

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2013

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

Financial Statements

Year ended 30 June 2013

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INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2013

The trustees present their report along with the financial statements of the charity for the year ended 30 June 2013. The financial statements have been prepared in accordance with the accounting policies as set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" 2005.

1. Reference and administration details of the charity, its trustees and advisers

The International Nepal Fellowship (also known as INF/UK) is a registered charity (number 1047178) and a company limited by guarantee (number 03060972).

The principal address of INF/UK is The Cottage, 22 Weoley Park Road, Selly Oak, Birmingham B29 6QU. This is also the registered address of the company.

Board of Trustees

Mr Andrew Gammie	(Chair)
Dr Andrew Cordell	(vice-Chair)
Miss Alison Craven	resigned 29 th June 2013
Mr Hom Nath Dhakal	
Dr Tom Donaldson	
Dr David Halpin	resigned 10 th November 2012
Mr Roger Hamlet	
Mr Peter Hopkinson	
Rev Anthony Leighton	resigned 19 th January 2013
Miss Diane Norton	
Mr Richard Sykes	resigned 16 th March 2013
Mr William J Westwood	

Chief Executive Officer

Mr John Reynolds

Company Secretary

Mr John Reynolds

Auditors

Mazars LLP
45 Church Street
Birmingham
B3 2RT

Solicitors

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Bankers

Bank of Scotland
33 Old Broad Street
London, EC2N 1HW

The Co-operative Bank
1st Floor
118-120 Colmore Row
Birmingham, B3 3BA

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2. Structure, Governance and Management

INF/UK is governed by its Memorandum and Articles of Association and the board of trustees of INF/UK is accountable for the actions of INF/UK. The board meets on average five times a year.

The board is responsible for the overall direction of the organisation and the policies that govern the way the organisation functions.

Responsibility for the day to day leadership and management of the organisation is delegated to the Chief Executive Officer (CEO), who is responsible for achieving the organisation's strategic goals. The CEO is line managed by the Chair on behalf of the board.

The Chair monitors the skills mix, experience and length of service of trustees. When appointing new trustees the board takes into account the existing skills mix and experience of current trustees. New trustees are recruited through a mix of advertising (through INF publications) and direct approach by the board. The Chair manages the board profile proactively to ensure that a balance is maintained and that it does not become stale. Natural turnover of trustees aids this process, ensuring new trustees are appointed on a regular basis.

New trustees undergo an induction programme led by the Chair of trustees. The programme includes a history of INF/UK and its work, a copy of its accounts, its Memorandum and Articles of Association, key internal documents including INF/UK's strategic plan. It also draws heavily on the NCVO publication 'The Good Trustee Guide'.

Once appointed trustees continue to receive training during board meetings and their contribution is reviewed by the Chair of trustees.

As a discipline to try and avoid complacency, and to encourage fresh thinking and vitality, a policy was adopted during 2012-2013 requiring board members who had served for ten years to step down for a period of at least one year. As a result three board members, David Halpin, Tony Leighton and Richards Sykes stood down at varying times during the year. A further board member, Alison Craven also stood down upon her appointment to the board of INF International. The trustees have started a search for replacement trustees based upon perceived skills and experiences needed on the board.

The board of INF/UK assesses the risks it faces through a risk register. It also has procedures to monitor and manage these risks.

3. Objectives

The Memorandum of Association defines the charity's 'objectives' as

- a To advance the Christian religion by enabling Christians to serve the Lord Jesus Christ amongst Nepali and other Asian people and to uphold and strengthen the church in the United Kingdom, Nepal and other countries, and*
- b 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*

INF/UK achieves its objectives through partnering the International Nepal Fellowship (Nepal) (INF/N), a non government organisation (NGO) registered in Nepal, and INF International (INF/I), an international NGO (INGO) registered in Australia (Note INF/I changed its name from INF Worldwide on the 4th January 2013. This was a name change only and its business continues unchanged). Strong working relationships have existed between INF/UK, INF/N and INF/I, and their forbears, for over 60 years.

There are no voting or appointment rights in respect of either INF/N or INF/I.

INF/I and INF/N work under a 5 year contract with the Government of Nepal to provide services in the areas of health and community development. (Under Nepali law an INGO cannot implement its own programmes, these have to be carried out by a locally registered 'implementing agency'. INF/I therefore holds the contract with the Government and INF/N fulfils the role of the 'implementing agency'. The current contract with the Government of Nepal runs until November 2015.

Nepal has allowed freedom of religious belief for many years, formalising this in 1990. This was strengthened at the end of May 2006 when Nepal declared itself a secular society.

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For the year ended 30 June 2013

3. Objectives (continue)

INF draws its distinctive ethos and values from its evangelical, non-denominational, Christian heritage. Its mission to serve the poor and marginalised peoples of Western Nepal, and to uphold the church of Nepal, is a holistic expression of its Christian faith. As well as pursuing its objectives through the development projects of INF/N and INF/I, INF/UK identifies with, and upholds the national church and wider Christian community within Nepal. It also identifies with, and supports the development of Christian fellowship in communities of Nepalis living outside of Nepal. INF expatriate volunteers are encouraged to attend and be committed to local Nepali churches where possible.

The organisation's Christian heritage, ethos and values are central to all that it is as an organisation, therefore the trustees of INF/UK believe there to be a Genuine Occupational Requirement for expatriate Mission Workers serving in Nepal for periods in excess of three months to be practising Christians.

4. Public Benefit

When deciding its own activities, and when deciding who it partners in advancement of its objectives, trustees consider how these will further the charity's purposes for the public benefit. As part of this process the trustees have regard to the Charity Commission's general guidance on public benefit, its supplemental advice on the advancement of religion for public benefit, and its supplemental advice on prevention and relief of poverty for the public benefit.

Officers of the charity (trustees, executive and staff) visit partner projects and the work of partners, they also receive annual reports of projects. These actions help trustees verify that the works of its partners are to the public's benefit and are consistent with the charity's objectives.

5. Main activities through the past year

During the year reported on, INF/UK fulfilled its charitable objectives through -

(a) *Its own activities as INF/UK*

- 1 Supporting INF/N and INF/I through seconding Christian professionals to work in the fields of health and development, and capacity building. This is a key element of INF/UK's work. During 2012-2013 it had professionals seconded in the areas of gynaecology and obstetrics, community development, teaching, accountancy, information technology and computing, personnel, surveying, graphic design, fundraising and donor relations, church relationships and senior management.

An important part of its work is providing pastoral support to its seconded personnel through its UK personnel department and through regular field based pastoral visits.

During the year it was encouraging to see an increase in the number of personnel come forward for service in Nepal.

In addition to seconding personnel INF/UK has an active fundraising department raising funds for INF/N and INF/I projects and programmes. During 2012-2013 the charity adopted a strategy to expand its fundraising efforts and appointed a Fundraising Director in October 2013. Detailed plans are being worked out to further implement this strategy.

INF/UK acts on behalf of INF/N and INF/I in strengthening relationships with a number of UK and European based partner agencies.

- 11 INF/UK works amongst Nepalis in the UK and supports nascent Nepali Christian Fellowships and has done so since 2007. In 2007 there were 4 established Nepali Christian Fellowships in the UK, by 2013 the number had risen to 26. In the early years there were few recognised Christian leaders and these fellowships needed external support and encouragement. This has changed and the majority of Christian fellowships now have proper leadership structures in place and leaders have been appointed. These developments are not direct outcomes of INF/UK but they have been facilitated by INF/UK's work amongst the Nepali Christian community in the UK. In 2007 one of its workers, Reverend Tula Rai, had a vision to see a national network organisation that joined together Nepali Christian fellowships across the UK. This came into being during 2012-2013 under the name 'Nepali Christian Council UK' and 14 fellowships have signed up as members.

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5. Main activities through the past year (continued)

In 2012-13 there was a strategic review of INF/UK's work amongst Nepalis in the UK. This recognised that much had been achieved since the work started and that there was a need to continue to evolve so that it remained relevant. A decision was made to reduce the number of workers INF/UK employed in this area from two to one and a formal redundancy process was undertaken.

INF/UK's work amongst Nepalis in the UK will continue, focussing on leadership training, continuing to support newly forming Christian Fellowships, encouraging Nepalis into mission, exploring how INF/UK's experience in the UK could help Nepali migrants in other European countries, and networking more broadly within the Nepali Diaspora worldwide.

In addition to work amongst Nepalis through its outreach workers INF/UK has encouraged a network of former missionaries to be involved in such things as teaching English to Nepalis new to the UK. This network is flourishing under the facilitation of Richard and Joyce Odell, former INF missionaries in Nepal.

- iii) INF/UK services a diverse network of supporters both within the UK and Europe. It ran a conference for its European supporters in Holland in October 2012 with approximately 200 supporters. A further conference for its UK based supporters took place in September 2013 with approximately 120 supporters attending. Conferences such as these generate a significant amount of good will and renewed interest in mission to Nepal.
- iv) INF/UK publicises the work of the INF family of organisations in the UK and Europe through its monthly 'Prayer Notes', its periodic magazine 'Today in Nepal' and its annual publication 'Partners in Prayer'. It also uses digital media in various forms to publicise INF's works.
- v) INF/UK created a Grants Fund in 2011-2012 using the residual moneys from the sales of 69 Wentworth Road and funds received from legacies. Since that time it has continued to apply legacies to the fund and give grants to INF's field work. Grants made during the year ending 30 June 2013 totalled £184,017 (cf 2012, £146,094).

(b) Supporting INF/I

- i) INF/I is the holder of the main project agreements with the Government of Nepal and INF/N is its main local partner implementing the majority of INF programmes in Nepal.

INF/I has a small number of its own projects in Nepal including such as the Partnership Programme, designed to provide assistance to a number of government and non-government health institutions through the secondment of health specialists to build capacity.

It also has a programme called *Faith @ Work*, this provides training and encouragement to both INF and non-INF staff to live out their faith within their work community and has encouraged the setting up of Christian professional bodies.

- ii) One of INF/I's exciting works is supporting and networking with a number of projects in the Nepali Diaspora.
 - The INF Migrant Link Initiative networks with and supports the Nepalese Migrant Unity Network and Mitra Niwas to provide hospitality to migrants and ex-migrants travelling to and from the Asian Diaspora, offering practical and (limited) financial support to migrants with socio-economic, legal or medical needs.
 - The INF India Migrant Initiative works in partnership with the United Nepalese Churches Association in Delhi, Manav Kalyan Sabha in Simla, Prerna & Prayas in Dehradun, Ps Narendra in Kotdwar. It also works with Concern, BMS and ACTS in India. Many migrants are illiterate and have few, if any, skills. The jobs that are they able to do are menial and often dangerous. These partners help Nepali migrants through giving tailoring and sewing clothes classes to ladies, computer classes and literacy classes, and schooling for 35 children. They also distribute literature about Health Awareness and Safe Migration.
 - INF/I maintains links with Nepali Diaspora communities in Malaysia, the Middle East, Hong Kong and Australia. Some of these links have resulted in programmes to serve and work with Nepali migrant workers.

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5. Main activities through the past year (continued)

(c) Supporting INF Nepal

INF Nepal is the largest member of the INF family and INF/UK's main partner. It is a national non-government organisation which implements a range of health and development programmes in western Nepal. It serves the people of western Nepal in a holistic way, leading to improvements in the health and quality of life of individuals and communities. INF Nepal's focus is on the poor and marginalised, including those affected by stigmatising diseases, the disabled and marginalised communities.

INF Nepal has seven district programmes serving 41 districts in Nepal's three western regions. They are served through offices in 11 districts: Bajura, Kanchanpur, Banke, Dang, Jumla, Mugu, Surkhet, Kapilvastu, Baglung and Kaski. A district office was established in Bajura this year and preliminary work was carried out to establish an office in Rolpa. All of INF Nepal's activities are co-ordinated and directed by the INF Nepal Central Office in Pokhara.

INF/N has a staff of 376 Nepalis and on average has 20 expatriate secondees (all through INF/I). They work in nine technical areas: community health and development, community based rehabilitation, leprosy, tuberculosis, HIV/AIDS and substance abuse, spinal cord injury, health services support, nutrition and medical camps. Activities related to Maternal and Child Health, Food Security and Cerebral Palsy in children were also carried out.

The number of people who directly benefitted from INF Nepal programmes in 2012/13: 222,000

Total income from foreign donors and local sources: NRs (Nepali Rupees) 307,500,000 (US\$ 3.2M)

6 Significant events during the current year

The majority of INF's work takes place in Nepal where political uncertainty has become the norm. The country continues to be beset with strikes together with occasional outbreaks of violence as differing ethnic and political groups agitate to advance their cause or influence on national politics. Nepal's political processes and institutions remain fragile.

Despite the challenges the staff of INF's Nepal Country Office, led by Nepal Country Director Seeta Gurung, has successfully maintained strong relationships with the Government of Nepal and its Social Welfare Council.

INF/I and INF Nepal work in strong collaboration with and in support of the Government of Nepal's health and development agenda and plans, and maintain strong relationships at both national and local level. During 2012-2013 they received a very positive interim assessment of the work being carried out under the current 5-year agreement.

7. Financial activities

During 2012-2013 total incoming resources were £1,358,124 (cf 2012, £1,398,340). Included within this income figure were legacies totalling £182,816 and a general grant from the Corinthian Trust of £200,000. These moneys, totalling in excess of £380,000 (cf 2011-2012, £432,428), were added to the grant fund and will be given away through grants to INF programmes over a 5 year period in accordance with INF/UK's grant policy. Total expenditure in 2012-2013 was £1,110,112 (cf 2012, £1,131,600). The charity had a net surplus for the year of £248,012 which reflects the moneys added to its grant fund and which will be disbursed in a regulated manner over 5 years. This compares to the previous year's surplus of £266,740, which again was added to the grants fund.

(a) General Fund

Total income on the General Fund was £504,921 (cf 2012, £628,527)

The four key components of General Income were -

- General donations of £177,379 (cf 2012, £156,154)
- Legacy income of £97,561 (cf 2012, £432,328)
- A one off grant of £200,000
- Interest income of £24,174 (cf 2012, £20,676)

(b) Work in Nepal

This is income for the work of INF amongst Nepalis. Income was slightly down at £482,860 (cf 2012, £519,247), but the impact of this fall on INF programmes was mitigated through grants given by INF/UK from its grant fund.

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7. Financial activities (continued)

(c) Support Fund

Mission Workers are recruited by INF (UK) to serve in Nepal and raise funds toward the Support Fund, which in turn covers the costs of maintaining them in Nepal and in the UK when on Home Assignment. These funds are raised from church groups, trusts and personal supporters, many of whom represent friendship contacts from the volunteers' church groupings. The Support Fund is a pooled resource and guarantees an even level of allowance while a volunteer is in the service of INF.

During the current financial year support income increased slightly to £221,390 (cf 2012 £217,222). This slight increase, and a continuing strengthening of sterling against the Nepali Rupee, means that the support fund is stable and very satisfactory.

8. Reserves policy

(a) Unrestricted General Fund – General Reserves

The policy of the Board is to hold a general reserve of between 6 and 12 months of the budgeted annual costs of INFUK to cover unforeseen operating events. As at June 2013 this stands at £190,892, the equivalent of 8 months of the projected annual operating budget for 2013-2014. Beyond this designated reserves are held in respect to identified operating risks, these are reviewed annually to ensure that they properly reflect the financial magnitude of the risk.

(b) Unrestricted Designated Fund - Grants Fund

The grants fund exists to enable large donations or legacies to be given to INF programmes on a regulated basis over a number of years and in a prudent manner.

A formal grant application process has been set up and this is overseen by the INF/UK Grants Committee. Grants are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements.

The trustees have also committed any future significant legacies to this fund. The intention is to disburse monies in this fund over a rolling five-year period.

(g) Restricted Reserves

These are funds held on behalf of a project or for a designated purpose.

9. Investment policy

The board have the power to invest in such assets as they see fit. Safety of its assets is important to the charity and consequently the majority of its reserves are held in cash. With the Bank of England base rate being held to 0.5% for the year the return on cash invested in banks has been very low.

10. Post balance sheet events

There were no post balance sheet events.

11. Statement of Trustee responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make sound judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will not continue in business.

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11. Statement of Trustee responsibilities (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

12. Information to Auditors

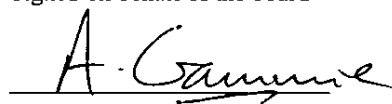
Each Trustee of the Charity at the date when this report was approved (who also are treated as Directors for the purposes of Company law) confirms that

- so far they are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Charity's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information (as defined) and to establish that the Charity's auditors are aware of that information

13. Voluntary help and gifts in kind

The board are very grateful to a number of volunteers who have helped in various aspects of our work during the past year and are seeking to increase this input in the coming year

Signed on behalf of the board



A Gammie

Chairman

8/2/14

Date

INTERNATIONAL NEPAL FELLOWSHIP
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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INTERNATIONAL NEPAL FELLOWSHIP
For the year ended 30 June 2013

We have audited the financial statements of International Nepal Fellowship for the year ended 30 June 2013 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscope/ukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 30 June 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006.

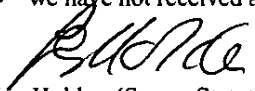
Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

19 February 2014

INTERNATIONAL NEPAL FELLOWSHIP
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STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2013

		Unrestricted funds			Total	Total
		General	Designated	Restricted	2013	2012
	Note	funds	funds	funds	2013	2012
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
<i>Voluntary income</i>						
Gifts to Nepal		-	-	482,860	482,860	519,247
Mission Worker support fund		-	-	221,390	221,390	217,222
Mission Worker related funds		-	-	1,449	1,449	-
Sponsored Nepalis	3		21,516	-	21,516	17,531
General donations		154,974	-	-	154,974	156,154
Appeals income		22,405	-	-	22,405	-
Legacies		97,561	-	85,255	182,816	432,328
Grants income		200,000	-	-	200,000	-
Contribution to printing		5,182	-	-	5,182	1,138
Volunteer income		625	-	-	625	700
Other income		-	381	21,887	22,268	17,333
<i>Investment income</i>						
Interest & dividends receivable	9	24,174	-	-	24,174	20,676
		504,921	21,897	812,841	1,339,659	1,382,729
Charitable activities						
Conference fees		12,018	-	-	12,018	14,948
Vision Trip income		6,020	-	-	6,020	-
Trading income		427	-	-	427	663
		18,465	-	-	18,465	15,611
TOTAL INCOMING RESOURCES		523,386	21,897	812,841	1,358,124	1,398,340
RESOURCES EXPENDED						
Cost of generating funds						
Purchases and conference		14,303	-	-	14,303	18,281
Vision Trip		6,235	-	-	6,235	-
		20,538	-	-	20,538	18,281
Charitable activities						
Designated for specific gifts		-	-	505,008	505,008	504,753
Mission Worker support costs	4	-	-	140,176	140,176	139,973
Mission Worker Home Assignment costs	4	-	-	21,078	21,078	38,502
Sponsored Nepalis	3	-	37,934	-	37,934	28,696
Grants	17	-	112,485	-	112,485	146,094
Others		-	-	21,800	21,800	16,982
<i>Support costs</i>						
Personnel	16	178,184	-	-	178,184	157,459
Premises		13,191	-	-	13,191	14,686
Utilities		1,733	-	-	1,733	863
Office costs		14,402	-	-	14,402	12,294
Communications		15,904	-	-	15,904	16,398
Publicity /promotional		11,479	-	-	11,479	14,561
Recruitment		553	-	-	553	883
Depreciation	6,10	7,908	-	-	7,908	7,465
	15	243,354	150,419	688,062	1,081,835	1,099,609

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STATEMENT OF FINANCIAL ACTIVITIES (Continued)
For the year ended 30 June 2013

		Unrestricted funds			Total	Total
		General funds	Designated funds	Restricted funds	2013	2012
	Note	£	£	£	£	£
Governance costs	5	7,739	-	-	7,739	13,710
		<u>7,739</u>	<u>-</u>	<u>-</u>	<u>7,739</u>	<u>13,710</u>
TOTAL RESOURCES EXPENDED		<u>271,631</u>	<u>150,419</u>	<u>688,062</u>	<u>1,110,112</u>	<u>1,131,600</u>
NET INCOMING / (OUTGOING) RESOURCES		<u>251,755</u>	<u>(128,522)</u>	<u>124,779</u>	<u>248,012</u>	<u>266,740</u>
Transfer between funds		(124,811)	159,811	(35,000)	-	-
Realised loss on investments		-	-	-	-	(805)
Unrealised gain on investments		3,255	-	-	3,255	1,562
NET MOVEMENT		<u>130,199</u>	<u>31,289</u>	<u>89,779</u>	<u>251,237</u>	<u>267,467</u>
Brought forward		<u>60,693</u>	<u>867,012</u>	<u>702,495</u>	<u>1,630,200</u>	<u>1,362,703</u>
CARRIED FORWARD		<u>190,892</u>	<u>898,301</u>	<u>792,274</u>	<u>1,881,437</u>	<u>1,630,200</u>

All of the above results are derived from continuing operations. There were no other recognised gains or losses other than those stated above. The surplus for the year for Companies Act purposes was £ 248,012 (2012 surplus £265,935)

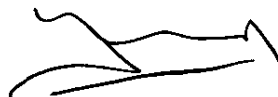
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BALANCE SHEET AS AT 30 June 2013
Company number: 03060972

	Notes	General funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
FIXED ASSETS						
Tangible assets	10	45,625	-	-	45,625	51,505
Investments	11	31,006	-	-	31,006	27,751
		<u>76,631</u>	<u>-</u>	<u>-</u>	<u>76,631</u>	<u>79,256</u>
CURRENT ASSETS						
Debtors and prepayments	12	29,205	-	-	29,205	51,056
Cash at bank and in hand		168,110	1,022,415	792,274	1,982,799	1,692,881
		<u>197,315</u>	<u>1,022,415</u>	<u>792,274</u>	<u>2,012,004</u>	<u>1,743,937</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Creditors and accrued charges	13	(83,054)	(59,649)	-	(142,703)	(159,014)
NET CURRENT ASSETS		<u>114,261</u>	<u>962,766</u>	<u>792,274</u>	<u>1,869,301</u>	<u>1,584,923</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR						
	14	-	(64,465)	-	(64,465)	(33,979)
TOTAL NET ASSETS		<u>190,892</u>	<u>898,301</u>	<u>792,274</u>	<u>1,881,467</u>	<u>1,630,200</u>
FUNDS						
Restricted income funds	18	-	-	792,274	792,274	702,495
Designated income funds	19	-	898,301	-	898,301	867,012
General reserve		190,892	-	-	190,892	60,693
		<u>190,892</u>	<u>898,301</u>	<u>792,274</u>	<u>1,881,467</u>	<u>1,630,200</u>

Approved and authorised for issue by the board on
and signed on its behalf

A. Gamme
A Gamme
Date 8/2/14.


W J Westwood
Date 8/2/14

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and under the historical cost convention, which has been modified to include the revaluation of investments

Incoming resources

Incoming resources represent amounts receivable during the period. Tax refunds are accrued in accordance with the SORP 2005 (Accounting and Reporting by Charities)

Depreciation

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

Computer equipment and software	3 years, straight line
Leasehold Improvements	10 years, straight line

Pension costs

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.

Investments

Investments are valued at market value in accordance with the SORP. Changes in value during the period are reported in gains/losses in investment assets in the Statement of Financial Activities.

Foreign currencies

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

Grants received towards specific projects are taken to income during the period in which they are receivable. 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.

Resources expended

Expenditure is included on an accruals basis, when incurred.

Charitable Activities – these are staff costs plus other purchases of materials and services which relate directly to the provision of the charitable activities. Grants payable are accounted for once approved by the board of trustees.

Support Costs – these represent costs incurred by UK based staff, directly providing support for the staff and programmes based in Nepal. They are allocated to the three main charitable activities (support of missionary workers, INF Nepal and INF Worldwide) as disclosed in Note 16.

Governance – these are costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. These represent audit, legal and trustee costs. Only direct costs are included under this category. No office costs or overheads are apportioned as in the opinion of the Trustees these would be immaterial.

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1 ACCOUNTING POLICIES (Continued)

Designated funds

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

Restricted funds

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

Cash flow statements

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

Operating leases

Payments made under operating leases are charged on a straight line basis over the term of the lease

2 STAFF COSTS

	2013 £	2012 £
Wages and salaries	140,669	129,285
Social security costs	12,784	11,340
Other pension costs	9,813	9,089
Courses, travel and other	13,318	4,672
Outsourced	1,600	3,073
	<u>178,184</u>	<u>157,459</u>
Average number of employees/volunteers on home assignment		
Management	1	1
Administration	5	4
	<u>6</u>	<u>5</u>

3 SPONSORED NEPALIS

	2013 £	2012 £
Income and donations	21,516	17,531
Less Costs	(37,934)	(28,696)
	<u>(16,418)</u>	<u>(11,165)</u>

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

4 MISSION WORKERS' SUPPORT COSTS

	2013	2012
	£	£
Mission Worker Support Fund:		
(1) UK Costs		
Allowances and travel	21,182	25,392
Social security	2,725	2,952
Other pension costs	29,386	33,557
Sabbatical costs	-	-
(2) Remitted to Nepal		
Support and related costs	86,883	78,072
	<u>140,176</u>	<u>139,973</u>
Other Mission Worker related funds		
Home Assignment costs	21,078	38,502
	<u>21,078</u>	<u>38,502</u>
	<u><u>161,254</u></u>	<u><u>178,475</u></u>

5 GOVERNANCE COSTS

	2013	2012
	£	£
Bank and web charges	2,014	1,851
Legal and statutory	1,516	349
Trustee expenditure	1,642	1,006
Foreign exchange (gain) / loss	(3,313)	5,164
Audit fee	5,880	5,340
	<u>7,739</u>	<u>13,710</u>

6 NET MOVEMENT IN RESOURCES FOR THE YEAR

	2013	2012
	£	£
The net movement in resources for the year is stated after charging		
Depreciation of owned tangible fixed assets (see note 10)	7,907	7,465
Audit fee	5,500	5,340
Operating lease rentals		
- land and buildings	10,872	12,420
	<u><u>10,872</u></u>	<u><u>12,420</u></u>

7 TRANSFERS FROM RESTRICTED FUNDS

In past years the company has had a policy of transferring a nominal contribution towards the cost of recruiting and supporting overseas staff, calculated on per person basis. For the year ended 30th June 2013 the board altered this approach to one based on a more detailed breakdown of its annual budget. This has increased the transfer figure, which now more properly reflects the true costs involved, though this is still not 100% cost recovery.

During the year ended 30 June 2013, support income included an amount of £35,000 (2012 £12,600), all of which was transferred to unrestricted funds during the year.

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

8 DIRECTORS' REMUNERATION

No directors' remuneration was voted during the year. 5 Directors incurred expenses in connection with travelling costs amounted to £1,642 (2012 £1,006)

9 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Bank interest	23,755	20,247
Dividends	419	429
	<u>24,174</u>	<u>20,676</u>

10 FIXED ASSETS

	Leasehold improvements £	Computer equipment and software £	Total £
Cost			
At 1 July 2012	55,000	18,831	73,831
Additions	-	2,028	2,028
At 30 June 2013	<u>55,000</u>	<u>20,859</u>	<u>75,859</u>
Depreciation			
At 1 July 2012	7,333	14,993	22,326
Charge for the year	5,500	2,408	7,908
At 30 June 2013	<u>12,833</u>	<u>17,401</u>	<u>30,234</u>
Net book value			
At 30 June 2013	<u>42,167</u>	<u>3,458</u>	<u>45,625</u>
At 30 June 2012	<u>47,667</u>	<u>3,838</u>	<u>51,505</u>

11 INVESTMENTS

	2013 £	2012 £
Charinco Common Investment Fund		
Market value at beginning of year	27,751	35,667
Realised loss during the year	-	(805)
Unrealised gain during the year	3,255	1,562
Disposals	-	(8,673)
	<u>31,006</u>	<u>27,751</u>

The above investments in Charinco 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. A further gift of shares was received in 2005, with a value of £17,762.

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

12 DEBTORS AND PREPAYMENTS

	2013 £	2012 £
Taxation refund receivable	25,438	48,825
Other debtors and prepayments	3,767	2,231
	<u>29,205</u>	<u>51,056</u>

There are no debtors falling due after more than one year

13 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2013 £	2012 £
Accruals and deferred income	57,035	44,876
Funds held for Nepal	22,758	71,616
Grants committed to Nepal	59,649	38,637
Taxation and social security	3,261	3,885
	<u>142,703</u>	<u>159,014</u>

14 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	2013 £	2012 £
Grants to INF Nepal & INF Worldwide	<u>64,465</u>	<u>33,979</u>

15 CHARITABLE ACTIVITIES

	Activities directly undertaken £	(Note 17) Grant Funding £	(Note 16) Support Costs £	2013 Total £	2012 Total £
Support of missionary workers	161,254	-	97,342	258,596	268,320
Support of INF Nepal	-	-	73,006	73,006	67,382
Support of INF Worldwide	-	-	73,006	73,006	67,382
Support of INF Internationally	564,742	112,485	-	677,227	696,525
	<u>725,996</u>	<u>112,485</u>	<u>243,354</u>	<u>1,081,835</u>	<u>1,099,609</u>

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

16 SUPPORT COSTS

Activity	Support of missionary workers £	Support of INF Nepal £	Support of INF Worldwide £	Total 2013 £	Total 2012 £
Personnel (note 2)	71,274	53,455	53,455	178,184	157,459
Premises	5,277	3,957	3,957	13,191	14,686
Utilities	693	520	520	1,733	863
Office costs	5,760	4,321	4,321	14,402	12,294
Communications	6,362	4,771	4,771	15,904	16,398
Publicity/promotion	4,591	3,444	3,444	11,479	14,561
Recruitment	221	166	166	553	883
Depreciation (note 10)	3,164	2,372	2,372	7,908	7,465
	<u>97,342</u>	<u>73,006</u>	<u>73,006</u>	<u>243,354</u>	<u>224,609</u>

Basis of allocations:

The Trustees have apportioned support costs direct to activities where this is possible. Where support costs cannot be directly attributable to activities the Trustees have taken the view that support costs should be divided in a ratio of 40%, 30%, and 30% between support of missionaries, support of INF Nepal and support of INF Worldwide as they believe this reflects the division of costs incurred by the charity.

17 ANALYSIS OF GRANTS

Organisation	Programme	Grants to Institutions £	Total 2013 £	Total 2012 £
INF/N	Bajura	135,000	135,000	-
INF/N	INF Goes Green	6,400	6,400	-
INF/N	Displaced People Initiative (DPI)	-	-	28,000
INF/N	International Partner Relations Officer	-	-	16,346
INF/N	Flood Relief - Pokhara	-	-	2,000
Other	Elijah Counselling & Training Centre	5,805	5,805	-
INF/I	* International Director	(34,810)	(34,810)	34,810
INF/I	Migrant Link Initiative (MLI)	90	90	23,349
INF/I	India Migrant Initiative (IMI)	-	-	20,000
INF/I	Faith @ Work	-	-	9,340
INF/I	Four small grants under £1,500	-	-	2,249
Chhahari Nepal UK (Charity No 1133311)	Chhahari Schools	-	-	10,000
		<u>112,485</u>	<u>112,485</u>	<u>146,094</u>

* The grant for the International Director was accrued for in 2012 but has not yet been spent. Discussions are ongoing about this project and so it has been decided to write the cost back until proposals are agreed.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

18 RESTRICTED FUNDS

	Brought forward	Donations, gifts & legacies	Charitable expenditure	Transfers	Carried forward
	£	£	£	£	£
Gifts to Nepal					
Work in Nepal	-	491,659	(491,659)	-	-
Seconded workers	-	13,349	(13,349)	-	-
Chhahari Schools	-	4,687	-	-	4,687
Ear Hospital & Training Centre	23,125	37,042	-	-	60,167
Elijah Counselling & Training Centre	-	5,000	-	-	5,000
Gordon Leitch Memorial Fund	28,702	70	-	-	28,772
HBTA	-	5,629	-	-	5,629
KISC	-	2,507	-	-	2,507
PRABHAV	1,235	6,763	-	-	7,998
Samaritan Home	-	1,409	-	-	1,409
Mission Worker Related Funds					
Restricted Support – General Reserve	271,566	221,390	(139,452)	259,525	613,029
Operational & Emergency repatriation reserve	252,500	-	-	(252,500)	-
Home assignment reserve	59,000	-	(21,078)	-	37,922
INF Medical Scheme	10,000	1,449	(724)	(10,725)	-
Sabbatical reserve	31,300	-	-	(31,300)	-
Others					
Welfare fund for Mission Workers	24,757	609	(300)	-	25,066
Personal gifts	-	16,689	(16,689)	-	-
Volunteers	-	4,469	(4,469)	-	-
UK Staff	310	120	(342)	-	88
	<u>702,495</u>	<u>812,841</u>	<u>(688,062)</u>	<u>(35,000)</u>	<u>792,274</u>

Note The support Fund transfer includes a transfer of £ 35,000 (2012 £12,600) from support income to unrestricted funds (see note 7)

19 DESIGNATED FUNDS

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

	Balance at 1 July 2012	New designations	Utilised/ released in year	Transfers	Balance at 30 June 2013
	£	£	£	£	£
Operational reserve (general)	132,250	-	-	(132,250)	-
Grants Fund	687,095	381	(112,485)	281,143	856,134
Property Reserve – The Cottage	47,667	-	-	(5,500)	42,167
Sponsored Nepalis in the UK	-	21,516	(37,934)	16,418	-
	<u>867,012</u>	<u>21,897</u>	<u>(150,419)</u>	<u>159,811</u>	<u>898,301</u>

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

20 FUNDS

Restricted Support Fund – General Reserve

In past years the charity has held separate reserves for its Medical Fund scheme, its Sabbaticals scheme for missionaries, and for Operational and Emergency Repatriation purposes. The board feel that this approach may result in the Charity overall holding a higher level of Support Reserves than is actually needed. To simplify matters the directors have decided to merge these three reserves and hold a single Support General Reserve. The target level of reserves held will be between 6 to 12 months of budgeted needs, plus a further £150,000 to cover needs in the event of an unforeseen repatriation of all workers from Nepal.

The Directors believe that the current fund balance of £553,029 is in excess of its current needs according to this policy. During 2013-2014 the board will undertake a review to ensure that the charity is using these funds in the most effective way to further the purposes of the charity.

Restricted Support Fund - Home Assignment Reserve

This is a designated fund and moneys are accrued to this reserve during a volunteer's period of service toward their eventual Home Assignment allowances. The fund is recalculated annually to ensure it is adequate. The fund holding as at 30 June 2013 was £97,922.

Restricted Support Fund - Welfare Fund for Mission Workers

This fund is a result of a major fund raising effort some years ago on behalf of Mission Workers. It has grown through continuing standing orders and now amounts to £25,066. Grants have been offered to retired Mission Workers to assist for travel costs associated with the 2012 European Conference, which took place in Holland in October 2012.

Other Restricted Reserves

These are funds held on behalf of a project, or for a designated purpose. With the exception of the support account, the amount held is equal to the fund balance at any one time.

Unrestricted - General Reserves

In past years the charity has held separate Operational and General Reserves. The board feel that this approach may result in the Charity overall holding a higher level of unrestricted reserves than is actually needed. To simplify matters the directors have decided to merge these two reserves and just hold a single General Reserve to cover potential fluctuations in income for the INF (UK) Headquarters (Unrestricted fund). The aspiration is to hold an amount equivalent to between a lower limit of six months' and an upper limit of twelve months' costs, based on the projected annual costs for the coming year for each of these respectively. The amount held as at 30 June 2013 in the General Reserves was £190,892 equating to approximately 8 months costs.

Unrestricted - Grants Fund

The Grants Fund operates to give grants to INF projects, in Nepal and outside of Nepal.

A formal grant application process is in place and this is overseen by the INF/UK Grants Committee. Grants are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements. The intention is to disburse monies in this fund over a five-year period.

The trustees have committed future significant legacies to this fund.

As at June 2013 the Grant Fund stood at £856,134 (cf 2012 £687,095). Grants totalling £112,486 have been authorised during the year. A transfer from the Grants fund towards the work INF/UK does amongst Nepalis in the UK was made during the year in the sum of £16,418.

INTERNATIONAL NEPAL FELLOWSHIP
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

21 OTHER FINANCIAL COMMITMENTS

At 30 June 2013 the charity was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2013

	Land & building 2013 £	Other 2013 £	Land & buildings 2012 £	Other 2012 £
Within 1 year	-	-	-	-
Within 2-5 years	-	413	-	413
More than 5 years	11,364	-	11,031	-
	<u>11,364</u>	<u>413</u>	<u>11,031</u>	<u>413</u>
	<u>11,364</u>	<u>1,342</u>	<u>11,031</u>	<u>1,755</u>

22 RELATED PARTY TRANSACTIONS

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