



INTERNATIONAL NEPAL FELLOWSHIP

Annual Report and Audited Accounts

Year ending 30 June 2020

International Nepal Fellowship (INF/UK) is a registered charity (no. 1047178)

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Chief Executive's Summary

A year like no other

In my report last year, I wrote:

'The rate of change [in the development sector] is unrelenting.

This was emphasised during the 2019 BOND Funding for Development Conference. In a presentation entitled 'Trends in Donor Funding', Sue Wicks, Head of Investments and Grants at Comic Relief, described how the *'intensity of competition for funds'* was negatively affecting Comic Relief's income, reducing the number of grants it was able to give.

Separately, in a question-and-answer session on 'Shifting our Paradigm for Long -Term Support', Joe Jenkins, Director of Supporter Impact at the Children's Society, described large charities as being on *'burning platforms'* in terms of their structures and fundraising models.

The underlying message throughout the conference was, *'prevailing models are no longer fit for purpose.'*

Against this backcloth the board of INF/UK adopted a change in strategic direction and a plan for growth, in the full knowledge that the marketplace would be extremely challenging. The purpose of this plan is to deliver greater financial support to the charity's Nepali partners and their projects and thereby move towards its vision of *'Life in all its fullness for Nepal's poor and disadvantaged people and communities'*.

Then came COVID-19, followed by the UK's national lockdown in March 2020, which delivered a hammer blow to the development sector.

Funding sources that charities in the development sector had depended on, such as events and income from charity shops, ceased overnight. BOND, the development sector's 'trade body' estimated that the sector would suffer an overall contraction of £1.3 billion in its income'.

By May, the impact of COVID-19 on the development sector was becoming increasingly apparent. A survey of 116 Bond members found that, as a result of the coronavirus pandemic, 43 per cent of organisations believed they would not survive the next six months without urgent additional support. Sadly, no government response of any substance materialised.

In June, the government announced the merger of DFID with the Foreign and Commonwealth Office, bringing with it a fear about the government's commitment to overseas development.

Later, in July, as the UK government grappled with the economic fall-out of COVID-19, it cut £2.9 billion from the overseas aid budget.

In November 2020 this was followed by a cut to the Overseas Development Aid budget from 0.7% to 0.5% for future years, effectively cutting £4.2 billion from the UK's overseas aid budget on an ongoing basis.

A few weeks later it became apparent there had been a lack of transparency in respect of the original cut of £2.9 billion in July. Only 11% of this had been achieved as a true saving, the rest came in the form of deferred payments to bi-lateral and multi-lateral agencies. Effectively this money will now be taken out of the shrunken budget for 2021 onwards.

The net impact of the above means that, what was already a challenging and competitive environment for INF/UK to achieve growth, became even more challenging.

While it is easy to bemoan the impact of the above issues on UK charities, the real losers are the most marginalised and poorest people and communities in countries ill equipped to cope with the fall-out of the pandemic. Nepal is one of these countries.

The crippling effect of full and partial lockdowns has decimated the economy of Nepal. Tourism, a key sector of the economy, has effectively been shut since March and is unlikely to re-open until well into 2021.

A rapid assessment study for the National Labour Academy, Nepal revealed that the average monthly income of Micro, Small and Medium Enterprises in Nepal during the 2 months of Lockdown recorded a fall of 95% and that 3 in every 5 employees lost their jobs. Nearly 80% of them temporarily closed their operation. From a gender perspective, 28 % of men and 41% of women lost their jobs due to Covid-19 and lockdown. Those who did not lose their job saw their pay cut and experienced layoffs (UNDP, May 26, 2020)¹.

The largest single inflow of foreign currency into Nepal comes from remittances from migrants working abroad. This equated to approximately 28% of Nepal's GDP in 2019². As a result of COVID-19 remittances have fallen by over 50%³.

The impact of COVID-19 in the countries in which these migrants work has closed businesses, with the majority of migrant workers becoming unemployed. It has been estimated that around 600,000 have returned from India alone since the start of the pandemic⁴, with the prospect of hundreds of thousands also returning from The Gulf countries. This represents a substantial increase in the working population of Nepal at a time of soaring unemployment and poor employment prospects.

With respect to the projects in Nepal that INF/UK support. Many of these had to be suspended for a lengthy period as lockdown rules in Nepal meant it was impossible for community workers to get to their work areas. Where work did continue plans often had to be amended to accommodate the restrictions brought about by COVID-19. INF/UK has responded positively to these challenges, and where needed has re-scheduled its Memorandums of Understanding to accommodate enforced changes.

Our main partner's hospitals were badly hit by periods of lockdown, which prevented outpatients attending hospital services. As a consequence, local income fell by 60% in some months. INF/UK was able to cover some of the hospitals' financial shortfall caused by COVID-19 and monitors the position closely with INF Nepal as it is imperative to maintain services for their long-term success.

A great many migrant workers returned to Nepal when their employment came to an end in host countries. Before being allowed back to their home villages, returning migrants were forced into quarantine camps that had been quickly constructed. These had little in the way of adequate water supplies of wash stations, both of which are needed as a first line defence against COVID-19. INF/UK was able to support its partners to provide some of these basic necessities.

Another critical need that quickly arose from lockdowns was food and other basic necessities. Many daily wage workers feed their families from the money they earn that day. When this income was

¹ Source: [\(PDF\) Impact of Covid-19 on Workers & Employment in Nepal \(researchgate.net\)](#).P.16

² Source: International Labour Organisation. [wcms_748917.pdf \(ilo.org\)](#)

³ Source: [\(PDF\) Impact of Covid-19 on Workers & Employment in Nepal \(researchgate.net\)](#)P.16.

⁴ Source: [\(PDF\) Impact of Covid-19 on Workers & Employment in Nepal \(researchgate.net\)](#). P.17

lost overnight the issue for them was not COVID-19, but basic survival. INF/UK was able to work with its partners to supply food parcels and other necessities for many thousands of people.

If the situation with COVID-19 wasn't already bad enough, Nepal suffered during the monsoon period from widespread floods, and land and mud slides. These caused many deaths and took away the livelihoods of many thousands of people. INF/UK's partners, ACN and INF/N, were able to respond to these needs quickly and effectively as a result of the strong relationship of trust with INF/UK, built up over many, many years of working together. Funding was quickly agreed, with paperwork and such like following on.

COVID-19 has had a negative impact on the charity's income during this financial year, but a combination of a very loyal supporter base of individuals and trusts, and the efforts of the charity's fundraising team, means this has not been excessive. What impacted the charity more was a restructuring of staff, which started at the end of the previous financial year. As part of the charity's 5-year strategic plan, more experienced fundraisers were added to the team, but recruitment of the right people took longer than anticipated. As a result, new staff were only added in November 2019 and April 2020. The late arrival of new team members affected fundraising in the first three quarters of the financial year.

Faced with an exponential growth in challenges brought about by the issues described above, the board of INF/UK see it as a moral imperative to stand alongside its partners and the people of Nepal, and where possible, to increase its support of them.

At a time when many charities have cut staff because of falling income, the board of INF/UK decided that this would be a retrograde step as it would reduce its support for Nepali partners now and in the longer term. Consequently, and in order to retain the integrity of its fundraising team while it seeks growth, it has set aside £125,000 of its General Reserves to cover anticipated deficits on its operating budgets over the coming three years.

The board recognise that their growth plans may need to be adjusted, and that there is likely to be a delay in achieving its fundraising objectives, overall though it is satisfied that its strategic plans are still relevant and appropriate.

The following annual report of the directors of the company details some of the challenges and achievements during our financial year, 2019-2020.

John Reynolds
Chief Executive Officer

About INF/UK

The International Nepal Fellowship (INF) is Nepal's longest serving international NGO with nearly seven decades of experience working with Nepal's poorest and most disadvantaged people and communities.

The result of this experience is a forward-thinking and impactful organisation, fulfilling its charitable objectives and demonstrating public benefit through the support of:

- Healthcare services – including cutting-edge hospital services for the treatment and rehabilitation of disabled people.
- Community health and development in some of the most remote and least served areas of the country.
- Disaster relief, mitigation, and resilience responses.

Everything we do is only possible thanks to our amazing supporters - a collection of individuals, churches, trusts and foundations from across the UK and beyond who share our passion to see more Nepalis break free from poverty and suffering.

OUR VISION

Life in all its fullness for Nepal's poor and disadvantaged people and communities.

OUR MISSION

Supporting local Nepali communities and healthcare services, to improve health, reduce poverty and promote social inclusion.

OUR VALUES

- Love and compassion
- Inclusion and dignity
- Professional excellence

OUR ETHOS

We are motivated by our Christian faith, showing active compassion for some of the world's poorest, and encouraging individuals and communities to access and enjoy their rights is a holistic expression of our values.

We believe all people are equal, and so inclusion and dignity are very important to us, irrespective of gender, sexual orientation, religious belief, disability, economic status, caste, or any other feature.

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, ordinarily, officers of the charity (Trustees, executive, and staff) regularly visit partner projects. Annual reports of projects are also received.

Our Partners

We work through a small number of like-minded partners that share our vision and values. Briefly, these are:

INF Nepal (INF/N): we are proud to be part of the international INF family and our primary delivery partner is INF Nepal, a locally registered NGO based in Pokhara.

Through our relationship with INF Nepal, we support three hospitals in Pokhara, Surkhet and Banke; two major community projects in Bajura and Kalikot districts; and play a key role in supporting many of INF Nepal's disaster response activities.

Asal Chhimekee Nepal (ACN): is the social action arm of the Pokhara Christian Community, a grouping of 50+ churches based in the Pokhara area. Translated, 'Asal Chhimekee Nepal' means 'Good Neighbour Nepal'.

ACN has valuable expertise in helping communities respond to natural disasters born out of their swift and effective relief following the 2015 earthquake. They work in conjunction with, and in support of municipal authorities rather than independently, and will often mobilise their networks of local church communities across Nepal to support relief activities.

Sarwangin Sewa Samaj (SSS): A volunteer-led organisation in Nepalgunj, supporting patients and their carers at the Bheri Zonal Hospital.

SAHAS Nepal: is a Kathmandu-based NGO with experience of helping rural communities develop in the poorest parts of Nepal, our first partnership with SAHAS Nepal is an education project in Bajura. Translated, 'SAHAS' means 'Group of Helping Hands'.

Elijah Counselling Training Centre (ECTC): is a specialist organisation with expertise in psychological counselling and training. ECTC has been providing vital support for people in communities affected by the 2015 earthquake.

Coronavirus in Nepal

As the global coronavirus pandemic rocked the world in the early months of 2020, there were significant impacts on the work of our Nepali partners.

While the number of confirmed cases in Nepal rose slowly to start with (there were only 30 deaths before the end of June), issues related to Covid-19 had a severe impact on people's lives and livelihoods.

A nationwide lockdown was implemented by the Government of Nepal on 24th March, to try and control the spread of the virus. As a result, many low-paid daily wage labourers were unable to earn money to provide food and basic supplies for their families. At the same time there was a flood of people returning home from seasonal work in India and elsewhere. The country's buoyant tourism sector was effectively shut down overnight.

Our largest partner, INF Nepal, was faced with a loss in income from a sharp fall in hospital outpatient appointments. This coincided with having to implement new protocols to protect patients and staff while also responding to a Government directive to set aside wards and beds as part of the national response to the pandemic. INF/UK committed an initial £5,000 towards this

transition, which included establishing a fever clinic to screen people arriving at Green Pastures Hospital, buying personal protective equipment for hospital staff, and using INF ambulances in Banke and Surkhet to transport Covid patients to isolation centres.

In May we launched our Coronavirus Appeal and were humbled by a generous response from many supporters. This meant we were soon able to commit a further £24,000 to four initiatives with key partners to help people who were affected by the situation in Nepal:

- INF Nepal provided food packages to about 2,000 people in Kalikot and Jumla. We also supported their work in 14 quarantine centres in Banke, Surkhet and Mugu accommodating migrants returning home from working in India.
- Sarwangin Sewa Samaj, a church-based network in Banke, gave vital food and drink to 2,000 migrant workers as they returned across the border into Nepal.
- Asal Chhimekee Nepal delivered food packages to at least 3,000 people in Nawalparasi, near the Indian border.
- In Bajura, SAHAS Nepal delivered a wide-ranging package of support. Nutrition packs for 200 new and pregnant mothers and hygiene packs for 500 adolescent girls; 11 hand-washing stations were established at schools and health posts; and they also supported people at a local quarantine centre. To helping minimise the impact of schools not being open since the start of the new academic year in April, 30 community-managed coaching centres were set up to deliver some education for 600 children.

These four initiatives all began in mid-June – shortly before the end of our financial year – and reached a total of 9,000 people by the time they were completed in mid-September.

The impact of Covid-19 on other programmes supported by INF/UK during 2019-20 are described within those sections in the rest of this Annual Report.

Healthcare

Green Pastures Hospital, Pokhara

INF/UK is a major supporter of INF Nepal's flagship hospital in Pokhara, a leading provider of medical services for people with disabilities in Nepal. In 2019-20 INF/UK was the hospital's largest international funding partner.

The coronavirus pandemic impacted Green Pastures Hospital from March 2020 onwards. Some hospital wards had to be left unoccupied so they could be used as an overflow in case of a sharp rise in positive cases, with 15 beds kept available for Covid-19 isolation and 4 beds for palliative care.

The strict nationwide lockdown in Nepal, which lasted from March until the end of July, led to a sharp drop in outpatient appointments for leprosy, ear and spinal cord injury services.

A combination of these two issues resulted in Green Pastures losing about 60% of its monthly income during the lockdown.

In order to protect Green Pastures Hospital's work from the sudden impact of the pandemic, INF/UK responded quickly with an offer to cover immediate funding needs and has liaised closely with the hospital since to monitor the ongoing impact of COVID-19 on its income and services.

On a more positive note, these difficult times prompted INF Nepal to come up with some creative solutions for delivering healthcare. For example, with help from World Health Organisation, Green Pastures set up a telehealth service to help people with disabilities, using phone calls to discuss their issues and provide orientation on health hygiene in the current situation. The Palliative Care and the Rehab Community Teams continued to visit patients who could not get to the hospital because of lockdown or their personal circumstances. The Palliative Care team also provided training to staff from local government hospitals to help equip their response to the pandemic.

Over the next few pages, you can read a summary of the various services supported by INF/UK at Green Pastures during 2019-20. We also contribute to the Medical Charity Fund, which covers the cost of treatment for patients who are unable to afford the healthcare they need.

Leprosy

Green Pastures' leprosy program aims to contribute to zero transmission, zero leprosy discrimination and zero leprosy disability in Nepal. This is done through early case detection, provision of inpatient services, provision of health care education, and self-care techniques, as well as reconstructive surgeries and the provision of assistive devices.

Through INF/UK's support, 1,916 people benefitted from this high-quality leprosy service during 2019-20, in spite of reduced outpatient appointments from March to June.

Spinal cord injuries and other disabilities

Green Pastures Hospital delivers surgical and rehabilitation services to patients with spinal cord injuries and other disabilities, for example caused by cerebral palsy and strokes.

The hospital also provided health education, essential equipment, assistive and mobility aids such as wheelchairs, food, and medicine to patients to reduce the risk of secondary complications.

INF/UK supported the following major achievements during the year:

- 25 spinal cord injury surgeries.
- 105 spinal cord injury patients received nursing care.
- 83 different assistive such as wheelchairs, toilet chairs, pressure-relieving mattresses, cushions, and other mobility aids were provided to spinal cord injury patients.
- 622 physiotherapy sessions.
- 1,091 occupational therapy sessions, which included bowel and bladder management, provision of education and information on sexual and reproductive health, and activities of daily living.

Palliative Care

INF Nepal's palliative care service at Green Pastures aims to serve people suffering from chronic and life-limiting illnesses, improving their quality of life by providing patients and families with holistic care through a multi-disciplinary approach.

INF/UK supported the following major achievements during the year:

- 21 patients were provided inpatient care.
- 64 patients were visited at their homes to provide palliative care.
- 3 in-patients received charity support.
- 45 packages of community-based charity support were provided.

- 328 staff and community people benefitted from trainings and workshops.

During the year building work started on a new Palliative Care Centre (which opened in November 2020). This is the first integrated palliative care centre covering a broad spectrum of chronic diseases in Nepal.

INF/UK secured funding for beds and essential equipment for a 14-bed inpatient unit, day therapy, clinics, and community service. This also covered infrastructure costs such as roads, landscaping, an outside seating area and a sensory garden.

Cerebral Palsy

Building on its support of annual camps for children affected by cerebral palsy, INF/UK funded a new outpatient clinic at Green Pastures to offer year-round therapy.

The clinic runs twice a week, led by consultant paediatrician Dr Amrita Shrestha. Over the year, 99 children with cerebral palsy accessed specialised services including physiotherapy, occupational therapy, speech therapy, and assistive/mobility devices.

The latest seven-day camp was attended by 15 children in November 2019, with input from a cerebral palsy physiotherapy specialist from Kathmandu. Many of the children learned how to use assistive devices such as walkers and learned new exercises to help improve their sitting or walking. The camp also allowed parents to talk to each other, to share their fears, their emotions, and their experiences of caring for their children. Regrettably, subsequent camps were not possible due to Covid-19 restrictions.

Acute Trauma Emergency

A lack of emergency services at Green Pastures has compelled patients with trauma injuries to seek their first treatment at other healthcare centres. However, these places often lack the specialist medics for spinal injuries and other complex limb injuries, which can lead to devastating complications and disabilities.

During 2019-20, INF/UK secured funding to enable the creation of a new four-bed Acute Trauma Emergency department, which will assist Green Pastures becoming a comprehensive centre for the management of patients from injury, through to re-integration back into their communities. This work is due to begin in 2020-21.

Multi-Purpose Learning Centre (MPLC)

Originally envisioned as a chapel in keeping with INF Nepal's Christian ethos, a new Multi-Purpose Learning Centre (MPLC) was opened at Green Pastures Hospital as it celebrated its 67th anniversary in November 2019.

The building is a beacon of holistic care and hope for patients and staff and sits at the heart of the Green Pastures site. It provides for their spiritual and psychological care through its peaceful setting for pastoral care conversations. It also hosted the Christmas programme for patients, families, and staff.

The building is also used for a variety of other events, such as conferences, meetings, training, and workshops, and has capacity for up to 300 people. It is equipped with modern amenities such as an

integrated audio-visual system with hearing loops, and it is fully accessible for people with disabilities.

In November 2019, the INF/UK CEO and two of his senior management team attended a partnership conference held at the MPLC together with 30+ partners from around the world. The ability to run conferences like this on site will strengthen INF Nepal's relationship with partners.

INF/UK wishes to express its thanks to its many supporters who gave more than £140,000 to help make this centre possible.

Shining Hospital, Surkhet

The main purpose of INF Nepal's Shining Hospital in Surkhet is to deliver comprehensive rehabilitation services, so that people with disabilities in western Nepal can live active, productive, and dignified lives in their own homes and communities.

Thanks to the support of INF/UK, Shining Hospital helps people with disabilities and their families, who are often disadvantaged, vulnerable and marginalised.

The coronavirus pandemic impacted the number of outpatients able to access hospital services from March to June. Inpatients are normally admitted for up to three months, but due to the lockdown five patients could not be discharged after their therapy course and had to stay at the hospital for longer.

In spite of those limitations, during 2019-20:

- 504 people benefitted from treatment at Shining Hospital.
- 456 patients were assessed for therapy services in the rehabilitation department.
- 269 people also had an initial medical screening assessment in the outpatient department, to detect any other diseases or medical conditions.
- 25 patients were admitted to the hospital, normally for patients who live outside the Surkhet district and cannot travel for regular outpatient appointments.
- 4,286 therapy sessions were provided during the year. Inpatients usually receive two intensive sessions each day (six days a week), including how to adapt to life with a disability.
- 1,563 of those therapy sessions were delivered to outpatients (at an average of 3.4 per patient).
- 96 assistive devices were provided, including orthotic devices and wheelchairs.
- 18 church groups received training on inclusivity for people with disabilities and leprosy, so they can support Shining Hospital and its patients as well as refer other people for treatment.

Fistula Outreach

The Fistula Treatment and Training Centre opened in Surkhet in 2018. In 2019-20 we supported a new project in western districts of Nepal to identify patients needing treatment, and to educate communities and health workers in how this devastating birth injury can be prevented.

An obstetric fistula is caused by complications during childbirth, causing a hole between the vagina and the bladder which leads to incontinence. However, a lack of understanding and shame mean it can often go undiagnosed for many years.

Fistula outreach activities were conducted for four months before the lockdown began in March, and these have already identified fistula patients in the community – resulting in increased numbers of patients referred for surgery and treatment at the Fistula Centre.

Kanti Sharma was appointed as the Fistula Outreach Co-ordinator, and to get this project up and running visits have been made to public health offices and community groups in districts such as Rupandelhi, Kapilvastu, Jumla, Dailekh, Dang and Bajura.

Activities to raise awareness of fistula and how it can be prevented reached a total of 4,270 people – including female community health volunteers, women’s groups, school students, health workers, and community groups prior to COVID-19 restricting these activities.

Leprosy-free Communities

2019-2020 is the middle of a three-year project based at Shining Hospital to enhance the capacity of government health workers and mobilise female community health volunteers. As with all community-related work, this was significantly impacted once the lockdown came into force on 24th March.

Despite the impact of COVID-19, the following were achieved in during 2019-20:

- 194 people were examined and treated at an outreach skin camp in Jajarkot in October 2019.
- 24 female health volunteers were mobilised and completed their orientation training during the Jajarkot camp.
- 16 laboratory staff were trained on skin smear tests, to assist with the identification, diagnosis, and treatment of leprosy at government-run health centres. Seven of these completed basic training, with nine staff doing refresher training.

This project also involved awareness-raising activities about leprosy, including for staff at government health centres, local traditional healers, school children, church communities, and mothers’ groups.

Supporting patients in Banke

Sarwangin Sewa Samaj (SSS) is a small, volunteer-led charity which supports patients at Bheri Zonal Hospital in Banke.

Nepal’s hospital system works differently to the UK. Patients’ relatives are expected to deliver the care one would normally expect a nurse or care workers to deliver in the UK, and relatives are also expected to provide food for patients. Because of a lack of resources, patients from poor backgrounds are severely disadvantaged and their carers often go hungry.

This project helps the poorest patients by providing meals for patients and their caregivers, as well as financial support towards the cost of some patients’ treatment.

During 2019-20, the work of SSS included:

- 580 people received food.
- 250 patients received financial support towards their care.
- 14 patients were assisted with transfers to other hospitals.

The beneficiaries of support from SSS were from 16 different districts across western Nepal.

Through counselling and advocacy, SSS also assists patients to ensure they receive the treatment they need and are supported throughout their time at the hospital.

Away from the hospital, SSS volunteers are also involved in educating girls aged 9-15 about menstrual hygiene, as well as teaching them how to manage their periods using locally made sanitary pads. During the lockdown due to Covid-19, SSS distributed 50 hygiene kits to women who were staying in quarantine centres.

Community Development

Inclusive Development, Empowerment and Livelihood (IDEAL) project, Bajura

INF/UK supports the IDEAL project in the Budhinanda and Himali areas of Bajura, a remote district in western Nepal.

This project aims to sustainably improve quality of life for people in Bajura over a five-year period which began in July 2018, while also running in the neighbouring district of Mugu.

The second year of the IDEAL project in 2019-20 witnessed an increasing impact on people's lives in Bajura, although the latter part of the financial year was disrupted by the coronavirus pandemic.

The project has improved community cohesion by establishing 90 self-help groups and facilitating meetings, which have tackled issues such as livelihoods, health issues, disability rights, gender rights, climate change, and disaster risk reduction.

Self-help groups also encourage people to pool their collective savings to create a revolving credit scheme managed by the group. Loans are made to support new income-generating activities or to meet people's basic needs such as food, clothing, health, and education. Loans helped people launch new initiatives such as poultry farming, grocery shops, snack shops, and vegetable farming, as well as keeping animals such as goats, rabbits, and sheep.

Gender and disability rights are a particular focus of the IDEAL project. The majority of self-help group members and facilitators are women, to help redress gender inequalities through increased participation and decision-making roles. The creation of disability networks in 9 different wards have established forums to work on behalf of people with disabilities and help deal with disability-related issues.

The project also supports health workers, volunteers, and institutions to better identify and address health needs in their communities.

Covid-19 impact

The nationwide lockdown from 24th March 2020 had a significant impact on community work such as the IDEAL project, meaning the project needed to be paused for three months due to Government directives.

During this time of disruption Bajura also saw increased needs. Many people from this district travel to India for seasonal work as part of their community's survival strategy. An estimated 9,000 people had to return to Bajura after losing their jobs during the lockdown in India. This had the double

impact of an increased number of mouths to feed while at the same time losing the expected remittances needed to sustain their families.

Returning migrant workers had to stay in poor-quality quarantine or isolation centres for two weeks on their return, often without adequate sanitation or washing facilities. This exposed them to greater risk of contracting the disease.

With the lack of opportunities for migrant workers as a result of COVID-19, self-help groups will become even more important for communities in coming years.

IDEAL project in numbers

- 3,173 people were directly impacted by the IDEAL project in Bajura, plus over 6,000 people who get an indirect benefit (69% women, 16% men, 8% girls, 7% boys).
- 90 self-help groups created and implemented 743 action plans.
- 1,827 people were given orientation on gender and disability issues.
- 87% of self-help group members are women, along with 85% of group facilitators.
- 141 people with disabilities now have local community roles such as on committees for manging schools, forestry, and irrigation.
- 1,827 people were trained on improved and climate-friendly farming techniques, including crop diversification.
- 443 children and adults took part in child protection awareness-raising and prevention sessions.
- 188 people received loans from self-help group savings and revolving funds.
- 1,187 mothers and children attended health clinics.
- 28 female community health volunteers were given training and supported in their work.
- 1,460 people were trained to make fortified flour, to improve child nutrition.

Community Resilience and Development project, Kalikot

This is INF Nepal's first project in the remote district of Kalikot. Using experience from other community development initiatives – such as the IDEAL project in nearby Bajura and Mugu – this project aims to improve the lives of more than 3,000 people over three years.

The project aims to develop inclusive and empowered communities, create sustainable livelihoods, improve health, and strengthen community resilience to natural disasters and climate change.

Launched in December 2019, the early months of this project have faced considerable challenges, especially due to the coronavirus pandemic – which struck as community mobilisers were being recruited to facilitate self-help groups so local communities could start seeing the benefits of INF's involvement.

As in Bajura, project activities had to be put on hold during lockdown from 24th March, while the poorest households were also impacted by the economic disruption of lost daily wage labour.

We are pleased to report that the early stages of 2020-21 have seen encouraging progress in the delivery of this project. This is despite the continued Covid-19 situation, as well as devastating landslides in July which caused 19 deaths, damaged homes, and blocked roads.

Disaster Relief

2020 will be remembered as the year of the coronavirus pandemic, and INF/UK supported our partners' response as the pandemic took its toll on Nepal (see p8).

However, we also supported other disaster relief and response projects during 2019-20, right from the very start of the year.

Floods in Bara, Parsa and Rautahat

Heavy rainfall in July 2019 triggered floods and landslides that affected people living in 34 of Nepal's 77 districts. Within two weeks 111 people had died and dozens more were injured or missing. About 60,000 people were displaced with their homes destroyed by landslides or swallowed up by flooded rivers.

Working with Asal Chhimekee Nepal (ACN), we supported some of the poorest communities affected by these disasters in the districts of Bara, Parsa and Rautahat (all in Province 2 along the southern border with India).

Bara and Parsa had also been hit by Nepal's first recorded tornado in April, and ACN had recent experience of work in villages, which were still recovering from that incident.

Initially, ACN coordinated with local authorities, church leaders and congregations to provide relief supplies for about 2,400 people – including rice, lentils, salt, oil, blankets, mosquito nets, soap, sanitary pads, soap, toothbrushes, toothpaste, and tarpaulin covers. A further 800 households (about 5,600 people) received relief supplies in later phases of the recovery.

Also, 81 volunteers were trained in disaster response so their communities are better prepared for any future events. Five water hand pumps were built in one municipality where a single pump had previously been shared among 85 households, causing both community friction and health risks.

Raptisonary Recovery Project, Banke

The flood prone Raptisonary rural municipality in Banke was identified for a project starting in November 2019 to improve the local capacity to prepare for natural disasters and deal with recovery.

Disaster management committees have been established in all nine wards. Although several meetings were unable to happen due to the Covid situation, 58 people (including 30 women) have already been involved in identifying local issues, developing understanding, and learning new skills.

Also, 15 community groups have established safe evacuation routes, and children at five schools have also been involved through quizzes and an essay-writing competition as a means of educating about the need for disaster preparedness.

This project will continue during 2020-21.

Community-based Psychological Support, Sindhupalchok and Kavre

This project tackles the long-term psychological effects of the major 2015 earthquake which devastated much of Nepal.

Delivered by the Elijah Counselling Training Centre (ECTC), it reaches people in two districts where the earthquake had a massive impact. More than 3,000 people died in Sindhupalchowk, which was the highest number of deaths in any district, and neighbouring Kavre was also badly affected.

Beginning in August 2017, this project is now drawing to its conclusion, having worked with just under 3,000 people from 10 rural communities. Psychological support and training about 500 care-givers in trauma counselling were some of the key activities, as well as mental health awareness-raising with 400-plus school children.

Financial Activities of the charity

Summary

During 2019-20, total incoming resources were £764,737 (2019: £918,221). Total expenditure in 2019-20 was £768,176 (2019: £985,970). The majority of its funds are sourced from private individuals, trusts and churches.

The year-on-year picture noted above is somewhat distorted because of two large payments received in 2018-19 from a major foundation. One of these (£86,162) was scheduled to have been received during the previous year but was delayed due to administrative issues in the foundation, for which they apologised. The position is further distorted as a result of a grant payment of £26,844 that should have been received in 2019-2020, but which was not received until July, i.e. after the year end.

Funds

(a) General Fund

Total income on the General Fund was 227,925 (2019: £199,170). This was mainly made up of General donations, Legacy income, and Interest income.

(b) Gifts for Nepal (Funds for Partners' Programmes and Projects)

This is income for the work of INF amongst Nepalis. Income was £519,839 (2019:£640,269).

(c) Support Fund

Historically, Mission Workers were recruited by INF/UK to serve in Nepal and raised funds toward the Support Fund, which in turn covered 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 £16,861 (2019: £74,842). This fall in income is directly attributable to the charity's strategic decision in 2018 to no longer recruit expatriate workers to work in Nepal.

Reserves

(a) Unrestricted Reserves

The policy of the Board is to hold General Operating Reserves of 6–12 months of the budgeted annual costs of INF/UK in a designated Operating Reserve, to cover unforeseen events. The sum of £240,000 is held in this reserve and represents 8 months budgeted annual costs for 2020-21.

Separately, and for the sake of transparency, the board of INF/UK have designated £125,000 of the charity's general reserves to cover anticipated shortfalls over the coming 2-3 years. These will result from its costs associated with its strategic plan ahead of generating new income streams, and the impact of COVID-19.

To underpin its commitment to support more projects in Nepal the board have designated a further £100,000 as a Programmes Fund, which will enable it to agree additional Memorandums of Understanding with partners ahead of raising funds for projects.

The total value of unrestricted funds held as at 30/06/2020 was £528,416 (2019: £541,685).

(b) Restricted Reserves

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

The charity raises funds to support its partners' programmes and projects, primarily from individuals, trusts and foundations. These funds are managed and paid to partners under Memorandums of Understanding (MoUs) signed between the charity and its partners. An MoU will reference the plans and budgets upon which an agreement has been made, and it will also contain a reporting and payment schedule. Payments are normally paid against a report from a partner detailing the work completed against its plans and money spent against the previously submitted budget. MoUs normally cover a period of 12-36 months. Funds received by the charity for a partner's project, but not yet guaranteed for payment, are held as restricted funds in the charity's accounts until firm commitments are made.

The total value of restricted funds held as at 30/06/2020 was £658,312 (2019: £649,167).

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 continues to be very low.

Events after the reporting period

None.

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 2020. 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).

Structure, governance, and management

Governing Document

INF/UK is a company limited by guarantee and it is also a Charity registered with the Charity Commission of England and Wales. It is governed by its Articles of Association that were updated in March 2020. This was very timely as this has given the charity the ability to hold electronic meetings rather than face to face meetings. There are currently seven 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 considers 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 four 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 the 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 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's principal partners are 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 is undertaken by the board of principal risks and uncertainties that the charity faces.

Given the significant additional risks associated with the COVID-19 pandemic risk have been kept under constant review by the CEO and the board since March 2020. The CEO attends regular and frequent sector meetings with other CEOs, held under the auspices of BOND. Sector wide information is shared, as is the impact that the pandemic is having on similar organisations.

INF/UK is a relatively small organisation, without a restricting bureaucracy, it is therefore able to be nimble and respond quickly to emerging threats.

INF/UK is not dependent on UK government funding and has therefore not been directly impacted by cuts in the overseas aid budget. It is though acutely aware that these cuts will increase competition for funding from other sources.

The charity is aware that the impact of COVID-19 will be felt at least for the next three years. It is in the fortunate position of having a good level of general reserves, and it is structuring these to meet anticipated operational losses over this period.

The charity is acutely aware of the risks faced by its partners in Nepal from COVID-19 and the CEO is in close contact with their leadership teams to keep abreast of the risks they are facing. The charity's partners in Nepal enjoy support from a wide range of donors from around the world. The charity does not therefore feel that there is excessive risk from the situation peculiar to the UK. In order to keep abreast of wider global risks in the sector, the CEO is in personal contact with leaders in INGOs in Australia, Germany and Canada.

- ii. Additionally, the charity has established policies, systems, and procedures to mitigate risks identified in its reviews.
- iii. Earthquake is a major risk to the charity's work and its staff in Nepal. A contingency plan is in place, which was stress-tested during the major earthquake in 2015 and found to be robust and appropriate.

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.

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.

Board of Trustees

Michael Thomas, Chair

Vijaya Adhikari

Steven Collins (from March 2020)

Dr Andrew Cordell (to December 2019)

Rosemary Hart

Roger Hamlet (to June 2020)

Peter Hopkinson (to September 2020)

Professor Andrew Lymer, Treasurer (from June 2020)

David McConkey

Dr Ian Smith (from March 2020)

William Westwood, Treasurer (to December 2019)

Officers and Advisors

Chief Executive Officer: John Reynolds

Auditors:

Godfrey Wilson Limited
5th Floor, Mariner House
62 Prince Street
Bristol
BS1 4QD

Solicitors:

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Bankers:

Bank of Scotland
33 Old Broad Street
London
EC2N 1HW

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were appointed as the charitable company's auditors during the year and have expressed their willingness to act in this capacity. They will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the trustees on 16 January 2020 and signed on their behalf by

Michael Thomas, Chair 

Independent Auditor's Report to the Members of the International Nepal Fellowship

Opinion

We have audited the financial statements of International Nepal Fellowship UK (the 'charity') for the year ended 30 June 2020 which comprise the statement of financial activities, balance sheet and the related 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 Financial Reporting Standard 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

Opinion 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' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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.

Our 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 our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 19 January 2020

Alison Godfrey

**Alison Godfrey FCA
(Senior Statutory Auditor)**

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure statement)
For the year ended 30 June 2020

| | Note | Unrestricted funds | | | TOTAL | TOTAL |
|---|------|--------------------|------------------|------------------|------------------|------------------|
| | | General funds | Designated funds | Restricted funds | 2020 | 2019 |
| | | £ | £ | £ | £ | £ |
| INCOME | | | | | | |
| Income from donations & legacies | 2 | 220,385 | - | 536,812 | 757,197 | 906,087 |
| Interest & dividends receivable | 3 | 7,540 | - | - | 7,540 | 8,149 |
| Conference income | 4 | - | - | - | - | 3,985 |
| TOTAL INCOME | | 227,925 | - | 536,812 | 764,737 | 918,221 |
| EXPENDITURE | | | | | | |
| Expenditure for raising funds | 5 | 39,192 | - | - | 39,192 | 74,410 |
| Charitable Activities | | | | | | |
| Community Development | 6 | 60,279 | - | 117,597 | 177,876 | 157,004 |
| Health Services | 6 | 100,465 | - | 308,216 | 408,681 | 569,440 |
| Disaster Relief | 6 | 30,138 | - | 77,171 | 107,309 | 58,268 |
| Other Relief & Development | 6 | 8,037 | - | 5,604 | 13,641 | 88,559 |
| Diaspora | 6 | 2,009 | - | 19,079 | 21,088 | 28,186 |
| Charitable Activities total | | 200,928 | - | 527,667 | 728,595 | 901,457 |
| Other: Welfare fund expenditures | | - | - | - | - | 6,329 |
| Other: Cost of conference | 4 | 389 | - | - | 389 | 3,774 |
| TOTAL EXPENDITURE | | 240,509 | - | 527,667 | 768,176 | 985,970 |
| UNREALISED GAIN/LOSS ON INVESTMENT | | (685) | - | - | (685) | 663 |
| NET INCOME/ (EXPENDITURE) | | (13,269) | - | 9,145 | (4,124) | (67,085) |
| Transfer between funds | | (225,000) | 225,000 | - | - | - |
| NET MOVEMENT IN FUNDS | | (238,269) | 225,000 | 9,145 | (4,124) | (67,085) |
| BROUGHT FORWARD | | 301,685 | 240,000 | 649,167 | 1,190,852 | 1,257,937 |
| CARRIED FORWARD | | 63,416 | 465,000 | 658,312 | 1,186,728 | 1,190,852 |

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 £4,124 (2019 deficit: £67,085).

The notes on pages 29 to 44 form an integral part of these financial statements.

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

BALANCE SHEET AS AT 30 June 2020
Company number: 03060972

| | | Unrestricted funds | | | TOTAL | TOTAL |
|---|------|--------------------|------------------|------------------|------------------|------------------|
| | Note | General funds | Designated funds | Restricted funds | 2020 | 2019 |
| | | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | |
| Tangible assets | 13 | 3,856 | - | - | 3,856 | 4,349 |
| Investments | 14 | 42,688 | - | - | 42,688 | 43,374 |
| | | <u>46,544</u> | <u>-</u> | <u>-</u> | <u>46,544</u> | <u>47,722</u> |
| CURRENT ASSETS | | | | | | |
| Debtors & prepayments | 15 | 38,949 | - | - | 38,949 | 11,657 |
| Short term deposits | | - | 225,000 | 775,000 | 1,000,000 | 1,000,000 |
| Cash at bank and in hand | | 5,372 | 240,000 | 159,957 | 405,329 | 500,634 |
| | | <u>44,321</u> | <u>465,000</u> | <u>934,957</u> | <u>1,444,278</u> | <u>1,512,291</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | | |
| Creditors & accrued charges | 16 | (27,450) | - | (258,741) | (286,191) | (300,041) |
| NET CURRENT ASSETS | | <u>16,871</u> | <u>465,000</u> | <u>676,216</u> | <u>1,158,087</u> | <u>1,212,250</u> |
| CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR | | | | | | |
| | 17 | - | - | (17,904) | (17,904) | (69,121) |
| TOTAL NET ASSETS | | <u>63,416</u> | <u>465,000</u> | <u>658,312</u> | <u>1,186,728</u> | <u>1,190,852</u> |
| FUNDS | | | | | | |
| General reserve | | 63,416 | - | - | 63,416 | 301,685 |
| Designated income funds | 19 | - | 465,000 | - | 465,000 | 240,000 |
| Restricted income funds | 20 | - | - | 658,312 | 658,312 | 649,167 |
| | | <u>63,416</u> | <u>465,000</u> | <u>658,312</u> | <u>1,186,728</u> | <u>1,190,852</u> |

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

M J Thomas

Michael Thomas

Andy Lymer

Andrew Michael Lymer

Date: 16 January 2020

Date: 16 January 2020

The notes on pages 29 to 44 form an integral part of these financial statements.

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)
Company number 03060972

STATEMENT OF CASH FLOWS for the year ended 30 June 2020

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Cash flows from operating activities: | | |
| Net incoming /(outgoing) resources | (4,124) | (67,085) |
| Adjustment for: | | |
| Depreciation | 1,672 | 1,006 |
| Surplus on sale of property, plant & equipment | - | - |
| Gain/loss on investment | 685 | (663) |
| Trade and other expenses | - | - |
| Decrease /(increase) in debtors | (27,293) | 13,532 |
| Increase /(decrease)in creditors | (65,067) | 82,297 |
| Investment interest | (7,540) | (8,149) |
| Net cash flows from operating activities | (102,705) | 22,271 |
| Cash flow from investing activities | | |
| Purchase of property plant & equipment | (1,179) | (4,510) |
| Proceeds on disposal of property, plant & equipment | - | 150 |
| Purchase of investments | - | - |
| Proceeds on disposal of investment | - | - |
| Interest received | 7,540 | 8,149 |
| | 6,361 | 3,789 |
| Net increase/ (decrease) in cash & cash equivalent | (96,344) | 26,060 |
| Cash & cash equivalents at the beginning of year | 1,500,634 | 1,475,907 |
| Total Cash and cash equivalents at the end of the year | 1,405,329 | 1,500,634 |
| Total cash and cash equivalents comprise: | | |
| Short term deposits | 1,000,000 | 1,000,000 |
| Cash at bank and in hand | 405,329 | 500,634 |
| Total cash and cash equivalents at end of the year | 1,405,329 | 1,500,634 |

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

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 the assumption that the charitable company is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charitable company. The trustees have considered the impact of this issue on the charitable company's current and future financial position. The charitable company holds unrestricted, general reserves of £63,416, designated reserves that can be drawn down if necessary of £465,000 and a cash and cash equivalents balance of £1,405,329. The trustees therefore consider that the charitable company has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved, and that there are no material uncertainties in this regard.

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 is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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. Income tax recoverable is deemed to be unrestricted, per donation terms and conditions.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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 7.

INTERNATIONAL NEPAL FELLOWSHIP

(A company limited by guarantee)

Company number 03060972

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Fixed assets & 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 |
|---------------------------------|------------------------|

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.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand and short term deposits

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Short term deposits comprise balances held in accounts requiring between 30 and 90 days notice for withdrawal, as they are considered highly liquid current asset investments, and are therefore disclosed separately.

Creditors

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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. Differences arising on the translation of such items are dealt with in the Statement of Financial Activities.

Financial instruments

The charitable 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

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 to the extent that the charity has formally guaranteed payments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

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 2020 £ |
|-------------------------------|--------------------|------------|----------------|--------------------|
| | General | Designated | Restricted | |
| | funds | funds | funds | |
| | £ | £ | £ | |
| Gifts to Nepal | - | - | 500,461 | 500,461 |
| Volunteer worker support fund | - | - | 19,778 | 19,778 |
| General donations | 208,592 | - | - | 208,592 |
| Legacy income | 11,793 | - | 16,573 | 28,366 |
| | <u>220,385</u> | <u>-</u> | <u>536,812</u> | <u>757,197</u> |

Prior period comparatives:

| | Unrestricted funds | | | TOTAL 2019 £ |
|-------------------------------|--------------------|------------|----------------|--------------------|
| | General | Designated | Restricted | |
| | funds | funds | funds | |
| | £ | £ | £ | |
| Gifts to Nepal | - | - | 607,418 | 607,418 |
| Volunteer worker support fund | - | - | 78,782 | 78,782 |
| General donations | 172,036 | - | - | 172,036 |
| Legacy income | 15,000 | - | 32,851 | 47,851 |
| | <u>187,036</u> | <u>-</u> | <u>719,051</u> | <u>906,087</u> |

3 INTEREST & DIVIDENDS RECEIVABLES

| | 2020 £ | 2019 £ |
|---------------|--------------|--------------|
| Bank interest | 6,979 | 7,919 |
| Dividends | 561 | 230 |
| | <u>7,540</u> | <u>8,149</u> |

All interest & dividends receivables was accounted for in general funds in the current and prior period.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

4 Conference income & cost

| | 2020 | 2019 |
|--------------------|-------------|-------------|
| | £ | £ |
| Conference income | - | 3,985 |
| Cost of Conference | 389 | 3,774 |

All conference income and expenditure was accounted for in general funds in the current and prior period.

5 EXPENDITURE FOR RAISING FUNDS

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Website development cost | - | 32,850 |
| Website support cost | 11,100 | 6,144 |
| Outsourced copywriting cost | 2,992 | 3,815 |
| Outsourced fundraising cost | - | 4,300 |
| General fundraising cost | 25,100 | 27,301 |
| | 39,192 | 74,410 |

6 CHARITABLE ACTIVITIES

| Activities directly undertaken (note 8) | Community Development £ | Health Services £ | Disaster Relief £ | Other Relief and Development £ | Diaspora £ | 2020 Total £ |
|--|--|----------------------------------|----------------------------------|---|-----------------------|-----------------------------|
| Specific gifts directly to Nepal | 91,262 | 257,376 | 27,337 | 608 | - | 376,583 |
| Grant funding - restricted fund (Note 8) | - | - | 41,000 | - | - | 41,000 |
| Volunteer workers support cost | 8,668 | 21,397 | - | 2,640 | 18,490 | 51,195 |
| Total activities directly undertaken | 99,930 | 278,773 | 68,337 | 3,248 | 18,490 | 468,778 |
| Support costs (Restricted) | 17,667 | 29,444 | 8,833 | 2,356 | 589 | 58,889 |
| Total | 117,597 | 308,217 | 77,170 | 5,604 | 19,079 | 527,667 |
| Support costs (Unrestricted) (Note 7) | 60,279 | 100,464 | 30,139 | 8,037 | 2,009 | 200,928 |
| Total | 60,279 | 100,464 | 30,139 | 8,037 | 2,009 | 200,928 |
| 2020 total | 177,876 | 408,681 | 107,309 | 13,641 | 21,088 | 728,595 |

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)
Company number 03060972

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Prior period comparatives:

| Activities directly undertaken | Community Development £ | Health Services £ | Disaster Relief £ | Other Relief and Development £ | Diaspora £ | 2019 Total £ |
|---|------------------------------------|------------------------------|------------------------------|---|-----------------------|-------------------------|
| Specific gifts directly to Nepal | 39,192 | 330,700 | - | 60,804 | - | 430,696 |
| Grant funding - restricted fund (Note 8) | 29,786 | 99,824 | 21,902 | - | - | 151,512 |
| Volunteer workers support cost | 15,295 | 17,695 | - | 18,057 | 25,761 | 76,808 |
| Total Activities directly undertaken | 84,273 | 448,219 | 21,902 | 78,861 | 25,761 | 659,016 |
| Support cost (Restricted) (Note 7) | 17,636 | 29,395 | 8,819 | 2,352 | 588 | 58,790 |
| Total | 101,909 | 477,614 | 30,721 | 81,213 | 26,349 | 717,806 |
| Support costs (Unrestricted) (Note 7) | 55,095 | 91,825 | 27,548 | 7,346 | 1,837 | 183,652 |
| 2019 total | 157,004 | 569,440 | 58,268 | 88,559 | 28,186 | 901,457 |

7 ANALYSIS OF SUPPORT COSTS

| Activity | Community Development £ | Health Services £ | Disaster Relief £ | Other Relief & Development £ | Diaspora £ | Total 2020 £ |
|---|------------------------------------|------------------------------|------------------------------|---|-----------------------|-------------------------|
| Personnel | 47,384 | 78,974 | 23,692 | 6,318 | 1,579 | 157,947 |
| Premises, Offices | 8,229 | 13,711 | 4,114 | 1,097 | 274 | 27,425 |
| Finance, Depreciation | 3,972 | 6,621 | 1,986 | 530 | 132 | 13,241 |
| Governance | 1,006 | 1,677 | 503 | 134 | 34 | 3,354 |
| Exchange rate loss/(gain) | (312) | (519) | (156) | (42) | (10) | (1,039) |
| SUPPORT COSTS (UNRESTRICTED) TOTAL | 60,279 | 100,464 | 30,139 | 8,037 | 2,009 | 200,928 |
| SUPPORT COSTS (RESTRICTED) | 17,667 | 29,444 | 8,833 | 2,356 | 589 | 58,889 |
| TOTAL | 77,946 | 129,908 | 39,972 | 10,393 | 2,598 | 259,817 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Basis of allocations:

The Trustees have apportioned costs direct to activities where this is possible. Where 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.

Prior period comparatives:

| Activity | Community Development £ | Health Services £ | Disaster Relief £ | Other relief & development £ | Diaspora £ | Total 2019 £ |
|---|--|----------------------------------|----------------------------------|---|-----------------------|-----------------------------|
| Personnel | 44,014 | 73,356 | 22,007 | 5,869 | 1,467 | 146,713 |
| Premises, Offices | 6,688 | 11,147 | 3,344 | 892 | 223 | 22,293 |
| Finance, Depreciation | 3,065 | 5,109 | 1,533 | 408 | 102 | 10,218 |
| Governance | 928 | 1,547 | 464 | 124 | 31 | 3,094 |
| Exchange rate loss/(gain) | 400 | 666 | 200 | 53 | 14 | 1,333 |
| SUPPORT COSTS (UNRESTRICTED) TOTAL | 55,095 | 91,825 | 27,548 | 7,346 | 1,837 | 183,652 |
| SUPPORT COSTS (RESTRICTED) | 17,636 | 29,395 | 8,819 | 2,352 | 588 | 58,790 |
| TOTAL | 72,731 | 121,220 | 36,367 | 9,698 | 2,425 | 242,442 |

8 ANALYSIS OF GRANT FUNDING

Grants made from Restricted Disaster Relief /Programme Fund

| Charitable activities | Institutions | Grants to Institutions Total 2020 £ |
|------------------------------------|---|--|
| Disaster Relief | Asal Chhimekee Nepal (ACN) | 26,000 |
| | INF Nepal | 15,000 |
| Disaster Relief total | | 41,000 |
| | Grants made from restricted fund for Nepal | |
| Community development | INF Nepal | 86,262 |
| | Sarwangin Sewa Samaj | 5,000 |
| Community Development total | | 91,262 |
| Health | INF Nepal | 257,376 |
| Health total | | 257,376 |

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)
Company number 03060972

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

| | | |
|--------------------------------|----------------------------|----------------|
| Disaster | INF Nepal | 7,000 |
| | Sarwangin Sewa Samaj | 2,566 |
| | SAHAS | 7,698 |
| | Asal Chhimekee Nepal (ACN) | 10,073 |
| Disaster total | | 27,337 |
| Other Development | NEMUN | 108 |
| | ECTC | 500 |
| Other Development total | | 608 |
| TOTAL 2020 | | 417,583 |

Prior period comparatives

| | | Grants to Institutions |
|------------------------------------|----------------------------|-------------------------------|
| Charitable activities | Institutions | Total 2019 £ |
| Disaster Relief | Asal Chhimekee Nepal (ACN) | 21,902 |
| Disaster Relief total | | 21,902 |
| Community development | INF Nepal | 60,842 |
| | Sarwangin Sewa Samaj | 7,920 |
| | NEMUN | 216 |
| Community Development total | | 68,978 |
| Health | INF Nepal | 430,524 |
| Health total | | 430,524 |
| Other Development | Asal Chhimekee Nepal (ACN) | 44,730 |
| | ECTC | 5,704 |
| | HBTA | 5,986 |
| | PRABHAV | 1,105 |
| | Samaritan Home | 2,219 |
| | Seconded workers | 1,060 |
| Other Development total | | 60,804 |
| TOTAL 2019 | | 582,208 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

9 ANALYSIS OF STAFF COSTS

| | 2020 | 2019 |
|------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 198,446 | 135,269 |
| Social security costs | 16,231 | 9,279 |
| Other pension costs | 13,200 | 10,710 |
| Courses, travel and other | 13,648 | 9,028 |
| Holiday pay | 6,746 | - |
| | <u>248,271</u> | <u>164,288</u> |
| | | |
| Average number of employees: | 2020 | 2019 |
| Management | 3 | 1 |
| Administration | 6 | 4 |
| | <u>9</u> | <u>5</u> |

- No staff earned over £60,000 in 2020 (2019: none).
- The key management personnel of the charity is the Chief Executive Officer. The total employee benefits of the key management personnel are salary £49,446 & employer's pension contribution £4,139 (£48,957 and £4,098 in 2019).
- A termination payment for 1 leaver was made in 2020, totalling £3,046 (2019: nil).
- The holiday pay accrual for the year is £6,746 (2019: nil).
- Staff costs include one mission partner who works in the Nepal and a Nepali pastor who works among Nepalis overseas.

10 GOVERNANCE COSTS

| | 2020 | 2019 |
|---------------------|----------------------|----------------------|
| | £ | £ |
| Trustee expenditure | 3,354 | 3,094 |
| Audit fee | 7,860 | 7,200 |
| | <u>11,214</u> | <u>10,294</u> |

11 NET MOVEMENT IN RESOURCES FOR THE YEAR

| | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| The net income/expenditure for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets (see note 13) | 1,672 | 1,006 |
| Audit fee | 8,910 | 7,200 |

12 DIRECTORS' REMUNERATION

No directors' remuneration was paid during the year. 10 directors incurred expenses in connection with travelling costs amounted to £3,354 (2019: £3,094).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

13 FIXED ASSETS

| | Computer equipment £ | Total £ |
|------------------------|-------------------------------------|----------------------|
| Cost | | |
| At 1 July 2019 | 35,965 | 35,965 |
| Addition | 1,179 | 1,179 |
| Disposal in year | - | - |
| | <u>37,144</u> | <u>37,144</u> |
| At 30 June 2020 | <u>37,144</u> | <u>37,144</u> |
| Depreciation | | |
| At 1 July 2019 | 31,616 | 31,616 |
| Charge for the year | 1,672 | 1,672 |
| Disposal in year | - | - |
| | <u>33,288</u> | <u>33,288</u> |
| At 30 June 2020 | <u>33,288</u> | <u>33,288</u> |
| Net book values | | |
| At 30 June 2020 | 3,856 | 3,856 |
| At 30 June 2019 | 4,349 | 4,349 |

14 INVESTMENTS

| | 2020 £ | 2019 £ |
|--|----------------------|----------------------|
| Charinco Common Investment Fund: | | |
| Market value at beginning of year | 43,374 | 42,711 |
| Unrealised gain / (loss) during the year | (685) | 663 |
| Disposals | - | - |
| | <u>42,688</u> | <u>43,374</u> |
| | <u>42,688</u> | <u>43,374</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.

15 DEBTORS AND PREPAYMENTS

| | 2020 £ | 2019 £ |
|-------------------------------|----------------------|----------------------|
| Taxation refund receivable | 37,716 | 8,392 |
| Other debtors and prepayments | 1,234 | 3,265 |
| | <u>38,949</u> | <u>11,657</u> |
| | <u>38,949</u> | <u>11,657</u> |

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

| 16 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR) | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Taxation and social security | 4,889 | 2,545 |
| Grants committed to Nepal – general funds | 2,000 | 2,000 |
| Audit fee | 7,800 | 6,840 |
| Accruals and deferred income | 12,761 | - |
| Total - general funds | 27,450 | 11,385 |
| Accruals and deferred income | 2,902 | 57,851 |
| Grants committed to Nepal | 255,839 | 230,805 |
| Total – restricted funds | 258,741 | 288,656 |
| TOTAL | 286,191 | 300,041 |

| 17 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR) | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Grants committed to Nepal | 17,904 | 69,121 |

18 GRANTS COMMITTED TO NEPAL ANALYSIS

| Amounts falling due in one year | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| INF Surkhet Rehabilitation project | 30,000 | 50,000 |
| COVID-19 response | 2,733 | - |
| Leprosy Free projects | 11,810 | 19,816 |
| Bajura IDEAL projects | 23,462 | - |
| Kalikot project | 30,632 | - |
| Green Pastures Hospital Leprosy and Rehabilitation projects | 11,400 | - |
| Green Pastures Hospital Palliative Care Services | 17,880 | - |
| Green Pastures Hospital Integrated Palliative Care Services | 102,208 | 131,203 |
| Green Pastures Hospital Acute Trauma Care | 24,292 | 8,663 |
| Mission workers support fund | 1,422 | 711 |
| Elijah Counselling and Training Centre | - | 15,544 |
| INF Nepal Fistula fund | - | 3,329 |
| Dr Shirley Heywood health work | - | 1,188 |
| NEMUN | - | 54 |
| Shining Hospital Banke fund | - | 297 |
| Amounts falling due in one year total | 254,417 | 230,805 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Amount falling due after more than one year

| | | |
|---|----------------------|----------------------|
| Green Pastures Hospital Leprosy and Rehabilitation projects | 3,800 | - |
| Kalikot project | 14,104 | - |
| INF Surkhet Rehab development | - | 60,000 |
| Leprosy-free project | - | 9,121 |
| Amount falling due after more than one year total | <u>17,904</u> | <u>69,121</u> |

19 DESIGNATED FUNDS

| | Balance at 1 July 2019 £ | New Designations £ | Utilised / Released in Year £ | Transfers £ | Balance at 30 June 2020 £ |
|-----------------------------------|---|-----------------------------------|--|------------------------|--|
| Operating Reserve | 240,000 | - | - | - | 240,000 |
| Allocated to Nepal Programmes | - | 100,000 | - | - | 100,000 |
| Allocated to Investment in Growth | - | 125,000 | - | - | 125,000 |
| | <u>240,000</u> | <u>225,000</u> | - | - | <u>465,000</u> |

During 2020, the board decided to transfer £100,000 from general reserves to designated funds for programmes and £125,000 for investment in growth.

Prior period comparative:

| | Balance at 1 July 2018 £ | New Designations £ | Utilised / Released in Year £ | Transfers £ | Balance at 30 June 2019 £ |
|-------------------------------|---|-----------------------------------|--|------------------------|--|
| Operating Reserve | 240,000 | - | - | - | 240,000 |
| Allocated to Nepal Programmes | 40,000 | - | - | (40,000) | - |
| | <u>280,000</u> | - | - | <u>(40,000)</u> | <u>240,000</u> |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

20 RESTRICTED FUNDS

| | Brought forward | Donations, gifts & legacies | Charitable expenditure | Transfers | Carried forward |
|---|-----------------|-----------------------------|------------------------|--------------|-----------------|
| | £ | £ | £ | £ | £ |
| GIFTS FOR NEPAL | | | | | |
| Specific gift for INF Nepal | 115,884 | 373,444 | (376,583) | (113) | 112,632 |
| Programmes & Disaster relief Fund | 159,121 | 136,911 | (41,000) | - | 255,032 |
| Seconded workers | - | 2,805 | (2,640) | - | 165 |
| Chhahari Schools | 520 | 147 | (667) | - | - |
| Ear Camps | 100 | - | - | (100) | - |
| Gordon Leitch Memorial Fund | 29,180 | 136 | - | - | 29,316 |
| HBTA | 2,048 | 2,760 | (3,719) | - | 1,089 |
| KISC | 193 | - | - | - | 193 |
| PRABHAV | 236 | 219 | (329) | - | 126 |
| Samaritan Home | 2,356 | 3,417 | (3,954) | - | 1,819 |
| Gifts for other Nepal Partners | 34,633 | 9,484 | (11,309) | (100) | 32,708 |
| GIFT FOR NEPAL TOTAL | 309,638 | 519,839 | (428,892) | (213) | 400,372 |
| VOLUNTEER WORKER RELATED FUNDS | | | | | |
| Volunteer workers support fund | 318,232 | 16,861 | (98,775) | 213 | 236,531 |
| VOLUNTEER WORKERS SUPPORT FUND TOTAL | 318,232 | 16,861 | (98,775) | 213 | 236,531 |
| TOTAL GIFTS FOR NEPAL | 627,870 | 536,699 | (527,667) | - | 636,903 |
| WELFARE RELATED FUNDS | | | | | |
| Welfare fund for Volunteer Workers | 21,297 | 112 | - | - | 21,409 |
| WELFARE RELATED FUNDS TOTAL | 21,297 | 112 | - | - | 21,409 |
| GRAND TOTAL | 649,167 | 536,812 | (527,667) | - | 658,312 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

20 RESTRICTED FUNDS (continued) – prior period comparative

| | Brought forward £ | Donations, gifts & legacies £ | Charitable expenditure £ | Transfers £ | Carried forward £ |
|--|----------------------|----------------------------------|-----------------------------|----------------|----------------------|
| GIFTS FOR NEPAL (FUNDS FOR PARTNERS' PROGRAMMES AND PROJECTS) | | | | | |
| Specific gift for INF Nepal | 32,861 | 526,679 | (414,622) | (29,034) | 115,884 |
| Programmes & Disaster relief Fund | 180,731 | 100,867 | (151,512) | 29,034 | 159,121 |
| Seconded workers | - | 1,060 | (1,060) | - | - |
| Chhahari Schools | 302 | 218 | - | - | 520 |
| Ear Camps | 100 | - | - | - | 100 |
| Elijah Counselling & Training Centre | 2,401 | 3,303 | (5,704) | - | - |
| Gordon Leitch Memorial Fund | 29,045 | 135 | - | - | 29,180 |
| HBTA | 4,052 | 3,981 | (5,985) | - | 2,048 |
| KISC | 125 | 68 | - | - | 193 |
| PRABHAV | 1,105 | 236 | (1,105) | - | 236 |
| Samaritan Home | 854 | 3,722 | (2,219) | - | 2,356 |
| Gifts for other Nepal Partners | 37,984 | 12,723 | (16,073) | - | 34,633 |
| GIFT FOR NEPAL TOTAL | 251,576 | 640,269 | (582,207) | - | 309,638 |
| VOLUNTEER WORKER RELATED FUNDS | | | | | |
| Volunteer workers support fund | 378,988 | 74,842 | (135,598) | - | 318,232 |
| VOLUNTEER WORKERS SUPPORT FUND TOTAL | 378,988 | 74,842 | (135,598) | - | 318,232 |
| TOTAL GIFTS FOR NEPAL & VOLUNTEER WORKERS | 630,564 | 715,111 | (717,805) | - | 627,870 |
| WELFARE RELATED FUNDS | | | | | |
| Welfare fund for Volunteer Workers | 23,686 | 111 | (2,500) | - | 21,297 |
| Personal gifts | - | 1,370 | (1,370) | - | - |
| Volunteers | - | 2,359 | (2,359) | - | - |
| UK Staff | - | 100 | (100) | - | - |
| WELFARE RELATED FUNDS TOTAL | 23,686 | 3,940 | (6,329) | - | 21,297 |
| GRAND TOTAL | 654,250 | 719,051 | (724,135) | - | 649,167 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

21 OTHER FINANCIAL COMMITMENTS

At 30 June 2020 the charity was committed to making the following payments under non-cancellable operating leases

| | 2020 | 2019 |
|-------------------|-----------------|-----------------|
| | Building | Building |
| | £ | £ |
| Within one year | 7,500 | 7,500 |
| 2-5 years | 11,875 | 19,375 |
| More than 5 years | - | - |

22 DESCRIPTION OF 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 2019/20.

Allocated to Nepal Programmes

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

Allocated to investment in growth

The charity recognises that it will incur costs as a result of its growth strategy ahead of generating income. Funds have therefore been specifically set aside cover anticipated shortfalls over the three years 2020-2023.

RESTRICTED FUNDS

Gifts for Nepal (Funds for Partners' Programmes and Projects)

The charity raises funds to support its partners' programmes and projects, primarily from individuals, trusts and foundations. These funds are managed and paid to partners under Memoradums of Understanding (MoUs) signed between the charity and its partners. An MoU will reference the plans and budgets upon which an agreement has been made, and it will also contain a reporting and payment schedule. Payments are normally paid against a report from a partner detailing the work completed against its plans and money spent against the previously submitted budget. MoUs normally cover a period of 12-36 months. Funds received by the charity for a partner's project, but not yet guaranteed for payment, are held as restricted funds in the charity's accounts until firm commitments are made.

Volunteer Worker Related Funds, 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 £21,409. One example of the way this fund

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

is used are small individual grants offered to retired Volunteer Workers to assist for travel costs associated with INF Conferences.

23 RELATED PARTY TRANSACTIONS

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

24 FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial assets measured at fair value at 30 June 2020 total £42,688 (2019: £43,374). No financial liabilities are held at fair value (2019: none).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2020

25 PRIOR PERIOD COMPARATIVES: STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR TO 30 JUNE 2019

| | Unrestricted funds | | | TOTAL 2019 £ |
|--------------------------------------|-----------------------|-------------------------|--------------------------|--------------------|
| | General funds £ | Designated fund £ | Restricted funds £ | |
| INCOME | | | | |
| Income from donations & legacies | 187,036 | - | 719,051 | 906,087 |
| Interest & dividends receivable | 8,149 | - | - | 8,149 |
| Conference income | 3,985 | - | - | 3,985 |
| TOTAL INCOME | 199,170 | - | 719,051 | 918,221 |
| EXPENDITURE | | | | |
| Expenditure for raising funds | 74,410 | - | - | 74,410 |
| Charitable Activities | | | | |
| Community Development | 55,095 | - | 101,909 | 157,004 |
| Health Services | 91,826 | - | 477,614 | 569,440 |
| Disaster Relief | 27,548 | - | 30,720 | 58,268 |
| Other Relief & Development | 7,346 | - | 81,213 | 88,559 |
| Diaspora | 1,837 | - | 26,349 | 28,186 |
| Charitable Activities total | 183,652 | - | 717,805 | 901,457 |
| Welfare fund expenditures | - | - | 6,329 | 6,329 |
| Cost of conference | 3,774 | - | - | 3,774 |
| TOTAL EXPENDITURE | 261,835 | - | 724,135 | 985,970 |
| UNREALISED GAIN ON INVESTMENT | 663 | - | - | 663 |
| NET INCOME/ (EXPENDITURE) | (62,002) | - | (5,083) | (67,085) |
| Transfer between funds | 40,000 | (40,000) | - | - |
| NET MOVEMENT IN FUNDS | (22,002) | (40,000) | (5,083) | (67,085) |
| BROUGHT FORWARD | 323,687 | 280,000 | 654,250 | 1,257,937 |
| CARRIED FORWARD | 301,685 | 240,000 | 649,167 | 1,190,852 |