

**INTERNATIONAL NEPAL FELLOWSHIP**

**Company no. 3060972**

**(Limited by guarantee and having no share capital)**

**Registered charity no. 1047178**

**Reports and Financial Statements**

**for the year ended 15 July 1999**



A01  
COMPANIES HOUSE

\*A29GAQFG\*

0060  
12/05/00

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Reports and financial statements for the year ended 15 July 1999**

**Contents**

**Page**

1	Report of the directors
3	Auditor's report
4	Combined statement of financial activities
5	Summary Income and Expenditure Account
6	Balance sheet
7	Notes forming part of the financial statements

**Directors**

Mr John Bradley (Chairman)  
Miss Barbara Gill  
Rev John Putman  
Dr David Halpin  
Rev Anthony Leighton  
Mr George Nichols  
Dr Elizabeth Forbes  
Mr Robert Cranston  
Mr Peter Rowe  
Mr Asbjorn Voreland  
Mr Alexander Swarbrick  
Dr Jan Parker

**Secretary and registered office**

Mr John Reynolds, 69 Wentworth Road, Harborne, Birmingham, B17 9SS

**Solicitors**

Anthony Collins Solicitors, Pearl Assurance House, 4 Temple Row  
Birmingham

**Bankers**

Bank of Scotland, 124 Colmore Row, Birmingham, B3 3AU

**Company number**

3060972

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Report of the Directors**  
**for the year ended 15 July 1999**

The Directors, who are also the Trustees, have pleasure to present their report, together with the audited financial statements of the Company for the year ended 15 July 1999.

The company is a Registered Charity, number 1047178. The company number is 3060972.

**Principal Activities**

The principal activities of the company are governed by the objects as set out in the Memorandum of Association as follows:

- i) To advance the Christian religion by enabling Christians to serve the Lord Jesus Christ amongst Nepali and other Asian peoples and to uphold and strengthen the church in the United Kingdom, Nepal and other countries; and
- ii) To relieve persons who are in need by reasons of poverty, sickness or distress in such ways as the company may from time to time determine including supporting the work of Christian relief and development agencies.

**Review of the business and future developments**

The directors are satisfied with the results for the year and do not anticipate any significant changes in the forthcoming year.

**Results and dividends**

The combined statement of financial activities is set out on page 4 and shows the result for the year.

**Directors**

The Directors from 16 July 1998 to the date of this report were as follows:

Mr John Bradley (Chairman)	
Rev John Putman	
Miss Barbara Gill	(appointed 6 November 1998)
Dr David Halpin	
Rev Anthony Leighton	
Mr George Nichols	
Mrs M Joyce Odell	(resigned 3 July 1999)
Dr Elizabeth Forbes	
Mr Robert Cranston	
Mr Peter Rowe	
Mr. Asbjorn Voreland	(appointed 6 November 1998)
Mr Alexander Swarbrick	(appointed 3 July 1999)
Dr Jan Parker	(appointed 3 July 1999)

**Registered Office**

The registered office is 69 Wentworth Road, Harborne, Birmingham, B17 9SS

**Bankers**

The company's bankers are Bank of Scotland, 124 Colmore Row, Birmingham, B3 3AU

**Solicitors**

The company's solicitors are Anthony Collins Solicitors, Pearl Assurance House, 4 Temple Row

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Report of the Directors (continued)**  
**for the year ended 15 July 1999**

Freehold property

The Directors consider that the market value of freehold property is in excess of the amount shown in the financial statements but, as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified.

Directors' responsibilities:

The Directors are required 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 result for the period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue its operations.

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 any relevant statutes. 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.

Year 2000

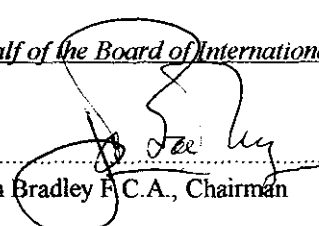
A basic assessment has been made of the risks and uncertainties associated with the year 2000 as far as it relates to computer software and hardware affecting the company. Plans were put in place to upgrade computer equipment and software as necessary in order to prepare for the year 2000, and the directors confirmed that existing funds were sufficient to cover the cost of these plans.

Auditor

Bolton Colby Chartered Accountants have expressed their willingness to continue in office. A resolution to appoint an auditor will be discussed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board of International Nepal Fellowship

  
.....  
Mr John Bradley F.C.A., Chairman

Dated: ..... 13 April 2000 .....

## **Report of the Directors**

### **Review of the Business, and Future Developments**

The Board of Directors met four times during the year to consider INF UK business. In addition, various sub-committees were convened through the year to deal with specialised aspects of the work.

#### ***Summary***

INF (UK) continues to concentrate on its twin aims of enabling Christians to serve amongst Nepali and Asian people and to support and strengthen the church, and to relieve the effects of poverty, sickness and distress. It carries out these aims through its support of INF Nepal, its sister organisation, which is a registered NGO in Nepal. The work of INF Nepal is more fully covered in its own Annual Report.

No changes to these twin aims are envisaged during the foreseeable future.

#### ***Personnel Serving in Nepal***

As a result of an internal review of recruitment in the Autumn of 1998 INF became more focussed in its approach and the number of candidates coming forward, and deciding to serve with INF in Nepal, increased. Due to the lag between enquiring, and going, the numbers leaving the UK to serve in Nepal will start to rise in the forthcoming financial year.

The increase in members mentioned will be offset by ten members + children who are returning to the UK permanently having come to the end of their term of service.

#### ***Donor Liaison work***

INF UK is INF Nepal's primary organisation for raising donor support from official organisations in the EU. During the previous twelve months we have entered into a five-year contract with the EU on behalf of INF's Hospital Services Partnership to support their work of facilitating change and training within the Nepal Health Service.

In April we were successful in obtaining a two year contract for £170,000 with the British Government (DFID) to support the work of INF's Tuberculosis and Leprosy Project (TLP) in the Mid West of Nepal.

In June INF submitted a consortium application (with Tear Fund UK) to the EU. The application was for €1,400,000 and if successful will fund TLP's work for the coming five years. A decision is not expected on this until 2000.

In June 1999 final agreement was given for funding from the UNFPA to support INF's Community Health & Development's Reproductive Health Initiative in Myagdi District. Unfortunately it has not been possible to start this due to the non-renewal of visas of key INF staff

#### ***Liaison with like minded organisations***

In addition to INF's normal annual conference a European Partners Conference took place in Holland in June. 30 delegates, representing 19 organisations from seven countries, met with INF Project Directors to be informed, to strengthen relationships, and to explore ways in which we could work more closely together. It was a successful with its objectives.

#### ***Relationship with His Majesty's Government of Nepal***

INF Nepal's work continues to be under its five-year agreement with His Majesty's Government of Nepal {HMG (N)} and relations are cordial.

INF has experienced some difficulties in the renewal of visas for its expatriate staff. This culminated in October with ten visas being formally refused with these members having to

return to their home countries. Despite this action the Health Ministry of HMG (N) have made it clear to INF Nepal that it's work, and its presence in Nepal, is valued and wanted. The impact of the visa refusals will be felt mainly by INF Nepal's head office functions, although a direct result has been the cancellation of the planned Reproductive Health Initiative in Myagdi District.

The current agreement with HMG (N) expires in December 2000. It is anticipated that this will be renewed.

#### ***Political Situation***

There has been a continuation of Maoist activity, particularly within the Mid West region of Nepal. This has curtailed some of INF's work in a small number of districts. Generally there has been little disruption to INF's work and no threats to its staff.

#### ***INF's Funding***

INF's funds are split into four component parts: -

- (a) *Designated Project Funding* – this is money raised from INF's UK supporters and donor organisations specifically for the work of INF in Nepal. INF (UK) acts as a channel for these funds to projects in Nepal run by INF Nepal. Monies raised under this heading increased by 16% over the year to 15.7.98. Apart from specific moneys apportioned through DFID and the EU, no element of these moneys is retained to cover UK administration expenses.
- (b) *Support Incomes* – INF's workers in Nepal are all volunteers and are responsible for raising their own support while serving INF. Moneys are channelled through INF (UK). On average a little over 5% is retained towards UK administrative costs.
- (c) *Seconded workers* – Some agencies who second workers direct to INF Nepal use INF (UK) to channel funds to their workers. No element of these moneys is retained towards administrative expenses.
- (d) *General Funds* – The largest element is general donations, given towards the work of INF, which covers INF's administrative costs.

#### ***Comment on Funds***

It is confirmed that the charity's assets are available and adequate to fulfil its obligations for each and all of the following funds; -

- i) General Fund
- ii) Designated Fund
- iii) Restricted Fund

#### ***Post Balance Sheet Events***

INF has historically accounted the cost of its members when in the UK when those costs are incurred rather than building up a separate reserve. As a result of this policy a significant shortfall has built up on its support fund which has not been readily apparent. Steps have been taken to redress this, and the reserve policy has been amended to accommodate this. Reserves are sufficient to cover the shortfall and to build a satisfactory reserve for the future.

#### ***Staffing in the UK***

INF's work is carried out from its Birmingham Head Office, headed throughout the year by the Director, Mr John Reynolds who has been assisted by five permanent staff. The Trustees are grateful to all of them for their dedicated work in support of the charity's objectives.

## REPORT OF THE AUDITORS TO THE MEMBERS OF INTERNATIONAL NEPAL FELLOWSHIP

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of the directors and auditors

As described on page 2, the directors (who also act as trustees for the charitable activities of International Nepal Fellowship) are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

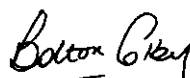
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion, the financial statements give a true and fair view of the charitable company's state of affairs as at 15 July 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fairfield House  
7, Fairfield Avenue  
Staines, Middlesex  
TW18 4AQ

Date 10/5/00



BOLTON COLBY  
Registered Auditors  
Chartered Accountants

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Combined Statement of Financial Activities**  
**for the year ended 15 July 1999**

Combined Statement of Financial Activities for the year ended 15 July 1999		...Unrestricted funds...					
	Note	General funds	Designated funds	Restricted funds (note 17)	Total 1999	Total 1998	
<i>Continuing Activities:</i>							
<b>Incoming Resources</b>		£	£	£	£	£	
General Donations		83,477	-	-	83,477	93,342	
Deposit covenants		2,000	-	-	2,000	2,250	
Contributions to printing		6,908	-	-	6,908	-	
Support Income		-	-	317,241	317,241	342,796	
Designated Nepal and seconded workers		-	-	305,584	305,584	255,059	
Grants receivable		4,582	-	67,252	71,834	66,052	
Interest receivable	9	20,616	-	-	20,616	18,182	
Income from literature and other sales		1,761	-	-	1,761	4,320	
Conference fees		11,110	-	-	11,110	7,632	
<b>Total incoming resources</b>		<b>130,454</b>	<b>-</b>	<b>690,077</b>	<b>820,531</b>	<b>789,633</b>	
<b>Resources expended</b>							
<b>Direct charitable expenditure</b>							
Purchases and Conference costs		10,929	-	-	10,929	8,428	
Members' costs UK	4	-	-	112,675	112,675	90,439	
Grants payable to Nepal	20	-	-	67,252	67,252	66,052	
Other funds remitted to Nepal	5	-	-	495,988	495,988	465,893	
		<b>10,929</b>	<b>-</b>	<b>675,915</b>	<b>686,844</b>	<b>630,812</b>	
<b>Other expenditure</b>							
Communications		13,167	-	-	13,167	11,573	
Stationery and supplies		11,938	-	-	11,938	8,232	
Office and mission house		10,733	-	-	10,733	11,932	
Publicity expenses		11,631	-	-	11,631	9,704	
Personnel	3	74,641	-	-	74,641	75,664	
Sundries		10,609	-	-	10,609	7,896	
		<b>132,719</b>	<b>-</b>	<b>-</b>	<b>132,719</b>	<b>125,001</b>	
<b>Total resources expended</b>		<b>(143,648)</b>	<b>-</b>	<b>(675,915)</b>	<b>(819,563)</b>	<b>(755,813)</b>	
<b>Net incoming resources before transfers</b>	6	<b>(13,194)</b>	<b>-</b>	<b>14,162</b>	<b>968</b>	<b>33,820</b>	
<b>Transfer from restricted to unrestricted funds</b>	7	<b>15,360</b>	<b>-</b>	<b>(15,360)</b>	<b>-</b>	<b>-</b>	
<b>Net incoming resources (surplus)</b>		<b>2,166</b>	<b>-</b>	<b>(1,198)</b>	<b>968</b>	<b>33,820</b>	
<b>Net transfers between funds</b>	18	<b>112,638</b>	<b>(112,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Unrealised gains on investment assets</b>		<b>379</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>1,122</b>	
<b>Net movement in funds</b>		<b>115,183</b>	<b>(112,638)</b>	<b>(1,198)</b>	<b>1,347</b>	<b>34,942</b>	
<b>Fund balances brought forward at 16 July 1998</b>		<b>49,492</b>	<b>248,053</b>	<b>88,159</b>	<b>385,704</b>	<b>350,762</b>	
<b>Fund balances carried forward at 15 July 1999</b>		<b>164,675</b>	<b>135,415</b>	<b>86,961</b>	<b>387,051</b>	<b>385,704</b>	

All recognised gains and losses are included in the statement of financial activities.  
The notes on pages 7 to 12 form part of these financial statements



**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Summary Income and Expenditure Account**  
**for the year ended 15 July 1999**

	1999	1998
	£	£
Gross income of continuing operations	816,365	786,109
Non-charitable trading activities: net income	4,166	3,524
	<hr/>	<hr/>
Total income of continuing operations	820,531	789,633
Total expenditure of continuing operations	(819,563)	(755,813)
	<hr/>	<hr/>
Net income for the year	968	33,820

Total income comprises £130,454 for unrestricted funds and £690,077 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £19,779.

Detailed analyses of expenditure are provided in the Statement of Financial Activities.

Net income for the year of £968 comprises £13,194 net expenditure of unrestricted funds and £14,162 net income of restricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 4 which, together with the notes to the accounts on pages 7 to 12, provides full information on the movements during the year on all the funds of the company.

The notes on pages 7 to 12 form part of these financial statements

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Balance Sheet at 15 July 1999**

	Note	General funds £	Designated funds £	Restricted funds £	Total 1999 £	Total 1998 £
<b>Fixed assets</b>						
Tangible assets	11	-	110,149	-	110,149	109,987
<b>Investments</b>	12	11,545	-	-	11,545	11,166
<b>Current assets</b>						
Stock of literature	10	353	-	-	353	435
Debtors and prepayments	13	11,549	-	91,860	103,409	122,361
Cash at Bank - held for Nepal		-	-	269,831	269,831	84,426
Cash at Bank - Other		164,785	25,266	-	190,051	174,662
Cash in Hand		42	-	-	42	103
		176,729	25,266	361,691	563,686	381,987
<b>Creditors: amounts falling due within one year</b>						
Creditors and accrued charges	14	(23,599)	-	(274,730)	(298,329)	(117,436)
<b>Net current assets</b>		153,130	25,266	86,961	265,357	264,551
<b>Total net assets</b>		164,675	135,415	86,961	387,051	385,704
<b>Funds</b>						
Realised amounts:						
Restricted funds - emergency/operational reserve			-	86,961	86,961	88,159
Designated funds:						
Operational reserve	18	-	27,500	-	27,500	88,200
Emergency reserve	18	-	-	-	0	44,938
Property reserve	18	-	107,915	-	107,915	114,915
General Reserve		158,130	-	-	158,130	43,326
		158,130	135,415	86,961	380,506	379,538
Unrealised amounts:						
General Reserve		6,545	-	-	6,545	6,166
		164,675	135,415	86,961	387,051	385,704

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its surplus or deficit for each period in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

Approved by the Board on 13 April 2000  
and signed on its behalf by

J.S. Bradley F.C.A., Director

Rev A R Leighton, Director

The notes on pages 7 to 12 form part of these financial statements

**Notes to the financial statements for the year ended 15 July 1999**

The financial statements have been prepared under the historical cost convention.

Income represents amounts received during the period, with the exception of grants, the accounting policy for which is set out below. Tax refunds are accrued in accordance with the Charities SORP.

Depreciation is calculated to write off the cost of the assets less their residual value over their expected useful lives using the following rates:

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. Contributions during the period amounted to £39,100 (1998- £24,611) and no further contributions are payable for the year.

Stocks are stated at the lower of cost and net realisable value.

Investments are valued at market value in accordance with the SORP "Accounting by Charities". Changes in value during the period are reported in unrealised gains/losses in investment assets in the statement of financial activities.

Assets, liabilities, revenues and expenditure in foreign currencies are translated into sterling at the rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date, and transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the Statement of Financial Activities.

Grants received towards specific projects are taken to income during the period in which they are receivable so as to match them with the expenditure towards which they contribute. Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

Designated funds are amounts which have been set aside at the discretion of the trustees for a specific, but not legally binding, purpose.

Restricted funds are income received for a particular purpose as specified by the donee or supplier, less expenditure applied for such a purpose.

The financial statements do not include a cash flow statement because, as a small reporting entity, the company is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

**INTERNATIONAL NEPAL FELLOWSHIP****(Limited by guarantee and having no share capital)****Notes to the financial statements for the year ended 15 July 1999 (continued)****2 Incoming resources**

All of the incoming resources relates to the principal activity of the company. Grants receivable of £71,834 (1998 - £66,052) are attributable to the EC, whilst the remainder of incoming resources is attributable to the UK.

**3 Personnel costs**

	1999	1998
	£	£
Wages and salaries	61,660	61,978
Social security costs	5,169	5,938
Other pension costs	3,475	2,393
Courses, travel and other	4,337	5,355
	<hr/>	<hr/>
	74,641	75,664
	<hr/>	<hr/>
Average number of employees (none receiving more than £40,000)		
Management	1	1
Administration	5	5
Home Leave	6	6
	<hr/>	<hr/>
	12	12
	<hr/>	<hr/>

**4 Members costs UK (Missionaries on furlough - restricted)**

	1999	1998
	£	£
Home leave allowances	43,515	33,878
Re-equipment allowance	7,959	6,531
Accommodation and travelling	8,677	9,089
Social security costs	10,238	11,902
Other pension costs	35,625	22,218
Medical/counselling	-	802
Other expenses	6,661	6,019
	<hr/>	<hr/>
	112,675	90,439
	<hr/>	<hr/>

**5 Remitted to Nepal**

	1999	1998
	£	£
Support	190,104	208,000
Designated Nepal - monies for specific projects	273,242	216,871
Seconded workers	32,642	41,022
	<hr/>	<hr/>
	495,988	465,893
	<hr/>	<hr/>

**6 Net movement in resources for the year**

This is stated after charging		
Depreciation of owned tangible fixed assets	2,155	2,812
Loss on sale of tangible fixed assets	-	82
Audit fee	1,457	1,410
and after crediting		
Exchange gains	(1)	2,050
	<hr/>	<hr/>

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Notes to the financial statements for the year ended 15 July 1999 (continued)**

**7 Transfer from restricted to unrestricted funds**

Under the terms and conditions for members, each adult UK member is responsible to find support income to include a contribution to unrestricted company administration costs. It is the policy of the company to transfer a proportion of this as decided upon by the directors.

During the year to 15 July 1999, support income included an amount of £15,360 (1998 - £18,000), all of which was transferred to unrestricted funds during the year.

**8 Directors' remuneration**

No directors' remuneration was voted during the year. Directors' expenses incurred in connection with the company's affairs amounted to £579 (1998 - £1,375).

**9 Other interest receivable and similar income**

	1999	1998
	£	£
Bank interest	20,114	17,680
Income from investments	502	502
	<hr/>	<hr/>
	20,616	18,182
	<hr/>	<hr/>

**10 Stocks**

	1999	1998
	£	£
Goods for resale	353	435
	<hr/>	<hr/>

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

Notes to the financial statements for the year ended 15 July 1999 (continued)

**11 Fixed assets**

Tangible assets

	Freehold property £	Computer equipment £	Total £
<u>Cost</u>			
At 16 July 1998	107,415	10,839	118,254
Additions	-	2,317	2,317
Disposals	-	-	-
At 15 July 1999	107,415	13,156	120,571
<u>Depreciation</u>			
At 16 July 1998	-	8,267	8,267
Charge for the year	-	2,155	2,155
Disposals	-	-	-
At 15 July 1999	-	10,422	10,422
<u>Net book value</u>			
At 15 July 1999	107,415	2,734	110,149
At 15 July 1998	107,415	2,572	109,987

The directors consider that the estimated market value of the freehold property at 15 July 1999 was in excess of the cost and that its ultimate residual value will not be less than this figure. Hence, no depreciation has been charged. All assets are used for administration purposes.

**12 Investments**

	1999 £	1998 £
Charinco Common Investment Fund:		
Market value at 15 July 1998	11,166	10,044
Unrealised gain during the year	379	1,122
Market value at 15 July 1999	11,545	11,166

The above investments were originally acquired by International Nepal Fellowship, before the company was incorporated. The investments were transferred to the company on 15 July 1996 at the market value of £9,160.

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

Notes to the financial statements for the year ended 15 July 1999 (continued)

13 Debtors and prepayments	1999	1998
	£	£
Trade debtors	1,190	1,346
Tax reclaimable	34,368	41,263
Other debtors - Grants receivable	64,394	66,052
Prepayments	3,457	13,700
	<u>103,409</u>	<u>122,361</u>

There are no debtors falling due after more than one year

14 Creditors amounts falling due within one year	1999	1998
	£	£
Funds held for Nepal (restricted funds)	274,730	96,485
Trade creditors	1,818	3,585
Other creditors	2,705	-
Taxation and social security	3,949	-
Payments received on account	2,750	1,783
Accruals and deferred income	12,377	15,583
	<u>298,329</u>	<u>117,436</u>

**15 Contingent liability**

Should the freehold property ever be sold due to the International Nepal Fellowship ceasing to work in Nepal or the United Kingdom, there would be a liability to repay a gift of £25,000 or 25% of the net proceeds if greater. For this purpose, the net proceeds of sale will be adjusted to have regard to improvements expenditure incurred since acquisition. The directors do not anticipate such a liability crystallising in the foreseeable future.

**16 Personal gifts**

Personal gifts amounting to £49,461 (1998 - £47,570) were received on behalf of, and forwarded to missionaries in Nepal. This figure is excluded from the statement of financial activities.

**17 Restricted funds**

	Brought forward	Donations and gifts	Direct Charitable Expenditure	Surplus	Carried forward
	£	£	£	£	£
Gordon Leitch Memorial Scholarship Fund	15,467	-	-	-	15,467
Support income	72,692	317,241	303,079	14,162	86,854
Designated Nepal	-	240,398	240,398	-	-
EC Grant	-	67,252	67,252	-	-
Seconded workers	-	32,642	32,642	-	-
Project Grants	-	15,777	15,777	-	-
Scholarship Fund	-	495	495	-	-
Gospel Outreach Fund	-	3,495	3,495	-	-
Himalayan Ministries	-	4,200	4,200	-	-
Others	-	8,577	8,577	-	-
	<u>88,159</u>	<u>690,077</u>	<u>675,915</u>	<u>14,162</u>	<u>102,321</u>
Transfer to unrestricted funds from Support income	<u>0</u>	<u>-</u>	<u>15,360</u>	<u>(15,360)</u>	<u>(15,360)</u>
	<u>88,159</u>	<u>690,077</u>	<u>691,275</u>	<u>(1,198)</u>	<u>86,961</u>

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

Notes to the financial statements for the year ended 15 July 1999 (continued)

**18 Designated Funds**

The unrestricted funds include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 15.7.98	New designations	Utilised/ released in year	Balance at 15.7.99
	£	£	£	£
Operational reserve	88,200	-	(60,700)	27,500
Emergency reserve	44,938	-	(44,938)	0
Property reserve	114,915	-	(7,000)	107,915
	<u>248,053</u>	<u>-</u>	<u>(112,638)</u>	<u>135,415</u>

The emergency reserve comprises moneys set aside to cover the cost of evacuating personnel from Nepal in the event of an emergency, although this is not envisaged within the twelve months following the date of the signing of the accounts. The amount set aside represents the net costs of flights from Nepal based on current air fares, together with home leave costs for two months, less the balance of restricted reserves as indicated in the balance sheet. In the opinion of the directors, the restricted reserve balance of support income can be used for the purpose of evacuation.

The property reserve comprises the original cost of the property plus amounts which have been set aside to cover the costs of remaining maintenance work, which the directors believe will be required at 69 Wentworth Road during the twelve months following the date of the signing of the accounts.

The operational reserve comprises an estimate of the costs of basic field support plus UK administration for three months, and this has been created because of the fluctuating nature of income.

**19 Related party transactions**

The directors consider that no transactions took place with related parties during the year.

**20 Grants payable**

	1999	1998
These comprise the following grants, all in excess of £1,000:		
Payable to institutions:		
Burtibang Community Health Programme	-	66,052
INF Nepal Health Services Partnership	49,564	-
Grant for the Church in Nepal	14,735	-
Grant for General Funds	2,953	-
	<u>67,252</u>	<u>66,052</u>
	1999	1998
Number of grants	<u>3</u>	<u>1</u>