

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

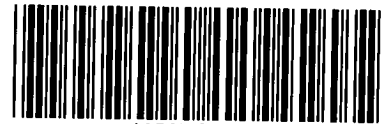
COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2017

**INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)**

Unaudited Financial Statements

Year ended 30 June 2017

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COMPANIES HOUSE

CEO's summary of the year



2016-17 was an exciting year, with many opportunities to assist our partners doing great work amongst some of Nepal's poorest and most vulnerable people and communities.

Our principle partners in Nepal were INF Nepal, a sister organisation that we have worked with for 65 years, and Asal Chhimekee Nepal, the social work wing of the Pokhara Christian Community. Summaries of many of the programmes we have been able to assist are listed in the main body of this report.

After a two-year delay in the signing of INF Nepal's 5-year agreements with the Government of Nepal, the final one (the Health Partnership Agreement) was signed in June 2017. This provides INF Nepal with a sense of stability for its projects for the coming 5 years.

Despite achieving formal agreements, INF has still experienced difficulty in securing visas and work permits for many of its expatriate workers - meaning a significant reduction in the number of volunteers sent to Nepal. This is not an experience unique to INF, but rather reflects a change in government policy to restrict the number of expatriate work visas in order to give well-qualified local Nepalis greater work opportunities. INF/UK understands this motivation and supports it.

Looking to the future, the market places of both development and Christian mission are undergoing significant change, especially in the area of fundraising. This situation is clearly recognised by the charity's Board, who are working closely with the senior executives of the charity to respond positively to these challenges. The charity has strong partners, robust reserves through previous good management, and a dedicated and flexible workforce. As a result, I believe INF/UK is well placed to continue to serve the needs of Nepal and its people for many years to come.

John Reynolds
Chief Executive Officer

OUR VISION

'Life in all its fullness for the poorest and most disadvantaged Nepalis.'

OUR MISSION

'Empowering Nepal's poorest people and communities through life-changing health and development work, centred in Christ's love for His world.'

OUR ETHOS

INF draws its distinctive ethos and values from its non-denominational, Christian heritage. Supporting health and development work amongst the poor and marginalised peoples of Western Nepal is a holistic expression of its Christian values.

OUR PRINCIPAL PARTNERS IN NEPAL

INF/UK's two principle partners in Nepal are INF Nepal (INF/N) and Asal Chhimekee Nepal (ACN). INF/UK has worked with INF/N for over sixty-five years and with ACN for more than ten years.

DEMONSTRATING PUBLIC BENEFIT

When deciding its priorities, and partners, trustees consider how these will further the charity's purposes for the public benefit. Trustees also take account of 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.

In order to verify that the works of its partners are to the public's benefit and are consistent with the charity's objectives, officers of the charity (trustees, executive, and staff) regularly visit partner projects. Annual reports of projects are also received.

ACTIVITIES THROUGH THE PAST YEAR

INF/UK fulfils its charitable objectives in several ways:

- I. Supporting Nepal's development through seconding health professionals and advisors, who help through capacity building in areas such as gynaecology and obstetrics, otorhinolaryngology, medical camps, management and leadership training development, and physiotherapy.
- II. By raising funds for health and development projects and programmes from individuals, trusts and foundations, and organisations (such as churches).
- III. Acting on behalf of our Nepali partners in strengthening relationships with a number of their other UK and European-based partner agencies.
- IV. Working amongst Nepalis across Europe, providing support and leadership training to Nepali Christian Fellowships. The principal countries in which it works are the UK, Finland, Denmark, Portugal, the Netherlands, Spain and Switzerland.
- V. Encouraging a diverse network of supporters in the UK and across Europe.
- VI. INF/UK publicises the work of its Nepali partners in the UK and Europe through public meetings and its bi-monthly 'Prayer Notes', its magazine 'Today in Nepal', and its annual publication 'Partners in Prayer'. It also communicates regularly by email and social media, and publishes other material to broaden support.

SOME OF THE PROGRAMMES INF/UK HAS SUPPORTED THIS YEAR

INF/UK supports a broad variety of health and development programmes in Nepal. Here are just a few examples of the work we have supported through grants and fundraising in 2016-17:

INF NEPAL PROGRAMMES

1. INF Nepal's Fistula Repair Camps and building of a Specialist Fistula Surgery Repair Centre

An obstetric fistula is a severe and traumatic medical condition in which a hole (fistula) develops between either a woman's rectum and vagina (recto-vaginal fistula) or between the bladder and vagina (vesico-vaginal fistula). The fistula usually develops when the passage of an unborn child through the birth canal is prolonged or obstructed, but can have other causes and occurs disproportionately among impoverished girls and women, especially those living far from medical services. The impact can be long term and devastating.

The constant leakage of urine and resultant smell brings shame to women, who are often ostracised by their community. Simple things such as bus travel can be impossible, as other passengers are harsh with their words and don't want them on their bus. Not infrequently the woman's husband has left them, resulting in poverty and misery.

INF runs camps to repair fistulas, restoring women's dignity and a hope for a better life in their communities. In spring 2017, INF held its ninth fistula repair camp in Surkhet.

In total, 65 outpatients were seen, nearly half of them had confirmed fistulas and 26 underwent surgery.

Four patients with delayed breakdown after surgery at previous camps were also operated on. All four patients went home dry, with closure of the fistula and no significant stress incontinence.

Women who have an operation stay at the hospital for a few weeks so that their bodies can heal completely. But it is not only the physical healing that makes a difference. During their stay they are lovingly cared for and many women find out for the first time that they are not alone in their condition.

In order to provide a longer term solution to the need for fistula repairs, INF is assisting the Government Hospital in Surkhet to build a specialist Fistula Repair Centre and train staff in this speciality. It is hoped that this centre will open and be operational in 2018.

A new life after 30 years of misery

Chinchali Pun, 59, lives in Rolpa district, a remote hilly part of Nepal.

She married at 14 and gave birth to her first baby without any problem, but three years later the birth of her second child was very different. After six days of strong pains her baby was still born and the difficult birth had damaged her so that her urine started to leak uncontrollably. From that time the days of happy family life were over.

Her husband started gambling and lost all his wages. Chinchali also suffered much domestic violence until, three years later, her husband left her and took their son with him.

Despite the loneliness, the shame and the disappointment, she worked to be independent. She tended animals and was able to buy goats and cattle of her own and in this way make a living.

Chinchali had been suffering from the problem of urine incontinence for 30 years when she heard about the fistula camp organised by INF Nepal Surkhet Clinic. She was made welcome and found herself in a ward full of women suffering as she was. She was able to tell her story. Examination confirmed that she had a large fistula in her bladder. Six days later she had surgery to close the fistula. The operation was a success.

Chinchali says "I feel I have got a new life after thirty years of misery".



Chinchali with nurse Hema learning to knit

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2. INF Nepal's Surkhet Rehabilitation Development Project

INF's Surkhet Clinic has always had a heart for the rehabilitation of disability. This work requires intensive, long-term commitment to patients.

During the last year a total of 31 patients received long term assistance i.e. 21 clients with spinal cord injury, four with head injuries, five post stroke, and one with cerebral palsy received intensive rehabilitation treatment that helped them to achieve the maximum possible mobility and independence in their daily living routines. In total there were 4,047 sessions of occupational therapy or physiotherapy provided.

People receive mobility and assistive devices (such as wheelchairs, walking frames, crutches, toilet chairs/stools, mattresses, catheters, and U-bags) depending on their individual needs. This ensures they have maximum possible mobility, functionality, and quality of life after they return home. Through this they are able to live more dignified and independent lives that are less reliant on their family members.

Of the 21 clients with spinal cord injuries, 10 clients walked home. 11 could propel a wheelchair, and manage their daily routines independently, which they couldn't when they first arrived for treatment.

This project is successful in serving poor and marginalised people affected by spinal cord injuries and head injury, by enabling them to improve their mobility, functionality, and quality of life after they return home.

3. INF Nepal's Bajura Community Development

Bajura District is one of the poorest and remotest places in the Far West of Nepal. INF has been working with communities here since 2013. The aim of the programme is to improve life in this district and enable the communities to work their way out of poverty.

When the work started, the majority of people lived off the land but most families were only able to produce enough food for three to six months of the year. At least one man per family spent nearly half of the year working in India to be able to meet their families' basic needs.

A third of the people we work with are Dalits – Nepal's lowest caste, also known as 'Untouchables'. Although discrimination against castes has been illegal since 1962, it is still deeply rooted in Bajura's communities. Dalits are not allowed to enter temples, touch food at common gatherings, or use public taps. They were beaten by upper-caste people, and many lived in modern forms of slavery and bonded labour. Very few had land or farm animals, and they were hardest hit by the shortage of food.

Today, life in Bajura is very different. There are 115 Self-Help-Groups. Each group consists of about 40 people who meet regularly to discuss common issues and resolve problems with their own initiative or with INF's support. The groups include members from all castes, and decisions are made with everyone participating equally. Each person gets an opportunity to speak, and meetings are chaired on a rotating basis so that everybody can get involved.

People's sense of ownership of their future has grown over time, and they are working together in unity. They have learned how to make better use of their rights to access government services and worked hard to improve the life of people in their communities.

During the past year, INF Nepal has been working with around 2,000 households (equating to nearly 15,000 direct beneficiaries).

Of these, 300 households now have adequate food for the whole year, and 300 more have food for more than six months.

Nearly half of the self-help group members (920 households) doubled their income through various income generation activities. They can now afford to buy good food on a daily basis, clothes, maintain good hygiene standards, and provide schooling for their children.

Jhimu's Story

Jhimu, age 47, joined a self-help group in 2013. Initially, she learned how to set up a kitchen garden to sell vegetables and supplement the family's food. She was able to pay money back to the group and earned sufficient to cover the cost of education for her children (three sons and one daughter).

In the second year, Jhimu was able to buy a plot of land to farm and the whole family started to work together on it.

In 2017, she had saved enough money, subsidised by another grant from the group, to open a grocery shop in the village.

She says, "My experience had a positive impact on involving women in agriculture. I believe that commitment, training and skills development in agriculture, better use of local knowledge, and support from my family, were the major factors of my success. I am very grateful to INF for its efforts that helped me improve the life of my family."



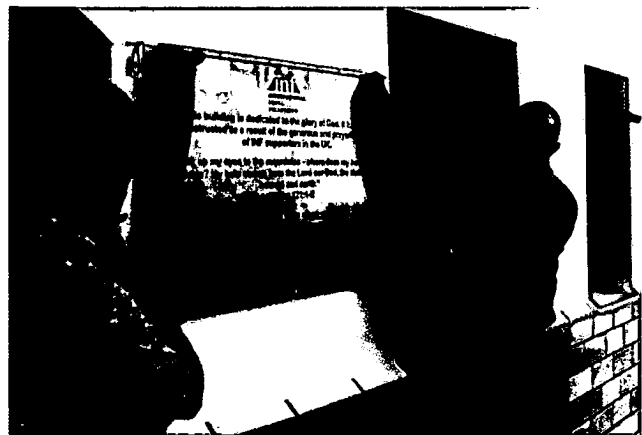
Jhimu in her kitchen garden

4. INF Nepal's Green Pastures Hospital

In May 2016, INF/UK committed nearly £450,000 towards the rebuilding and substantial refurbishment of the operating theatre and patient wards at INF Nepal's Green Pastures Hospital.

We are delighted to report that the work was successfully completed at the end of June 2017, with a formal opening of the new buildings a month later.

This redevelopment is an important stage in the vision to see Green Pastures develop as a centre of excellence for disability and rehabilitation for the whole of western Nepal. The hospital also crossed a number of thresholds in its transformation from being a development project of INF Nepal, to a 100-bed hospital registered with the Ministry of Health. This recognition is important if it is to succeed with plans to develop as a fully-fledged training hospital.



Opening of the new wards and operating theatre

Despite the disruption caused by the rebuilding programme, which closed a number of wards for a whole year, Green Pastures performed well against its targets for inpatient and outpatient care across a wide range of disability types, here are just a few examples:

Leprosy

- 2,400 outpatients examined and treated for recurrent ulcers and other reactions
- 100 new cases of leprosy discovered
- 170 patients treated as inpatients
- 270 health care workers trained in leprosy care and detection

Spinal Cord Injury

- 62 inpatients treated
- 2,200 physiotherapy sessions provided
- 800 peer counselling sessions provided

General Disabilities

- 50 stroke patients treated as inpatients
- 50 inpatients treated for amputations
- 60 orthopaedic patients treated as inpatients
- 170 patients received surgery for general disabilities

Palliative Care

- 21 patients were given terminal care as inpatients
- 36 terminal patients received care in the community

Cerebral Palsy

- Two ten-day camps for 33 children
- Home visits to 17 children with cerebral palsy
- 50 children with cerebral palsy received inpatient services
- 107 assistive devices (e.g. wheelchairs) were provided to children with cerebral palsy

In addition, 43 children of people with disabilities and people affected by leprosy received support for their education, including financial support to help pay children's school fees, stationery, uniforms, and for travel expenses.

5. INF Nepal's Ear Centre

As well as treating people with ear disease and deafness, INF's Ear Centre also trains Nepali staff in ear-related procedures and treatment, and provides education on ear care and deafness. The vision is to bring relief to many Nepalis living with ear disease across the Western Regions.

The Ear Centre has capacity to treat 60 outpatients daily, and has 16 beds for inpatient treatment and care. INF's reputation for excellent ear care and treatment at an affordable cost has been a core strength of the centre in attracting patients from all over the western districts of Nepal.

During the past year nearly 10,000 outpatients came to the centre for treatment, with 4,400 undergoing audiology tests and over 330 being operated on. The number of operations would have been significantly higher were it not for the difficulty in obtaining a visa for INF's key expatriate ENT surgeon, Mike Smith.



Dr. Dipak Maharjan: *"Patients should get the best treatment that resources allow – clean wards, kind nurses, kind doctors. We want to give them a complete treatment and be able to share God's love."*

ASAL CHHIMEKEE NEPAL PROGRAMMES

Asal Chhimekee Nepal (ACN) means 'Good Neighbour Nepal' in Nepali. ACN is a social work organisation of the Pokhara Christian Community. It has developed into a very nimble, responsive organisation, especially in the area of disaster response, and has built a good reputation with both Local Government and National Government representatives.

1. ACN's Reconstruction Skill Training Programme

Over 636,000 houses were destroyed by the 2015 earthquake, and there is a desperate shortage of skilled labour for reconstruction.

In response to a request from the Department of Urban Development and Building Construction, ACN are training 325 mason workers, 50 electricians and 50 plumbers to meet reconstruction needs in some of the most remote villages in Gorkha District – the epicentre of the 2015 earthquake. This has not only helped with much needed reconstruction, but will also provide lifelong skills that will improve income generation opportunities into the future. When monitoring progress, this government department commended our partner for the quality of their training, work, and timeliness.



ACN masonry training, helping the reconstruction of houses destroyed in the 2015 earthquake

2. ACN's Aampipal Health Post Reconstruction



In January 2017, through the generous gifts of INF/UK supporters, ACN formally handed over the newly built Health Post in Aampipal village (the original one having fallen down during the earthquake of 2015). The event was attended by District Health Official and local leaders.

As an indication of ACN's responsiveness, at the time of this handover just eight health posts, of the 150+ that had fallen down, had been rebuilt. Of those, ACN had rebuilt five.

3. ACN's Livelihood and Training and Support project

This is the largest ACN project that we have ever supported, with a grant commitment of approximately £185,000.

The aim is to directly help 2,000 people affected by the earthquake through improving the livelihoods and health status of people in the target villages. In addition, it will help another 7,500 people indirectly.

This will be done through training to grow cash crops and in micro-business development.

A programme of organised livelihood trainings will assist people in learning about a variety of income-generating activities and how to improve the health status of people in their villages. To strengthen the long term impact of this project, ACN will also conduct monitoring and evaluation sessions and share their insights with the communities to enhance their ability to plan and learn together in future once this project is completed.

In order to achieve the project's objectives, ACN is actively partnering with various local government offices at both district and village levels. In collaboration with related stakeholders, ACN will conduct a variety of livelihood trainings and health programs to support and minimise the morbidity and mortality of women and children - thus promoting healthy lives for the people of the Gorkha district.

Livelihood and training activities:

- Identifying which crops are best suited to the land through soil tests. This activity will be conducted in collaboration of district agriculture office.
- Provide Village Animal Health Worker Training. Approximately 90% of people in the working area are farmers with agriculture and livestock to support their livelihoods. This is a 35-day training programme, and participants will be sent to the residential training centre. This will also be conducted in collaboration with relevant government agencies.
- Bee keeping training and hive distribution. Beekeeping and honey production is a very good way of earning a living, and the environment of the villages is suitable for this as they are located near jungles. After the training, farmers will be given a bee hive (one for each family) with bees.

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- Goat farming training and goat distribution. Some of the areas are considered suitable for goat farming. After the training, each household where the participant in the training is from will be given a goat.
- Tailoring training. Villagers have tended to go to larger towns and cities for tailoring services. Through training, and the gift of sewing machines, villagers will now have access to services in their own locality and will create income and jobs
- Animal health camps. Livestock are kept mainly for generating cash income by selling milk and meat. The animal health camp conducted by ACN is unique as no other organisations have done this. Such health camps will help to protect livestock from diseases and death. Keeping them healthy ensures better income from them.
- Women and children health camps. Women and children, particularly those from marginalised and poor backgrounds, already had very few choices for better health outside the village. A survey showed that after the disaster women and the children were most traumatised by the earthquake and their health is suffering most. These camps will help address this.



Women's Self Help Groups are an important part of ACN's work

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INF/UK FINANCIAL ACTIVITIES

Summary

During 2016-2017, total incoming resources were £909,341 (£1,187,717).

Total expenditure in 2016-17 was £1,105,833 (£1,980,711).

Funds

(a) General Fund

Total income on the General Fund was £285,083 (£408,632). This was mainly made up of General donations, Legacy income, and Interest income.

(b) Work in Nepal

This is income for the work of INF amongst Nepalis. Income was £460,823 (£559,700).

(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 was £157,393 (£213,078).

Reserves

(a) Unrestricted Reserves

The policy of the Board is to hold general reserves of 6–12 months of the budgeted annual costs of INF/UK in a designated Operating Reserve, to cover unforeseen events. Funds in excess of this are made available for grants to INF programmes and projects both inside and outside of Nepal. The total value of unrestricted funds held as at 30/06/2017 was £528,981 (£598,890).

(b) Restricted Reserves

These are funds held on behalf of a project, or for a restricted purpose, and the amount held is equal to the fund balance at any one time. The total value of restricted funds held as at 30/06/2017 was £662,642 (£784,187).

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.

Events after the reporting period

The charity will move offices in early 2018 to another building owned by their landlord and their current lease will be surrendered without cost. As the lease is considered by the Trustee's to be impaired, the asset value has been written off against the corresponding designated property reserve in the company's accounts.

CHARITY DETAILS

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.

The Trustees present their report along with the financial statements of the charity for the year ended 30 June 2017. 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

BOARD OF TRUSTEES

MICHAEL THOMAS (CHAIR): worked for over 25 years in commerce and industry, voluntary work (leading an organisation working in Arab world countries), and leading an organisation involved in Bible translation.

ANDREW CORDELL (VICE-CHAIR): has had an interest in Nepal since 1985. In the 1990s he lived, with his family, in Surkhet and was involved in INF's medical work there. He now works as a GP in Bristol.

VIJAYA ADHIKARI: was born and raised in Kathmandu. She has extensive experience working with a variety of NGOs in Nepal including at board level. Vijaya now lives in Somerset with her husband (a former Gurkha soldier) and her daughter.

HOM NATH DHAKAL: is Senior Lecturer in Materials and Manufacturing at the University of Portsmouth. He has served as the General Secretary of the National Board of Habitat for Humanity, Nepal, and as a trustee of the South Asian Society in Plymouth.

TOM DONALDSON: is an anaesthetist, living in Chester. He lived in Pokhara for three years as a child and did his medical elective a few years later in Tansen Hospital, Nepal.

ROGER HAMLET: is an orthotist. He has experience of short-term service with INF in Nepal, and also lived in Nepal from the ages of one to ten when his parents were mission partners with INF.

PETER HOPKINSON: is an entrepreneur and business angel. He is an advocate of microfinance and has a growing microfinance initiative in Nepal. Peter is also Chair of Churches Together in Marlow.

DAVID M^CCONKEY: worked in Nepal for 27 years with the United Mission to Nepal in various roles in the education sector and in mission leadership. He also gave training to Nepali church leaders in Holistic Mission, and Forgiveness and Reconciliation.

DIANE NORTON: trained as a nurse and midwife, before going to Nepal in 1988. She worked at Green Pastures Hospital, INF's Jumla clinic, and her final post was teaching nursing at the Nursing Campus in Pokhara before returning to the UK in 1999. She has been a trustee on the UK board since 2006.

WILLIAM WESTWOOD: spent the last 20 years of his career in senior financial and management roles in the global packaging industry.

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OFFICERS AND ADVISORS

<u>Chief Executive Officer</u>	Mr John Reynolds
<u>Company Secretary</u>	Mr John Reynolds
<u>Auditors</u>	Mazars LLP 45 Church Street Birmingham B3 2RT
<u>Solicitors</u>	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
<u>Bankers</u>	Bank of Scotland 33 Old Broad Street London, EC2N 1HW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

INF/UK is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1st May 1995. It is registered with the Charity Commission. There are 10 members of the company, each of whom agrees to contribute £1.00 in the event of the charity winding up.

Appointment of 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 so that it does not become stale. Natural turnover of trustees aids this process, ensuring new trustees are appointed on a regular basis.

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.

Trustee induction and training

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, and 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.

Organisation

The board of trustees administers the charity, and is responsible for the overall direction of the organisation and the policies that govern the way the organisation functions. The board normally meet 4 times a year.

Responsibility for the day-to-day leadership and management of the charity is delegated to the Chief Executive Officer (CEO), who is appointed by the trustees and is responsible for achieving the charity's strategic goals. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the trustees, for all operational matters including finance and employment. The CEO is line-managed by the Chair on behalf of the board.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefits from their work with the charity. Any connection between a trustee or senior manager of the charity with any supplier or beneficiary must be

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disclosed to the full board of trustees, similarly any other contractual relationship with a related party. In the current year no such related party transactions were reported.

While INF/UK works principally with INF/N and ACN, there are no voting or appointment rights in respect of either of these, neither is there any other form of control over them, or by them of INF/UK.

Pay policy for senior staff

All trustees give of their time freely and no trustee received a remuneration in the year. Details of trustee expenses and related party transactions are disclosed in note 12 to the accounts.

The pay of senior staff is reviewed annually, and normally increased in accordance with average earnings. In view of the nature of the charity, the director's salary is benchmarked against pay levels in other similar charities of a similar size and complexity.

Risk management

The trustees have a risk management strategy which comprises of:

- i. A regular review of principal risks and uncertainties that the charity faces, this to be undertaken at intervals of not more than 24 months. The board undertook a full risk review in February 2017.
- ii. Established policies, systems and procedures to mitigate risks identified in its reviews.
- iii. The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Earthquake is a major risk to the charity's work and its staff in Nepal. A contingency plan is in place and this was stress-tested during the major earthquake in 2015 and found to be robust and appropriate.

Other risks identified include:

- Political changes and restrictions within Nepal, the principal country for the outworking of our charity. This is mitigated through regular visits and discussions with staff and board members of our principle partners.
- Reliance on senior staff, principally the CEO, as a result of the charity being so small. This has been mitigated through the appointment of a Fundraising Director some years ago and was stress-tested and proven to be adequate during the CEO's sabbatical period in the last financial year.
- There is a risk of an underlying shortfall in general fund income compared to general fund costs, and a reliance on reserves to make up any difference. Cost reduction plans have been implemented with the aim of an income and costs balance by June 2018.

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TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Observe the methods and principles in the Charities SORP;
- c. Make sound judgements and estimates that are reasonable and prudent;
- d. State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will not continue in business.

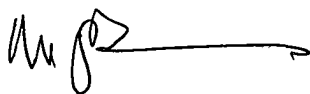
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Michael Thomas
Chairman

3/2/2018

Date

INDEPENDENT EXAMINER'S REPORT
For the year ended 30 June 2017

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF INTERNATIONAL NEPAL FELLOWSHIP

I report on the financial statements of International Nepal Fellowship for the year ended 30th June 2017 which are set out on pages 16 to 28.

Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements as carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(b) of the 2011 Act.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

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

Independent examiner's statement

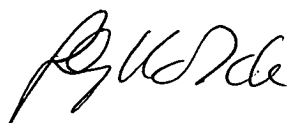
Since the charity's gross income exceeded £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants England and Wales which is one of the listed bodies. In connection with my examination, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of International Nepal Fellowship in accordance with section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or

INDEPENDENT EXAMINER'S REPORT
For the year ended 30 June 2017

- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principals of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Ian Holder
Chartered Accountant
45 Church Street
Birmingham
B3 2RT

Date:

19 February 2018

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2017

		Unrestricted funds			TOTAL	TOTAL
	Note	General funds	Designated fund	Restricted funds	2017	2016
		£	£	£	£	£
INCOME						
Income from donations & legacies	2	260,346	-	624,258	884,604	1,167,781
Interest & dividends receivable	3	11,144	-	-	11,144	11,640
Charitable activities	4	13,593	-	-	13,593	8,296
TOTAL INCOME		285,083	-	624,258	909,341	1,187,717
EXPENDITURE						
Expenditure for raising funds	5	60,368	-	-	60,368	86,663
Charitable Activities						
Support Missionary workers	6	82,165	-	198,895	281,060	343,115
Support INF Nepal	6	213,197	-	384,977	598,174	1,088,391
Support INF International	6	49,299	-	-	49,299	82,068
Support Other partners	6	-	-	116,931	116,931	380,474
Charitable Activities total		344,661	-	700,803	1,045,464	1,894,048
TOTAL EXPENDITURE		405,029	-	700,803	1,105,832	1,980,711
UNREALISED GAIN ON INVESTMENT		5,037	-	-	5,037	1,166
NET INCOME/ (EXPENDITURE)		(114,909)	-	(76,545)	(191,454)	(791,828)
Transfer between funds		150,667	(105,667)	(45,000)	-	-
NET MOVEMENT IN FUNDS		35,758	(105,667)	(121,545)	(191,454)	(791,828)
BROUGHT FORWARD		253,223	345,667	784,187	1,383,077	2,174,905
CARRIED FORWARD		288,981	240,000	662,642	1,191,623	1,383,077

All of the above results are derived from continuing operations. There were no other recognised gains or losses other than those stated above. The deficit for the year for Companies Act purposes was £196,491 (2016 deficit: £792,994).

The notes on pages 16 to 28 form an integral part of these financial statements.

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

BALANCE SHEET AS AT 30 June 2017
Company number: 03060972

		Unrestricted funds			TOTAL	TOTAL
	Note	General funds	Designated funds	Restricted funds	2017	2016
		£	£	£	£	£
FIXED ASSETS						
Tangible Assets	16	2,724	0	-	2,724	32,379
Investments	17	41,822	-	-	41,822	36,784
		44,546	0	-	44,546	69,163
CURRENT ASSETS						
Debtors & Prepayments	18	20,212	-	-	20,212	2,939
Cash at bank and in hand		236,413	240,000	1,213,908	1,690,321	2,134,876
		256,625	240,000	1,213,908	1,710,533	2,137,815
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Creditors & Accrued charges	19	(12,190)	-	(421,987)	(434,177)	(745,481)
NET CURRENT ASSETS		244,435	240,000	791,921	1,276,356	1,392,333
CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR	20	-	-	(129,279)	(129,279)	(78,420)
TOTAL NET ASSETS		288,981	240,000	662,642	1,191,623	1,383,077
FUNDS						
General reserve		288,981	-	-	288,981	253,223
Designated income funds	21	-	240,000	-	240,000	345,667
Restricted income funds	22	-	-	662,642	662,642	784,187
		288,981	240,000	662,642	1,191,623	1,383,077

For the year ending 30th June 2017 the Company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

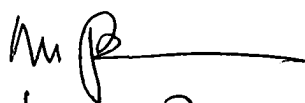
The Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476, and the Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts are prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

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


Michael Thomas

Date


3/2/2018

William James Westwood

Date


3/2/2018

The notes on pages 16 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The International Nepal Fellowship meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts have been prepared on a going concern basis based on the reserves held and budgets prepared.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that there are no critical accounting policies where judgements or estimations are necessarily applied in the financial statements.

Income

Income represents amounts receivable during this period. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Legacies are recognised when the charity becomes aware of them and where receipt is probable. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

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 International) as disclosed in Note 16.

Fixed asset & depreciation

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

Assets purchased with a value in excess of £500 are capitalised 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Operating leases

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

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.

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.

Financial Instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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 restricted purpose as specified by the donor or supplier, less expenditure applied for such a purpose.

2 INCOME FROM DONATIONS & LEGACIES

	Unrestricted funds			TOTAL	TOTAL
	General	Designated	Restricted	2017	2016
	funds	funds	funds		
Gifts to Nepal	31,236	-	439,913	471,149	608,141
Mission worker support fund	-	-	163,436	163,436	213,078
General donations	170,018	-	-	170,018	179,555
Legacy income	59,092	-	20,909	80,001	160,700
Other income	-	-	-	-	6,307
	260,346	-	624,258	884,604	1,167,781

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

3 INTEREST & DIVIDENDS RECEIVABLE

	2017 £	2016 £
Bank interest	11,024	11,259
Dividends	120	381
	<u>11,144</u>	<u>11,640</u>

4 CHARITABLE ACTIVITIES

	2017 £	2016 £
Conference fees	13,330	8,109
Trading income	263	187
	<u>13,593</u>	<u>8,296</u>

5 EXPENDITURE FOR GENERATING FUNDS

	2017 £	2016 £
Conference costs	19,556	15,311
Fundraising costs	40,812	71,352
Trading costs	-	-
	<u>60,368</u>	<u>86,663</u>

6 CHARITABLE ACTIVITIES

	Support of Missionary Workers	Support of INF Nepal	Support of INF Inter- national	Support of other partners	Total
Activities directly undertaken	198,895	210,024	-	30,912	439,831
Grant funding - restricted fund (Note 8)	-	174,953	-	86,019	260,972
Total (Note7)	<u>198,895</u>	<u>384,977</u>	<u>-</u>	<u>116,931</u>	<u>700,803</u>
Grant funding - General fund (Note 9)	-	16,000	-	-	16,000
Support costs (Note10)	82,165	197,197	49,299	-	328,662
Total	<u>82,165</u>	<u>213,197</u>	<u>49,299</u>	<u>-</u>	<u>344,662</u>
2017 total	<u>281,061</u>	<u>598,174</u>	<u>49,299</u>	<u>116,931</u>	<u>1,045,465</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

7 ANALYSIS OF ACTIVITIES DIRECTLY UNDERTAKEN (Note 22)

	Support of Missionary Workers	Support of INF Nepal	Support of INF International	Support of other partners	2017 Total
Specific gift for Nepal	-	210,024	-	-	210,024
Specific gift for Nepal - Disaster relief fund /Programme fund	-	174,953	-	86,019	260,972
Specific gifts for other partners	-	-	-	30,912	30,912
Mission worker & related	198,895	-	-	-	198,895
Total	198,895	384,977	-	116,931	700,803

8 ANALYSIS OF GRANT FUNDING – grants made from restricted fund (Disaster relief /Programme fund)

Organisation	Programme	Grants to Institutions Total 2017 £
INF/N	Medical Surgical Outreach grant (part of £7,651)	6,748
INF/N	Bajura Mountain livelihood project	20,000
INF/N	Banke Rehabilitation and Community Empowerment project	12,500
INF/N	BajuraMountain livelihoods project - in one year	25,000
INF/N	BajuraMountain livelihoods project – more than one year	30,000
INF/N	Banke Rehabilitation and Community Empowerment Project- in one year	30,250
INF/N	Banke Rehabilitation and Community Empowerment Project- more than one year	27,500
INF/N	Sabalta Community based rehabilitation- in one year	22,000
INF/N	Fund transferred to Sagoal	955
		174,953
Other Partner	ACN - Earthquake relief grant	79,494
OtherPartner	ACN – Livelihood training and support Project	6,525
		86,019
		260,972

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

9 ANALYSIS OF GRANT FUNDING – grants made from general fund

Organisation	Programme	Grants to Institutions Total 2017 £	Total 2016 £
INF/N	INF Surkhet GRU 2015-16	-	16,500
INF/N	Returned INF Surkhet GRU 2015-16	-	(16,500)
INF/N	Green Pastures Hospital wheelchair related	-	3,276
INF/N	GPH - to Dr Dipak's salary	-	12,969
INF/N	Christian ID INF –N	-	5,000
INF/N	Green Pastures Hospital wheelchair related	-	847
INF/N	Green Pastures hospital development phase 1	-	267,031
INF/N	Green Pastures hospital development phase 1	-	150,000
INF/N	INF Surkhet Community Rehabilitation Unit(CRU) 2014/15	-	-
INF/N	Green Pastures Hospital Anne Wafula Strike appeal	-	-
	Grants cancelled (see below)	-	(97,677)
INF/N	Green Pastures Hospital refurbishment - wall	16,000	
		16,000	341,446

Two grants made in 2013-14 were cancelled in 2016 as there was no need for the funds in Nepal. The grants cancelled are listed here:

Balance of grant to INF Surkhet CHD project	£54,007
Balance to grant to Nepal in the UK	£40,324
Exchange rate differences	<u>£3,346</u>
	<u>£97,677</u>

10 ANALYSIS OF SUPPORT COSTS

Activity	Support of Missionary Workers £	Support of INF Nepal £	Support of INF International £	Total 2017 £	Total 2016 £
Personnel (note 11)	58,538	140,492	35,123	234,153	225,892
Premises, Offices	11,046	26,510	6,627	44,183	35,052
Finance, Depreciation	7,414	17,793	4,448	29,655	10,108
Legal & Statutory	769	1,846	461	3,076	8,111
Communications & Publicity	3,904	9,370	2,343	15,617	28,513
Governance (note 12)	1,242	2,980	747	4,969	1,128
Exchange rate loss/gain	(748)	(1,794)	(449)	(2,991)	(19,013)
	82,165	197,197	49,299	328,662	289,791

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 25%, 60%, and 15% between support of Mission Workers, support of INF Nepal and support of INF International as they believe this reflects the division of costs incurred by the charity.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

11 ANALYSIS OF STAFF COSTS

	2017 £	2016 £
Wages and salaries	191,873	187,058
Social security costs	13,947	10,633
Other pension costs	13,469	10,725
Courses, travel and other	14,533	17,146
Outsourced	-	330
	<u>234,153</u>	<u>225,892</u>
 Average number of employees (FTE head count):	 2017	 2016
Management	2	2
Administration	6	5
	<u>8</u>	<u>7</u>

No staff earned over £60,000 in 2017 or 2016. The key management personnel of the charity is the Chief Executive Officer. The total employee benefits of the key management personnel are salary £46,872 & employer's pension contribution £3,923 for 2017 (£46,870 and £3,940 respectively in 2016).

There are no termination payments for leavers in 2017 or 2016.

12 GOVERNANCE COSTS

	2017 £	2016 £
Trustee expenditure	4,969	1,128
	<u>4,969</u>	<u>1,128</u>

13 NET MOVEMENT IN RESOURCES FOR THE YEAR

	2017 £	2016 £
The net income/expediture for the year is stated after charging:		
Depreciation of owned tangible fixed assets (see note 16)	29,655	9,233
Independent examination fee	2,565	6,996
Operating lease rentals (see note 24)		
- land and buildings	49,170	61,404
- other operating leases	-	123

14 TRANSFERS FROM RESTRICTED AND DESIGNATED FUNDS

The company has a policy of transferring an amount from the Restricted Support Fund to the General Fund to cover the full costs incurred in recruiting and supporting overseas staff. During the year ended 30 June 2017 support income included an amount of £45,000 (£44,000), which was transferred to unrestricted funds to cover the costs of recruiting and supporting overseas staff.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

A transfer of £25,667 (£NIL) was made from the Designated Property Reserve to the General Fund as the leasehold property asset is fully impaired and thus the reserve is no longer required. Please see note 25 for further information.

A transfer of £80,000 (£NIL) was made from the Designated Operating Reserve to the General Fund so that the funds remaining in the Designated Operating Reserve were equal to approximately 9 months budgeted annual costs for 2017-18.

15 TRUSTEES' REMUNERATION

No Trustees' remuneration was paid during the year. 10 Trustees incurred expenses in connection with travelling costs amounted to £4,969 (£1,128).

16 FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Total £
Cost			
At 1 July 2016	55,000	33,449	88,449
Additions	-	-	-
	<u>55,000</u>	<u>33,449</u>	<u>88,449</u>
At 30 June 2017	<u>55,000</u>	<u>33,449</u>	<u>88,449</u>
Depreciation			
At 1 July 2016	29,333	26,737	56,070
Charge for the year	-	3,988	29,655
Impairment	25,667	-	-
	<u>55,000</u>	<u>30,725</u>	<u>85,725</u>
At 30 June 2017	<u>55,000</u>	<u>30,725</u>	<u>85,725</u>
Net book value			
At 30 June 2017	-	2,724	2,724
At 30 June 2016	<u>25,667</u>	<u>6,712</u>	<u>32,379</u>

17 INVESTMENTS

	2017 £	2016 £
Charinco Common Investment Fund:		
Market value at beginning of year	36,785	35,619
Unrealised gain during the year	5,037	1,166
Disposals	-	-
	<u>41,822</u>	<u>36,785</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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

18 DEBTORS AND PREPAYMENTS

	2017 £	2016 £
Taxation refund receivable	20,209	4,687
Other debtors and prepayments	3	(1,748)
	<u>20,212</u>	<u>2,939</u>

There are no debtors falling due after more than one year.

19 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2017 £	2016 £
Taxation and social security	4,500	5,586
Unreleased Grants committed to Nepal – general fund	5,290	159,950
Total - general fund	<u>9,790</u>	<u>165,536</u>
Accruals and deferred income	39,366	67,328
Funds held for Nepal	(239)	2,642
Unreleased Grants committed to Nepal - restricted fund	385,260	509,975
Total – restricted fund	<u>424,387</u>	<u>579,945</u>
TOTAL	<u>434,177</u>	<u>745,481</u>

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

	2017 £	2016 £
Unreleased Grants committed to Nepal - restricted fund	<u>129,279</u>	<u>78,420</u>

21 DESIGNATED FUNDS

	Balance at 1 July 2016 £	New Designations £	Utilised / released in year £	Transfers (note 14) £	Balance at 30 June 2017 (note 16) £
Property Reserve – The Cottage	25,667	-	-	(25,667)	-
Operating Reserve	320,000	-	-	(80,000)	240,000
	<u>345,667</u>	<u>-</u>	<u>-</u>	<u>(105,667)</u>	<u>240,000</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

22 RESTRICTED FUNDS

	Brought forward £	Donations, gifts & legacies £	Charitable expenditure £	Transfers £	Carried forward £
GIFTS TO NEPAL					
Specific gift for INF Nepal - Ear Hospital	38,638	5,381	-	-	44,019
Specific gift for INF Nepal	48,926	277,625	(210,024)	-	116,527
Specific gift for INF International	-	-	-	-	-
Specific gifts subtotal	87,564	283,006	(210,024)	-	160,546
Support to INF Nepal	124,264	151,469	(260,972)	-	14,761
Support to INF International	-	-	-	-	-
Support to other Partners	-	-	-	-	-
Disaster relief/ programme fund	124,264	151,469	(260,972)	-	14,761
Work gifts	-	3,490	(3,490)	-	-
Seconded workers	-	6,078	(6,078)	-	-
Chhahari Schools	1,707	1,148	(2,751)	-	104
Ear Camps	100	-	0	-	100
Elijah Counselling & Training Centre	473	3,616	(3,904)	-	185
Gordon Leitch Memorial Fund	28,991	11	0	-	29,002
HBTA	1,020	3,922	(4,652)	-	290
KISC	96	3,204	(3,248)	-	52
PRABHAV	1,402	1,112	(2,420)	-	94
Samaritan Home	977	3,767	(4,370)	-	374
Specific gifts to other partners	34,766	26,348	(30,913)	-	30,201
GIFT TO NEPAL TOTAL	246,594	460,823	(501,909)	-	205,508
MISSION WORKER RELATED FUNDS					
Restricted Support – General Reserve	513,506	157,393	(192,432)	(45,000)	433,467
Home assignment reserve	-	-	-	-	-
OTHER RELATED FUNDS					
Welfare fund for Mission Workers	24,069	9	(429)	-	23,649
Personal gifts	-	2,890	(2,890)	-	-
Volunteers	-	3,144	(3,144)	-	-
UK Staff	18	-	-	-	18
MISSION WORKER RELATED FUNDS TOTAL	537,593	163,436	(198,895)	(45,000)	457,134
GRAND TOTAL	784,187	624,259	(700,804)	(45,000)	662,642

The Support Fund transfer includes a transfer of £45,000 (£44,000) from support income to unrestricted funds (see note 14).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

23 FUNDS

Unrestricted Operating Reserve

The policy of the Board is to hold an Operating Reserve of 6–12 months of the budgeted annual costs of INF/UK to cover unforeseen operating events. The sum of £240,000 is held in this reserve being approximately 9 months budgeted annual costs for 2017/18.

Other Unrestricted Reserve

Funds in excess of the designated operating reserve are held in a general reserve and the balance is made available for grants to INF programmes and projects in Nepal and outside of Nepal.

Grants given by INF/UK are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements. Grants may be given for periods up to 3 years and are documented in memorandums of understanding with each partner. Progress is monitored against agreed plans through annual reports from recipient programmes.

Restricted Support Fund – General Reserve

The charity holds a Restricted Support – General Reserve. The purpose of this fund is several-fold. This provides a cushion against fluctuating income for missionary allowances and gives peace of mind to mission workers while serving with INF. It also provides liquid funds to enable the repatriation of all workers from Nepal in the event of a natural disaster or civil unrest. Finally, because living allowances are higher when a missionary is on Home Assignment in his/her home country, an element of provision is needed to cover these higher costs.

Restricted Support Fund - Welfare Fund for Mission Workers

This fund is a result of a major fundraising effort some years ago on behalf of Mission Workers. It has grown through continuing standing orders and now amounts to £23,649. One example of the way this fund is used are small individual grants given offered to retired Mission Workers to assist for travel costs associated to INF Conferences.

Other Restricted Reserves

These are funds held on behalf of a project, or for a restricted purpose, and the amount held is equal to the fund balance at any one time.

24 RELATED PARTY TRANSACTIONS

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

25 EVENTS AFTER THE REPORTING PERIOD

The charity will move offices in early 2018 to another building owned by their landlord and their current lease will be surrendered without cost. As such, the leasehold assets are considered by the Trustees to be impaired and an impairment charge of £25,667 has been recognised in the year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

26 2016 STATEMENT OF FINANCIAL ACTIVITIES FUND ANALYSIS

	Unrestricted funds		Restricted funds	TOTAL
	General funds	Designated fund	funds	2016
	£	£	£	£
INCOME				
Income from donations & legacies	388,696	-	779,085	1,167,781
Interest & dividends receivable	11,640	-	-	11,640
Charitable activities	8,296	-	-	8,296
TOTAL INCOME	408,632	-	779,085	1,187,717
EXPENDITURE				
Expenditure for raising funds	86,663	-	-	86,663
Charitable Activities				
Support Missionary workers	72,358	-	270,757	343,115
Support INF Nepal	515,105	-	573,286	1,088,391
Support INF International	43,414	-	38,654	82,068
Support Other partners	-	-	380,474	380,474
Charitable Activities total	630,877	-	1,263,171	1,894,048
TOTAL EXPENDITURE	717,540	-	1,263,171	1,980,711
UNREALISED GAIN ON INVESTMENT	1,166	-	-	1,166
NET INCOME/ (EXPENDITURE)	(307,742)	-	(484,086)	(791,828)
Transfer between funds	49,500	(5,500)	(44,000)	-
NET MOVEMENT IN FUNDS	(258,242)	(5,500)	(528,086)	(791,828)
BROUGHT FORWARD	511,465	351,167	1,312,273	2,174,905
CARRIED FORWARD	253,223	345,667	784,187	1,383,077