor funded Integrated Rural Development and Livelihood Project £5,168 (CNY 45,476) this is for staff salaries to cover the period when Misereor projects were suspended during 2020. Most has been repaid, but this part will be repaid to DORS during the next accounting year.

Advance payment of rent £1,080 (CNY4,070) for months not covered in this financial year.

#### Loan Scheme Funds:

DORS runs a loan project where business loans are made to beneficiaries in project villages to develop their businesses. This loan fund consists of CNY100,000 from Sichuan Poverty Alleviation Association (PAA) and CNY1,252,000 from Mercy Corps both received in previous years. No loans were made in 2020 due to the unclear policy environment as to the legality of DORS making loans.

The loan fund total £152,926 CNY 1,345,749

	GBP	CNY
During the year loans made were	0	0
Loan capital repayments were	0	0
Balance of loan fund:	£152,926	1,345,750
Balance of management fees (unrestricted)	£9,504	£83,636

## **Report to the trustees of DORS**

I report on the accounts of DORS for the year ended 31 December 2020.

### **Respective responsibilities of trustees and examiner**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

### **Independent Examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination. I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Name: Paul Stafford FCCA

Address: 7 Grasmere Road, Longlevens, Gloucester

Date 25 October 2021

A handwritten signature in black ink, appearing to read 'Paul Stafford', written in a cursive style.