

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2018

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

**Audited Financial Statements
Year ended 30 June 2018**



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CEO's summary of the year

2017-18 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 66 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, along with stories from beneficiaries which illustrate how individuals, families and communities experience transformation.

The end of the financial year saw a change of leadership at our main partner, INF Nepal, with the appointment of Krishna Adhikari as Executive Director. This is a response to the acknowledged need for stronger leadership and greater clarity of direction following Federalisation and the localisation of government to the provinces, significant challenges within the development sector globally, and new opportunities for growth in the health sector. Early indications suggest that this change is having a positive affect giving reason for confidence for the future.

INF Nepal's medical work has seen considerable progress with ongoing redevelopment, modernisation and expansion of hospital facilities. The number of doctors and variety of skills has also increased with the consequent improvement of treatment for patients.

The charity sector in England has seen additional challenges with the introduction of GDPR in May 2018. New policies and procedures were put into place to ensure compliance across our digital resources including data storage systems, emails and the website.

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

'Nepali people living dignified, hope-filled lives, free from poverty and suffering'

OUR MISSION

'Working with local communities and healthcare services, to improve health, reduce poverty and promote social inclusion'

OUR ETHOS

INF draws its distinctive ethos and values from its Christian heritage. Supporting health and development work amongst the poor and marginalised peoples of Western Nepal is a holistic expression of its 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 trustees consider how these will further the charity's purposes for the public benefit. Trustees 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 a number of ways:

1. Supporting Nepal's development through:
 - seconding health professionals and advisors, who help through capacity building in areas such as gynaecology and obstetrics, otorhinolaryngology and medical camps
 - raising funds for health and development projects and programmes, from individuals, trusts, foundations, and other organisations
 - acting on behalf of our Nepali partners in strengthening relationships with a number of their other UK and European-based partner agencies
2. Working amongst Nepalis across Europe, providing support and training. The principal countries in which it works are the UK, Finland, Denmark, Portugal, the Netherlands, Spain and Switzerland.
3. Encouraging a diverse network of supporters in the UK and across Europe.
4. Publicises the work of its Nepali partners in the UK and Europe through public meetings and bi-monthly email and paper newsletters, and its magazine 'Today in Nepal'.

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 2017-18:

INF NEPAL PROGRAMMES

Surkhet Rehabilitation Programme

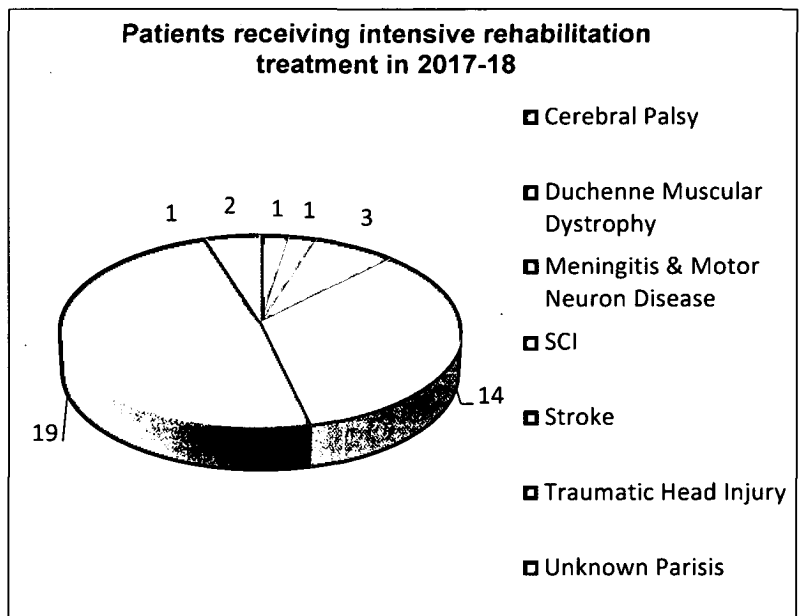
"Yesterday I walked for 16 hours, just to see one patient and give him one hour of physiotherapy."

This comment was made to CEO, John Reynolds, by Megan Barker, one of INF's experienced physiotherapy trainers, during his 2018 visit to INF's Surkhet Rehabilitation Centre.

She contrasted that day with the one that followed, where she had given physiotherapy to eight patients, with each receiving two sessions during the day.

Megan was explaining why the Surkhet Rehabilitation Centre is so important to patients with spinal cord injuries (SCI), Cerebral Palsy and other debilitating conditions, and why home visiting protocols that are 'normal' in Western countries are not possible in Nepal's remote mountainous areas.

During the reporting year, INF's Rehabilitation Centre provided a life-line to 41 patients, with each receiving intensive rehabilitation treatment that helped them gain maximum possible mobility and independence to do their daily activities.



In total, 5,739 occupational therapy/physiotherapy sessions were given during the year.

Staff at the Rehabilitation Centre also advocate for patients to receive disability cards from the Government's Women and Children Development Office. These cards help patients to access provisions made by the government, something that is often difficult for poor and marginalised people who have little understanding of their rights, or how the system works

Mobility and assistive devices such as wheelchairs, walking frames, crutches, toilet chairs/stools, and mattresses were provided so that patients could have a dignified life at home, with limited dependency on their family members. As well as this direct support, each of the patients had an immediate family member as their carer while at the centre, who received training to continue the exercises at home after discharge.

Of the 41 patients seen during the year, 30 saw improvement at the time of discharge in comparison to the time of admission. That means they could walk independently and gained dynamic sitting balance. Similarly, four patients had slight improvement in their health condition. Three patients had the same condition as before and one left against medical advice. The remainder are continuing with their therapy.

Lajni's livelihood

Seven years ago 25-year-old Lajni suffered spine injuries falling from a tree while collecting tree fodder. Immediately after her injury Lajni was understandably anxious. As a young girl, she was unsure about what the future would hold and how the direction of her life would change.

In a country with poor public health and medical services, spinal injury victims have little access to care and their families do what they can to cope in villages and accident sites. Lajni visited various hospitals and health institutions but she couldn't get proper treatment. She spent nearly 400,000 Nepali Rupees (£2,600 GBP) for the treatment, but her condition was not improved. Suffering loss of bladder and bowel control, and paralysis of the lower half of the body, her mental health suffered.

Lajni, was referred to the INF's Rehabilitation Centre in Surkhet by the chairperson of the Local Disability Group. Following rehabilitation and therapeutic interventions her health improved. She can move and walk with the support of walking cane.

As Lajni was from a poor economic background with few prospects, The Rehabilitation Centre decided to provide her with some income generation support in the shape of five goats. She has had good support to raise the goats from her family members and has earned 60,000 Nepali Rupees through the sale of the goats. This income has helped pay the fees for her to study a Bachelor of Education and for a nine months' computer training course.

Bajura Mountain Livelihood Project

In remote areas, such as Bajura, social exclusion is systemic and ingrained in communities, trapping the poorest in poverty because of their caste, gender, economic status or disability. The project is designed to facilitate change through Self Help Groups (SHGs), which play an important part in building inclusive communities where all are respected and regarded as equals.

The groups are instrumental in getting community members together to plan the future of their communities, and for people to work together to achieve their collective goals. The groups have united community members, helping them to regard each other as equals.

In March 2018, CEO, John Reynolds, visited some of INF's working areas in Bajura and met some of the members of the 115 SHGs that INF is supporting.

"It was simultaneously humbling and thrilling seeing the pride on the faces of the women in the groups as they described the change they had effected for themselves. As we sat on a mud floor of a dark, windowless first floor room, the women in the group animatedly described how they were now free from Chhaupadi".

Imagine, once a month, being turned out of the family home and sent to live in a dilapidated shed for five days. In the summer it is ferociously hot and you risk heat stroke, while in the winter it is desperately cold. You cannot wash yourself or your clothes, you cannot get clean drinking water, and what food you have is far from nutritious – no meat, fruit, or dairy products. You may be at risk of attacks from wild animals or even rape.

This is chhaupadi, the practice of banishing menstruating women to a cowshed or small mud hut.

Chhaupadi, in part, has its roots in extreme poverty. Women with a single sari made from locally grown cotton, could not afford to replace a stained one. Instead, they would wear a simple wrap around skirt, while menstruating. They had a thin piece of hemp sackcloth to offer some protection against the cold. During cold nights the warmth of the cows in the cowsheds supplemented the thin sackcloth.

There is also a superstitious side to chhaupadi. Women have been taught that if they stay at home, they will make the gods angry, bringing trouble on the family. They are not allowed to touch their male relatives or take part in family

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events, such as weddings. In some places it is believed that the touch of a menstruating woman could kill cattle and cause crops to fail.

Chhaupadi is rife across many districts in western Nepal. It also affects women giving birth, so it is unsurprising that maternal and neonatal death rates are higher in districts where chhaupadi is practised. The dirty environment can lead to all kinds of infections, and some women suffer from mental health conditions such as depression.

In 2005 the Government of Nepal outlawed chhaupadi, but traditional customs and deeply held beliefs are difficult to combat in remote areas where the local traditional healer holds more sway. But in the summer of 2017 chhaupadi was criminalised. Under this law, anyone who makes a woman observe the custom faces imprisonment and a fine.

In Bajura, INF staff are using Self Help Groups to educate communities about health and sanitation. This allows conversation about the practice of chhaupadi. In one typical village in Wai, women are no longer viewed as cursed, or excluded from their families.

John Reynolds picks up the story ... *the women were keen that I really understood what they were saying. One went back to her house and brought one of the rough, untreated cotton skirts that had to be worn during their menstrual cycle. Another brought a rough piece of material made from hemp, which was all they had to keep them warm during the winter period. They then took me to see the cow sheds, which were dark and smelly. Their faces were a picture. Self-confident, with a sense of dignity and achievement "we no longer do this", they said.*

Last year 29,079 people benefitted from the project, more than half of them were women and girls

Inclusive communities where all can play an equal part

172 people with disabilities are part of these groups, and three committees were formed to specifically address disability as an issue in the community. The first changes in society can already be seen as people show much more respect and use much more polite language.

INF has also supported existing community committees and initiatives where people asked for help to make the groups more effective. This work included disability networks, mothers' groups, children and youth clubs, management committees of schools and health institutions, as well as user committees of drinking water and irrigation systems, forests and roads.

Better health and sanitation

With INF's help, health services in the area have dramatically improved, particularly for child and maternal health. Pregnant women no longer need to travel to the next town. Training, and provision of beds and equipment have enabled health post staff to set up two birthing centres. The number of ante-natal and post-natal check-ups is on the rise and this has reduced the number of child and maternal deaths. All young children under the age of five now receive essential vaccination, a great achievement for the community to be proud of.

Hunger and lack of food is a big concern in Bajura, so nearly 1,840 people came to learn about malnutrition and how to prepare fortified flour for malnourished children by using locally available grains.

Public health also improved as a result of equipping all house-holds with toilets and teaching people how to use and maintain them. Subsequently, the number of cases of water-borne diseases has significantly dropped.

Smoke inhalation caused by traditional stoves accounts for many deaths and preventable health and respiratory issues. Community members have been encouraged to use smoke free iron stoves which channel smoke through pipes out of the kitchen area. The stoves are also friendlier to the environment as they require less firewood than traditional stoves. INF has distributed 120 of these stoves in the last year, mainly to poor families who would have otherwise not been able to afford changing from traditional methods of cooking.

Green Pastures and the Shining Hospital

When more and more patients with leprosy came to INF's Shining Hospital in Pokhara, Eileen Lodge and Betty Bailey opened a separate hospital in 1957, using an old government leprosy compound with one small hut, just big enough for five patients. After a time the hut was replaced by a stone building, using material from the ruins of the old leprosarium. Over the years more land was acquired and Green Pastures' compound grew.

Since it opened its doors the hospital has provided treatment to thousands and thousands of patients, earning a reputation for delivering quality care to the poorest and most marginalised people. Today, it is the biggest rehabilitation centre in western Nepal, serving around 20,000 patients in 2018. People come seeking help for leprosy, spinal cord injury, general disability, cerebral palsy, hearing loss and palliative care.

The 100-bed hospital is one of three leprosy referral hospitals in Nepal (and the only one in the western half of the country), the only spinal cord injury hospital outside the capital, and the only referral centre in the western half of the country for prosthetic work.

Medical services have expanded beyond Pokhara with smaller hospitals in Banke, on the Indian border, and Surkhet in the hills. These primarily treat people with leprosy and disabilities.

Leprosy has officially been declared eliminated in Nepal, but there are still hundreds of new cases detected every year. The team regularly visit rural communities to raise awareness about leprosy, run camps for skin conditions and to train health volunteers. These outreach visits play an important part in reducing the incidence of leprosy. If diagnosed at an early stage, patients have a very good chance to fully recover from the disease. There are now plans for an extension to the buildings in order to expand the leprosy clinic. The hope is to reach more patients from a larger area, including the Terai.

In Banke, Tulsi and Shanti, two sisters, share the nursing care between them. Together, they are looking after a ward with 25 beds. The sisters hope that there will be sufficient funding in 2018 to hire another nurse to help them with the care of the patients.

The three centres have recently been brought together and officially registered under the name Shining Hospitals. The vision is that the hospitals become reputable training centres and a leading example for medical care, setting new standards in Nepal's health sector.

The leadership team of the Shining Hospitals are very clear, they want to demonstrate the same practical, self-giving love that Jesus demonstrated. In Nepal, people with conditions such as leprosy, spinal cord injuries, cerebral palsy and other disabilities are still seen as cursed and actively excluded from society. Their self-image can often be marred and they may have lost all sense of worth and see the future as bleak and unliveable.

Our aim is not just rehabilitation, but for them to go back to their communities with hope and a sense of a positive future. Many patients stay in hospital for several weeks, some for months, and the contact with peer counsellors, pastoral care workers and staff means that they not only regain confidence and hope but also learn there is a God who loves them.

The clinics offer a whole range of services to ensure that patients leave equipped to live as independently as possible. Health and self-care education ensures that they know how to look after themselves once they are discharged. Specialists prepare prosthetic limbs and assistive devices such as walking aids or wheelchairs to help patients gain maximum mobility. Physio- and occupational therapists routinely exercise with patients to help them regain control over their body – many walk out of hospital after being bedridden for years!

Skills training to earn income, and helping poor families pay for the education of a child with impairments are just some of the many ways that patients at the Shining Hospitals benefit from a whole bundle of services that enable them to dramatically improve the quality of their life. And to ensure that patients stay well once they are back home, some get visits from staff, checking that their house is set up so that they can move about easily or give advice to family members about how to care for them.

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

Dr Dipak Maharjan
Medical Director

Learning to walk again

Jamini Tamang is 54 years old and lives with her extended family. She found great fulfilment in her role caring for her family and looking after the house. Then, one day, while she was collecting fresh grass for the buffalo and the goats she had an accident which left her with a great deal of pain in her leg. When the pain became unbearable the family took her to hospital. There a surgeon explained that her leg was badly broken and she would never walk again.

Jamini was devastated. Her family tried to get her help from a number of hospitals and even tried a traditional healer. But nothing changed. She and her family gave up all hope.

Then, one day, an INF team planning a Community Based Rehabilitation project visited Jamini's village. She told them her story. They encouraged her to join a new Self Help Group and referred her to Green Pastures Hospital. After just two weeks of physiotherapy, and being provided with a new pair of shoes, Jamini was able to walk again. She returned home and was able to help the family with day-to-day life. But she still felt too dependent on them.

Jamini kept herself busy making chakati – round mats made from corn leaves. Despite her daughter telling her it was a waste of time, Jamini harboured the idea of selling these mats in the future and earning some money by selling them.

When INF staff visited the Self Help Group again and heard about Jamini's chakati, they offered to buy them from her. Jamini was overjoyed. The staff recognised the potential in Jamini and gave her business training and help with marketing. She is now involving more women from the community and expanding the business.

"I will never forget what INF did for me, showing me how to be independent and letting me dream again."

The final year of GRACE

INF's GRACE project (Gorkha Rehabilitation and Community Empowerment) will be coming to an end soon. INF started to work in Gorkha after the earthquake in 2015, with a particular focus on helping people with disabilities. Below are some of last year's highlights.

Most public buildings are now accessible for people with disabilities thanks to awareness-raising campaigns and INF's work with local disability groups. Schools, government buildings, churches and public toilet facilities have been modified or rebuilt in such a way that nobody needs to be excluded just because they are physically impaired.

Many families received help with adapting their home, including toilet facilities, so that family members with disabilities can now move around, and enter or leave the house more easily.

INF has worked alongside 105 families, giving technical assistance and practical support to help them build new homes in compliance with government regulations. Compliance is important so that people can claim government funding. So far, 77 families have already moved into their new homes; the remaining 28 families are hoping to finish building by the end of this year.

In order to make communities more inclusive, INF has hosted several events to make people aware of the needs of people with disabilities and how they can be included in social life. In the last year alone, over a thousand people attended these events. It gave them the opportunity to see how much people with disabilities can do if they get the right support.

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INF facilitated the start-up of several self-help groups, which are now supporting 327 people, enabling them to set up their own business or improving their income. The communities selected 55 people with disabilities to attend vocational training. This was hugely successful. Some have already opened their own business, ranging from grocery or furniture shops, mobile services, metal workshops, or rearing animals.

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.

When disaster strikes ... twice...

July 2017 villages near Pokhara were hit by landslides after a prolonged period of heavy rains, surprising families in their sleep, sweeping homes and roads away and burying everything in deep mud. Emergency plans were agreed quickly between ACN and the local government and with the help from church volunteers ACN was able to buy and pack relief items promptly so that they could be delivered within days after the disaster. The landslide had damaged many buildings, but houses made of mud were completely destroyed.

Homeless families received emergency supplies, including food, essential household items such as cooking utensils and blankets, and corrugated iron sheets to build temporary shelters. The majority of the families had lost their homes during the earthquake in 2015 and had moved to Pokhara to start a new life.

Church volunteers and community members pulled together to clear and repair houses and roads that had been buried under mud. They also secured hillsides with protective walls to prevent further landslides.

ACN provided gabion boxes and building material for this work and technical staff, equipment and building material to repair Thulaket Bridge – a major crossing point that enables hundreds of people each day to go to work, school or the local market.

One family was struck by disaster yet again this January when a gas leak caused a fire which burnt all their belongings to ashes. Thanks to donations from UK supporters ACN was able to help immediately with new emergency supplies and corrugated iron sheets to make a new shelter for the family.

House reconstruction in Gorkha

ACN has been working with earthquake survivors since 2015, helping them to restore their communities. They realised, however, that some of the very poorest and most marginalised people were at risk of being overlooked by the government's house reconstruction project and therefore missing out on the help available. These were mainly people who were excluded from communal life due to their low caste or tribal background.

The communities agreed to work together and create safe places, and to build 250 homes for these people. Work commenced this summer, but they faced many difficulties. These families are the poorest of the poor; they depend on working in the fields to earn their basic income. This meant that many families were only able to start the house construction in September. Some families received food supplies, so that they could afford to take time off and work on their house. So far, 139 houses have been completed. The aim is to finish the construction of the remaining homes early next year.

Flood Appeal

"Out of the blue came raging water gushing in, sweeping away everything in its way, destroying houses and taking lives. Everyone was in a state of panic and shock at the same time. We were confused and unable to think what to do, where to run to..."

These are the words of a survivor of last year's floods. The floods destroyed everything – homes, fields and crops, livestock, wells and much more.

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The disaster claimed over a hundred lives and thousands of people were left at risk of waterborne diseases as a result of stagnant water and damaged tube-wells, septic tanks and toilets.

INF and ACN supported the government's relief efforts by distributing food parcels, medicines, hygiene kits, mosquito nets, household utensils, school supplies for children, farming tools, tents and corrugated iron sheets to build temporary shelters.

INF conducted hygiene awareness campaigns, health camps and workshops on improved farming techniques to show farmers how to re-establish their fields with better crop production. ACN ran animal health camps to help farmers keep their livestock in good condition and is making plans to assist communities to repair water and sanitation systems.

Elijah Counselling and Training Centre (ECTC) contributed trauma healing events at their own cost, showing teachers and parents how to help children deal with trauma, fear and anxiety attacks.

A mother's story

"The only reason I am alive today are the faces of these innocent children and immense concern and support from your organisation"

The destructive flood, followed by continuous heavy rainfall, from 10th to 13th August 2017, washed away every smile, laughter and sign of happiness from the faces of people of Chitwan, Narayani, leaving them with fear and grievance. Many lost their lives, and many more were injured severely and left with no place to take shelter and no one to call family. Every face was shadowed with terror and grief. When inquired of about the extremity of the flood and their struggles during the time, the victims and the people there had this to say:

"Out of blue, came the raging flood gushing in, sweeping away everything in its way, destroying houses, and drowning lives. Everyone was in a state of panic and shock at the same time. We were confused and unable to think about what to do, where to run to.

"The old people, women and children were having difficulty in running for their lives. To some extent we were able to lend our help in escorting people to the safe areas because we thought of using the boats that we had been using on daily basis. It was saddening to see the merciless flood washing away our years of hard work and sweat: our houses, cattle, belongings, let alone people having to witness their loved ones being swallowed by the flood.

"The people here were compelled to reside beside this risky riverbed because of the poverty and difficult state to start with. We will not get what we lost, back, no matter how hard we try, but we are a bit glad that we could at least save the precious lives of these innocent children. We are also heart fully grateful towards your organisation for your help and support with health and food. Seeing so many lives lost, even we had lost our wish to live, but your support and the faces of these children have given us hope for living."

INF/UK FINANCIAL ACTIVITIES

Summary

During 2017-2018, total incoming resources were £945,160 (£909,341).

Total expenditure in 2017-18 was £879,884 (£1,105,833).

As the charity is defined as a 'small' charity it was subject to an independent examination in the prior year, hence the 2017 figures included in the financial statements are un-audited. In the current year the trustees have opted for an audit.

Funds

(a) General Fund

Total income on the General Fund was £315,019 (£285,083). 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 £498,833 (£471,149).

(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 £131,308 (£163,346).

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 30/06/2018 was £603,687 (£528,981).

(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 30/06/2018 was £654,250 (£662,642).

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

In August 2015 a container of medical equipment, partially funded by donations to the charity, was shipped to Nepal via Kolkata, India. The container was held at the docks in Kolkata, India, pending import licences being granted by the Government of Nepal. After much delay the import licences were granted at the end of 2018.

On the 10th January 2019 officials from INF Nepal visited the docks in Kolkata to make the final arrangements for importing the container into Nepal. On the 14th January 2019 the charity received news from those officials that the container had been auctioned off in August 2017. No further details are known at the time of writing this report and investigations are continuing.

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The charity's solicitors have reviewed this event and are of the opinion that the charity has discharged its responsibilities to the principle donors. Notwithstanding this, given that the charity's supporters contributed £118,280 to the contents of the container, the Directors are of the view that this event is nonetheless significant and it has therefore been reported to its auditors and a serious incident report has been filed with the Charity Commission.

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 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX. 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 2018. 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): Mike's working life was spent in commerce and industry, and the charitable sector until his retirement.

ANDREW CORDELL (VICE-CHAIR): has had an interest in Nepal since 1985. In the 1990s he lived with his family in Surkhet where he was involved in INF's medical work. 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 Gloucestershire with her husband (a former Gurkha soldier).

ROSEMARY HART: is the Director of Kairos, a charity working to increase the life-chances, choices and wellbeing of women caught up in prostitution in Coventry. Rosie worked for INF/UK for six years as a fundraiser.

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 volunteers with INF.

PETER HOPKINSON: is an entrepreneur and business angel. He is an advocate of microfinance and has a microfinance initiative in Nepal.

DAVID McCONKEY: 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.

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

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 8 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 disclosed to the full

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2018

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, supplemented by an interim review of IT security in November 2018.
- 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 two years ago.

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2018

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.

Statement of Information for Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 408 and section 414B (b) of the Companies Act 2006.

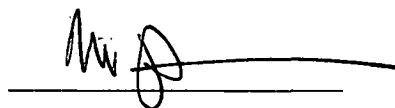
Auditors

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

2/2/2019

Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL NEPAL FELLOWSHIP

Opinion

We have audited the financial statements of International Nepal Fellowship (the 'charity') for the year ended 30 June 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT EXAMINER'S REPORT
For the year ended 30 June 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company'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 company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT EXAMINER'S REPORT
For the year ended 30 June 2018

Other matters

Without qualifying our opinion we draw attention to the accounting policies on page 21 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company was entitled to exemption from audit.



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

5 March 2019

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2018

	Note	Unrestricted funds			TOTAL	TOTAL
		General funds	Designated fund	Restricted funds	2018	2017
		£	£	£	£	£
INCOME						
Income from donations & legacies	2	302,145	-	630,140	932,286	884,604
Interest & dividends receivable	3	8,123	-	-	8,123	11,144
Charitable activities	4	4,751	-	-	4,751	13,593
TOTAL INCOME		315,019	-	630,140	945,160	909,341
EXPENDITURE						
Expenditure for raising funds	5	41,265	-	-	41,265	60,368
Charitable Activities						
Community Development	6	73,526	-	10,700	84,226	336,445
Health Services	6	121,544	-	406,381	528,925	363,086
Disaster Relief	6	36,763	-	49,707	86,470	151,318
Other Relief & Development	6	9,803	-	104,017	113,821	168,323
Diaspora	6	2,451	-	22,728	25,179	26,293
Charitable Activities total		245,087	-	593,533	838,620	1,045,465
TOTAL EXPENDITURE		286,352	-	593,533	879,884	1,105,833
UNREALISED GAIN ON INVESTMENT		1,038	-	-	1,038	5,037
NET INCOME/ (EXPENDITURE)		29,706	-	36,608	66,314	(191,454)
Transfer between funds		5,000	40,000	(45,000)	-	-
NET MOVEMENT IN FUNDS		34,706	40,000	(8,392)	66,314	(191,454)
BROUGHT FORWARD		288,981	240,000	662,643	1,191,623	1,383,077
CARRIED FORWARD		323,687	280,000	654,250	1,257,937	1,191,623

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 £66,314 (2017 deficit: £191,454).

The notes on pages 21 to 31 form an integral part of these financial statements.

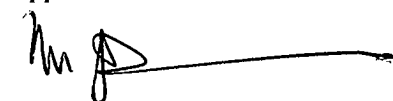
INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

BALANCE SHEET AS AT 30 June 2018
Company number: 03060972

		Unrestricted funds			TOTAL	TOTAL
	Note	General funds	Designated funds	Restricted funds	2018	2017
		£	£	£	£	£
FIXED ASSETS						
Tangible Assets	16	845	-	-	845	2,724
Investments	17	42,860	-	-	42,860	41,822
		43,705	-	-	43,705	44,546
CURRENT ASSETS						
Debtors	18	25,189	-	-	25,189	20,212
Short term deposits		-	-	500,000	500,000	-
Cash at bank and in hand		268,037	280,000	427,870	975,907	1,690,320
		293,226	280,000	927,870	1,501,096	1,710,532
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Creditors	19	(13,245)	-	(258,077)	(271,322)	(434,177)
NET CURRENT ASSETS		279,982	280,000	669,793	1,229,774	1,276,355
CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR	20	-	-	(15,543)	(15,543)	(129,279)
TOTAL NET ASSETS		323,687	280,000	654,250	1,257,937	1,191,623
FUNDS						
General reserve		323,687	-	-	323,687	288,981
Designated income funds	21	-	280,000	-	280,000	240,000
Restricted income funds	22	-	-	654,250	654,250	662,642
		323,687	280,000	654,250	1,257,937	1,191,623

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 2/2/2019



William James Westwood

Date 2/2/2019

The notes on pages 21 to 31 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year end 30 June 2018

	2018	2017
	£	£
Cash flows from operating activities:		
Net incoming /(outgoing) resources	66,314	(191,454)
Adjustment for:		
Depreciation	1,879	29,655
Surplus on sale of property, plant & equipment	-	-
Gain/loss on investment	(1,038)	(5,037)
Trade and other expenses	-	-
Decrease /(increase) in debtors	(4,977)	(17,274)
Increase /(decrease) in creditors	(276,591)	(260,445)
Investment interest	(8,123)	(11,144)
Exchange rate loss/gain	(603)	(2,991)
Net cash flows from operating activities	<u>(223,140)</u>	<u>(458,691)</u>
Cash flow from investing activities		
Purchase of property plant & equipment	-	-
Proceeds on disposal of property, plant & equipment	-	-
Purchase of investments	-	-
Proceeds on disposal of investment	-	-
Interest received	8,123	11,144
	<u>8,123</u>	<u>11,144</u>
Net increase/ (decrease) in cash & cash equivalent	(215,017)	(447,547)
Cash & cash equivalents at the beginning of year	1,690,320	2,134,876
Exchange rate gain /loss	603	2,991
Total Cash and cash equivalents at the end of the year	<u><u>1,475,907</u></u>	<u><u>1,690,320</u></u>

Total cash and cash equivalents is formed of cash at bank and short term deposits.

STATEMENT OF CASH FLOWS for the year end 30 June 2018

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.

The prior period financial statements were unaudited as the company was entitled to exemption from audit.

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 five main charitable activities (support of Community Development, Health Services, Disaster Relief, Other Relief and Development activities, Diaspora work) as disclosed in Note 10.

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

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

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.

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.

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				
	General	Designated	Restricted	TOTAL	TOTAL
	funds	funds	funds	2018	2017
Gifts to Nepal	-	-	498,833	498,833	471,149
Volunteer worker support fund	-	-	131,308	131,308	163,436
General donations	184,024	-	-	184,024	170,018
Legacy income	118,122	-	-	118,122	80,001
	<u>302,145</u>	<u>-</u>	<u>630,140</u>	<u>932,286</u>	<u>884,604</u>

3 INTEREST & DIVIDENDS RECEIVABLE

	2018	2017
	£	£
Bank interest	7,766	11,024
Dividends	357	120

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

		8,123	11,144
4	CHARITABLE ACTIVITIES		
		2018	2017
		£	£
	Conference fees	4,737	13,330
	Trading income	14	263
		<u>4,751</u>	<u>13,593</u>
5	EXPENDITURE FOR RAISING FUNDS		
		2018	2017
		£	£
	Conference costs	7,535	19,556
	Fundraising costs	33,730	40,812
		<u>41,265</u>	<u>60,368</u>

6 CHARITABLE ACTIVITIES

	Community Development	Health Services	Disaster Relief	Other Relief and Development	Diaspora	Total
Activities directly undertaken	10,700	403,130	20,675	104,017	22,728	561,250
Grant funding - restricted fund (Note 8)	-	3,251	29,032	-	-	32,283
Total (Note7)	10,700	406,381	49,707	104,017	22,728	593,533
Support costs (Note10)	73,526	122,544	36,763	9,803	2,451	245,087
Total	73,526	122,544	36,763	9,803	2,451	245,087
2018 total	84,226	528,925	86,470	113,737	25,179	838,620

The column headings used in Notes 6 and 7 for the analysis of activities, and in Note 10 for the analysis of support costs, have been revised and retitled to better reflect the nature of work undertaken by the charity.

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

7 DETAILED ANALYSIS OF CHARITABLE ACTIVITIES DIRECTLY UNDERTAKEN (see also Note 22)

	Community Development	Health Services	Disaster Relief	Other relief and Development	Diaspora	2018 Total
Specific gift for Nepal	-	380,950	20,675	6,663	252	408,540
Specific gift for Nepal - Disaster relief fund /Programme fund	-	3,251	29,032	-	-	32,283
Specific gifts for other partners	-	-	-	11,941	-	11,941
Volunteer worker & related	10,700	22,180	-	85,413	22,476	140,769
Total	10,700	406,381	49,707	104,017	22,728	593,533

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

Charitable activities	Programme	Grants to Institutions Total 2018 £
Health services	GPH Palliative Care Project update	3,251
Health Service total		63,362
Disaster Relief	Disaster relief fund to SAHODAR	5,781
Disaster Relief	Disaster relief to ACN – landslide grant	20,000
Disaster Relief	Flood Response grant to INF Nepal	7,500
Disaster Relief	Disaster relief to ACN – landslide grant	15,038
Disaster Relief	Elijah Counselling and Training Centre (ECTC) - Community-based Psycho-social Support Programme paid in 17-18	15,043
	ECTC - Community-based Psycho-social Support Programme for 1819	14,843
	ECTC - Community-based Psycho-social Support Programme for 1920	15,543
	Less cancelled grant MOU balance -SAHODAR	(64,716)
Disaster Relief total		29,032

9 ANALYSIS OF GRANT FUNDING – grants made from general fund

Organisation	Programme	Grants to Institutions Total 2018 £	Total 2017 £
INF/N	Green Pastures Hospital refurbishment - wall	-	16,000
		-	16,000

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

10 ANALYSIS OF SUPPORT COSTS

Activity	Community Development	Health Services	Disaster relief	Other relief & development	Diaspora	Total 2018
Personnel	62,506	104,176	31,253	8,334	2,084	208,352
Premises, Offices	7,080	11,800	3,540	944	236	23,600
Finance, Depreciation	2,900	4,834	1,450	387	97	9,668
Governance	1,221	2,035	610	163	41	4,069
Exchange rate loss/gain	(181)	(302)	(90)	(24)	(6)	(603)
	73,526	122,544	36,763	9,803	2,451	245,087

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 30%, 50%, 15%, 4% and 1% between support of Community Development, Health Services, Disaster relief, other relief & development work and Diaspora as they believe this reflects the division of costs incurred by the charity.

11 ANALYSIS OF STAFF COSTS

	2018 £	2017 £
Wages and salaries	175,375	192,203
Social security costs	9,366	13,947
Other pension costs	10,247	13,469
Courses, travel and other	13,363	14,533
	208,352	234,153
Average number of employees (FTE & head count):	2018	2017
Management	2	2
Administration	4	6
	6	8

No staff earned over £60,000 in 2018 and 2017. The key management personnel of the charity is the Chief Executive Officer. The total employee benefits of the key management personnel are salary £47,809 & employer's pension contribution £4,002 for 2018 (£46,872 and £3,923 in year 2017).

There are no termination payments for leavers in 2018 or 2017.

12 GOVERNANCE COSTS

	2018 £	2017 £
Trustee expenditure (Note 15)	4,069	4,969

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

	4,069	4,969
	2018	2017
	£	£
13 NET MOVEMENT IN RESOURCES FOR THE YEAR		
The net income/expenditure for the year is stated after charging:		
Depreciation of owned tangible fixed assets (see note 16)	1,879	29,655
Audit/independent examination fee	6,300	2,000
Operating lease rentals		
- land and buildings	-	61,404
- other operating leases	-	-
14 TRANSFERS FROM RESTRICTED FUNDS		
The company has a policy of transferring an amount from the Support Fund to the General Fund to cover the costs incurred in recruiting and supporting overseas volunteer workers. During the year ended 30 June 2018 an amount of £45,000 (2017 £45,000), was transferred to unrestricted funds as a contribution to these costs. (see also Note 22).		
15 DIRECTORS' REMUNERATION		
No directors' remuneration was paid during the year. 10 directors incurred expenses in connection with travelling costs amounted to £4,069 (2017: £4,969).		
16 FIXED ASSETS		
	Computer equipment	Total
	£	£
Cost		
At 1 July 2017	33,448	33,448
Disposal in year	(1,518)	(1,518)
At 30 June 2018	31,930	31,930
Depreciation		
At 1 July 2017	30,725	30,725
Charge for the year	1,878	1,878
Disposal in year	(1,518)	(1,518)
At 30 June 2018	31,085	31,085
Net book values		
At 30 June 2018	845	845
At 30 June 2017	2,724	2,724
17 INVESTMENTS		
	2018	2017
	£	£
Charinco Common Investment Fund:		
Market value at beginning of year	41,822	36,785
Unrealised gain during the year	1,038	5,037
Disposals	-	-
	42,860	41,822

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

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.

18 DEBTORS AND PREPAYMENTS

	2018	2017
	£	£
Taxation refund receivable	24,546	20,209
Other debtors and prepayments	1,173	3
	25,718	20,212

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

19 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2018	2017
	£	£
Taxation and social security	4,045	4,500
Unreleased Grants committed to Nepal – general fund	2,000	5,290
Total - general fund	6,045	9,790
Accruals and deferred income	37,018	39,66
Funds held for Nepal	9,159	(239)
Unreleased Grants committed to Nepal - restricted fund	219,099	385,260
Total – restricted fund	265,277	424,387
TOTAL	271,322	434,717

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

	2018	2017
	£	£
Unreleased Grants committed to Nepal - restricted fund	15,543	129,279

21 DESIGNATED FUNDS

	Balance at 1 July 2017	New Designations	Utilised / released in year	Transfers	Balance at 30 June 2018
	£	£	£	£	£
Operating Reserve	240,000	-	-	-	240,000
Allocated to Nepal Programmes	-	40,000	-	-	40,000
	240,000	40,000	-	-	280,000

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 FOR NEPAL						
	Specific gift for INF Nepal - Ear Hospital	44,019	3,384	(33,938)	-	13,465
	Specific gift for INF Nepal	67,600	331,593	(374,602)	-	24,590
	Specific gifts subtotal	116,618	344,228	(408,540)	-	38,055
	Disaster relief Programmes Fund	98,359 (34,671)	35,745 108,387	(29,032) (3,251)	-	105,072 70,465
	Disaster relief/ programme fund	63,688	144,132	(32,283)	-	175,537
	Work gifts	-	1,395	(1,395)	-	-
	Seconded workers	-	5,596	(5,596)	-	-
	Chhahari Schools	104	198	-	-	302
	Ear Camps	100	-	-	-	100
	Elijah Counselling & Training Centre	185	2,216	-	-	2,401
	Gordon Leitch Memorial Fund	29,001	44	-	-	29,045
	HBTA	290	3,762	-	-	4,052
	KISC	52	2,135	(2,062)	-	125
	PRABHAV	95	1,010	-	-	1,105
	Samaritan Home	374	3,368	(2,887)	-	854
	Specific gifts to other partners	30,201	19,724	(11,941)	-	37,984
	GIFT TO NEPAL TOTAL	205,508	498,832	(452,764)	-	251,576
VOLUNTEER WORKER RELATED FUNDS						
	Restricted Support – General Reserve	433,467	125,913	(135,392)	(45,000)	378,988
OTHER RELATED FUNDS						
	Welfare fund for Volunteer Workers	23,649	3,160	(3,124)	-	23,685
	Personal gifts	-	2,135	(2,135)	-	-
	UK Staff	18	100	(118)	-	-
	VOLUNTEER WORKER RELATED FUNDS TOTAL	457,134	131,308	(140,768)	(45,000)	402,674
	GRAND TOTAL	662,642	630,140	(593,532)	(45,000)	654,250

See note 14 for the underlying reason for the transfer of £45,000 (2017 £45,000), from 'The Restricted Support – General Reserve', to unrestricted funds.

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

23 FUNDS

DESIGNATED FUNDS

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 10 months budgeted annual costs for 2018/19.

Allocated to Nepal Programmes

Moneys allocated from the General Fund for grants to partners in Nepal, but not yet disbursed, are held in the Programmes Fund.

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 FUNDS

Gifts for Nepal

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.

Volunteer Worker Related Funds, Restricted Support – 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 volunteer allowances and gives peace of mind to volunteer 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 volunteer is on Home Assignment in his/her home country, an element of provision is needed to cover these higher costs.

Other Related Funds, Welfare Fund for Volunteer Workers

This fund is a result of a major fundraising effort some years ago on behalf of Volunteer Workers. It has grown through continuing standing orders and now amounts to £23,685. One example of the way this fund is used are small individual grants given offered to retired Volunteer Workers to assist for travel costs associated to INF Conferences.

24 RELATED PARTY TRANSACTIONS

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

25 OTHER FINANCIAL COMMITMENTS

At 30 June 2018 the charity was committed to making the following payments under non-cancellable operating leases.

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

	2018 Building	2017 Building
Within 1 year	7,500	-
2-5 years	26,875	-
Over 5 years	-	-
	34,375	-

26 2017 STATEMENT OF FINANCIAL ACTIVITIES FUND ANALYSIS

	Note	Unrestricted funds			TOTAL
		General funds	Designated fund	Restricted funds	2017
		£	£	£	£
INCOME					
Income from donations & legacies		260,346	-	624,258	884,604
Interest & dividends receivable		11,144	-	-	11,144
Charitable activities		13,593	-	-	13,593
TOTAL INCOME		285,083	-	624,258	909,341
EXPENDITURE					
Expenditure for raising funds		60,368	-	-	60,368
Charitable Activities					
Community Development		98,598	-	237,847	336,445
Health Services		164,331	-	198,755	363,086
Disaster Relief		65,299	-	86,019	151,318
Other relief & Development		13,147	-	155,176	168,323
Diaspora		3,286	-	23,006	26,292
Charitable Activities total		344,661	-	700,803	1,045,464
TOTAL EXPENDITURE		405,029	-	700,803	1,105,832
UNREALISED GAIN ON INVESTMENT		5,037	-	-	5,037
NET INCOME/ (EXPENDITURE)		(114,909)	-	(76,545)	(191,454)
Transfer between funds		150,667	(105,667)	(45,000)	-
NET MOVEMENT IN FUNDS		35,758	(105,667)	(121,545)	(191,454)
BROUGHT FORWARD		253,223	345,667	784,187	1,383,077

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

CARRIED FORWARD	288,981	240,000	662,642	1,191,623
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27 2017 ASSETS AND LIABILITIES BY FUND TYPE

	Unrestricted funds			TOTAL
	General funds	Designated funds	Restricted funds	2017
	£	£	£	£
FIXED ASSETS				
Tangible Assets	2,724	0	-	2,724
Investments	41,822	-	-	41,822
	<u>44,546</u>	<u>0</u>	<u>-</u>	<u>44,546</u>
CURRENT ASSETS				
Debtors & Prepayments	20,212	-	-	20,212
Cash at bank and in hand	236,413	240,000	1,213,908	1,690,321
	<u>256,625</u>	<u>240,000</u>	<u>1,213,908</u>	<u>1,710,533</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Creditors & Accrued charges	(12,190)	-	(421,987)	(434,177)
NET CURRENT ASSETS	<u>244,435</u>	<u>240,000</u>	<u>791,921</u>	<u>1,276,356</u>
CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR				
	-	-	(129,279)	(129,279)
TOTAL NET ASSETS	<u>288,981</u>	<u>240,000</u>	<u>662,642</u>	<u>1,191,623</u>
FUNDS				
General reserve	288,981	-	-	288,981
Designated income funds	-	240,000	-	240,000
Restricted income funds	-	-	662,642	662,642
	<u>288,981</u>	<u>240,000</u>	<u>662,642</u>	<u>1,191,623</u>

Given that the charity's supporters contributed £118,280 to the contents of the container, the Directors are of the view that this event is significant and this has been reported to the auditors and a serious report has been filed with the Charity Commission

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 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX. 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 2018. 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): Mike's working life was spent in commerce and industry, and the charitable sector until his retirement.

ANDREW CORDELL (VICE-CHAIR): has had an interest in Nepal since 1985. In the 1990s he lived with his family in Surkhet where he was involved in INF's medical work. 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 Gloucestershire with her husband (a former Gurkha soldier).

ROSEMARY HART: is the Director of Kairos, a charity working to increase the life-chances, choices and wellbeing of women caught up in prostitution in Coventry. Rosie worked for INF/UK for six years as a fundraiser.

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 volunteers with INF.

PETER HOPKINSON: is an entrepreneur and business angel. He is an advocate of microfinance and has a microfinance initiative in Nepal.

DAVID McCONKEY: 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.

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