

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

Financial Statements

Year ended 30 June 2014

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INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

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INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

The trustees present their report along with the financial statements of the charity for the year ended 30 June 2014. The financial statements have been prepared in accordance with the accounting policies as set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" 2005.

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

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

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

<u>Board of Trustees:</u>	Mr Andrew Gammie	(Chair, until 6.12.14)	resigned 6 th December 2014
	Mr Michael Thomas	(Chair, w.e.f 6.12.14)	appointed 6 th December 2014
	Dr Andrew Cordell	(vice-Chair)	
	Mr Hom Nath Dhakal		
	Dr Tom Donaldson		
	Mr Roger Hamlet		
	Mr Peter Hopkinson		
	Mr David McConkey		appointed 6 th December 2014
	Miss Diane Norton		
	Mr William J Westwood		

<u>Chief Executive Officer</u>	Mr John Reynolds
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<u>Company Secretary</u>	Mr John Reynolds
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<u>Auditors</u>	Mazars LLP 45 Church Street Birmingham B3 2RT
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<u>Solicitors</u>	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
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<u>Bankers</u>	Bank of Scotland 33 Old Broad Street London, EC2N 1HW
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	The Co-operative Bank 1st Floor 118-120 Colmore Row Birmingham, B3 3BA
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COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

2. Structure, Governance and Management

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

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

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

The Chair monitors the skills mix, experience and length of service of trustees. When appointing new trustees the board takes into account the existing skills mix and experience of current trustees.

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

As a discipline, to avoid complacency and to encourage fresh thinking and vitality, the charity has a policy requiring board members who had served for ten years to step down for a period of at least a one year period. As a result Andrew Gammie (Chair) stood down on the 6th December. A replacement Chair, Michael Thomas, took office at the end of the board meeting of the 6th December.

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

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

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

3. Objectives

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

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

INF/UK achieves its objectives through partnering with the International Nepal Fellowship (Nepal) (INF/N), a non government organisation (NGO) registered in Nepal; and INF International (INF/I), an international NGO (INGO) registered in Australia (INF/I changed its name from INF Worldwide to INF International on the 4th January 2014. This was a name change only and its business continues unchanged). Strong working relationships have existed between INF/UK, INF/N and INF/I, and their forbears, for over 60 years.

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

INF/I and INF/N work under a 5 year contract with the Government of Nepal to provide services in the areas of health and community development. Under Nepali law an INGO cannot implement its own programmes; these have to be carried out by a locally registered 'implementing agency'. INF/I therefore holds the contract with the Government and INF/N fulfils the role of the 'implementing agency'. The current contract with the Government of Nepal runs until 5th December 2015. Negotiations with the Government of Nepal will commence mid-2015. INF firmly believes that a new 5-year agreement will be forthcoming.

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

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

3. Objectives (continued)

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

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

4. Public Benefit

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

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

5. Main activities through the past year

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

(a) Its own activities as INF/UK

- i. Supporting INF/N and INF/I through seconding Christian professionals to work in the fields of health and development, and capacity building. This is a key element of INF/UK's work. During 2013-2014 it had professionals seconded in the areas of gynaecology and obstetrics; community development; physiotherapy, teaching; accountancy, information technology and computing; personnel, graphic design; fundraising and donor relations; church relationships and senior management.

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

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

In addition to seconding personnel INF/UK has an active fundraising department raising funds for INF/N and INF/I projects and programmes.

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

- ii. INF/UK works amongst Nepalis in the UK, providing Nepali Christian Fellowships with support and leadership training. During 2013-2014 it extended this ministry to Finland, Portugal and the Netherlands and there are invitations to work amongst Nepalis in France and Spain.

INF/UK also encourages a network of former missionaries, who are involved in teaching English to Nepalis new to the UK and through giving social support.

- iii. INF/UK services a diverse network of supporters in the UK and across Europe and organises an annual conference for supporters of mission in Nepal. In 2014, 160 attended this conference. Conferences such as these generate a significant amount of good will and renewed interest in mission to Nepal.
- iv. INF/UK publicises the work of the INF family of organisations in the UK and Europe through its monthly 'Prayer Notes'; its periodic magazine 'Today in Nepal' and its annual publication 'Partners in Prayer'. In 2014 it published new material to broaden support within churches.

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

5. Main activities through the past year (continued)

- v. INF/UK gives grants in support of INF programmes and projects. During the year ending 30 June 2014 grants made totalled £173,759 (cf 2013, £112,485).

(b) Supporting INF/I

- i. INF/I is the holder of the main project agreements with the Government of Nepal and INF/N is its main partner, implementing the majority of INF programmes in Nepal.
- ii. INF/I has a small number of its own projects in Nepal, which have been brought together into one entity, INF Sanjaal (Sanjaal is Nepali for 'partnership'). Included in INF Sanjaal are:
 - INF Partnership Programme, designed to provide assistance to government and non-government health institutions through the secondment of health specialists to build capacity.
 - *Faith @ Work*, this provides training and encouragement to both INF and non-INF staff to live out their faith within their work community and has encouraged the setting up of Christian professional bodies.
 - The INF Migrant Link Initiative networks with and supports the Nepalese Migrant Unity Network and Mitra Niwas to provide hospitality to migrants and ex-migrants travelling to and from the Asian Diaspora, offering practical and (limited) financial support to migrants with socio-economic, legal or medical needs.
 - The INF India Migrant Initiative works in partnership with the United Nepalese Churches Association in Delhi; Manav Kalyan Sabha in Simla; Prerna & Prayas in Dehradun; Ps Narendra in Kotdwar. It also works with Concern, BMS and ACTS in India. Many migrants are illiterate and few have any income generating skills, consequently the jobs available to them are menial and often dangerous. These partners help give Nepali migrants new income generating skills and opportunities through tailoring and sewing clothes classes to ladies, computer classes and literacy classes, and schooling for 35 children. They also distribute literature about Health Awareness and Safe Migration.
 - INF/I maintains links with Nepali Diaspora communities in Malaysia, the Middle East, Hong Kong and Australia. Some of these links have resulted in programmes to serve and work with Nepali migrant workers.

(c) Supporting INF Nepal

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

INF Nepal has seven district programmes serving 41 districts in Nepal's three western regions. They are served through district offices in Bajura, Kanchanpur, Banke, Dang, Jumla, Mugu, Surkhet, Kapilvastu, Baglung and Kaski. All of INF Nepal's activities are co-ordinated and directed by the INF Nepal Central Office in Pokhara.

INF/N works in twelve technical areas: Community Health and Development; Community Based Rehabilitation; Leprosy; HIV/AIDS and substance abuse; Spinal Cord Injury; Health Services Support; Nutrition; Maternal and Child Health; Food Security; Cerebral Palsy in children; palliative Care; and Medical Camps.

During the year it transferred the work of its tuberculosis clinic in Banke to another local NGO.

In the year 2013-14 INF/UK had on average 14 missionaries with INF in Nepal with a further 6 people set to join them in 2014-15.

6. Significant events during the current year

The majority of INF's work takes place in Nepal. In November 2013 progress was made towards a new constitution for the country. Successful parliamentary elections took place and these changed the face of the Nepali Government, returning the Congress party as the main party of government. Shortly after the election the

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

6. Significant events during the current year (continued)

Congress Party joined with the CPN-UML to form a coalition government. The UCPN (Maoists) came third in the election.

Despite political uncertainties the staff of INF's Nepal Country Office continues to maintain strong relationships with the Government of Nepal and its Social Welfare Council.

INF/I and INF Nepal work in strong collaboration with and in support of the Government of Nepal's health and development agenda and plans, and maintain strong relationships at both national and local level. During 2013-2014 they received a very positive interim assessment of the work being carried out under the current 5-year agreement.

7. Financial activities

During 2013-2014 total incoming resources were £891,123 (cf 2013, £1,358,124) and total expenditure in 2013-2014 was £1,086,894 (cf 2013, £1,110,112). The charity had a net deficit for the year of £195,771 compared to the previous year's surplus of £248,012. The current year deficit was covered from reserves.

(a) General Fund

Total income on the General Fund was £232,774 (cf 2013, £504,921). This was mainly made up of General donations, Legacy income, and Interest income. The significant shortfall to prior year was mainly due to a non-recurring grant of £200,000 being received last year and in a lower amount of legacies in 2014.

(b) Work in Nepal

This is income for the work of INF amongst Nepalis. Income was down at £366,290 (cf 2013, £482,860). In addition to this amount INF awarded grants to INF projects from its reserves of £173,759.

(c) Support Fund

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

During the current financial year support income increased to £260,259 (cf 2013 £221,390). This increase, and a continuing strengthening of sterling against the Nepali Rupee, means that the support fund is stable and very satisfactory.

8. Reserves policy

(a) Unrestricted Reserves

The policy of the Board is to hold general reserves of 6 – 12 months of the budgeted annual costs of INF/UK in a designated Operating Reserve, to cover unforeseen events. Funds in excess of this are made available for grants to INF programmes and projects in Nepal and outside of Nepal.

A formal grant application process has been set up and this is overseen by the INF/UK Grants Committee. Grants are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements. Grants may be given for periods up to 3 years. Progress is monitored against agreed plans through annual reports from recipient programmes.

(g) Restricted Reserves

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

9. Investment policy

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

10. Post balance sheet events

There were no post balance sheet events.

COMPANY INFORMATION & TRUSTEES' REPORT
For the year ended 30 June 2014

11. Statement of Trustee responsibilities

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

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

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

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

12. Information to Auditors

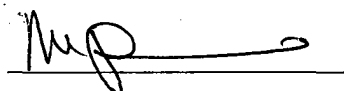
Each Trustee of the Charity at the date when this report was approved (who also are treated as Directors for the purposes of Company law) confirms that:

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

13. Voluntary help and gifts in kind

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

Signed on behalf of the board



M Thomas

Chairman

10/1/15

Date

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INTERNATIONAL NEPAL FELLOWSHIP For the year ended 30 June 2014

We have audited the financial statements of International Nepal Fellowship for the year ended 30 June 2014 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006.


Opinion on the other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT
15 January 2015

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2014

		Unrestricted funds			Total	Total
		General funds	Designated funds	Restricted funds	2014	2013
	Note	£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
<i>Voluntary income</i>						
Gifts to Nepal		-	-	366,290	366,290	482,860
Mission Worker support fund		-	-	260,259	260,259	221,390
Sponsored Nepalis	3		17,465	-	17,465	21,516
General donations		130,660	-	-	130,660	154,974
Appeals income		13,894	-	-	13,894	22,405
Grants income		-	-	-	-	200,000
Legacies		57,085	-	-	57,085	182,816
Other income		4,148	-	14,335	18,483	28,075
<i>Investment income</i>						
Interest & dividends receivable	10	13,408	-	-	13,408	24,174
		<u>219,195</u>	<u>17,465</u>	<u>640,884</u>	<u>877,544</u>	<u>1,339,659</u>
Charitable activities						
Conference fees		12,607	-	-	12,607	12,018
Vision Trip income		-	-	-	-	6,020
Trading income		972	-	-	972	427
		<u>13,579</u>	<u>-</u>	<u>-</u>	<u>13,579</u>	<u>18,465</u>
TOTAL INCOMING RESOURCES		<u>232,774</u>	<u>17,465</u>	<u>640,884</u>	<u>891,123</u>	<u>1,358,124</u>
RESOURCES EXPENDED						
Cost of generating funds						
Conference costs		15,845	-	-	15,845	14,303
Vision Trip costs		-	-	-	-	6,235
Trading costs		710	-	-	710	-
		<u>16,555</u>	<u>-</u>	<u>-</u>	<u>16,555</u>	<u>20,538</u>
Charitable activities						
Gifts to Nepal		-	-	357,157	357,157	505,008
Mission Worker support costs	4	-	-	162,206	162,206	140,176
Mission Worker Home Assignment costs	4	-	-	42,334	42,334	21,078
Sponsored Nepalis	3	-	32,254	-	32,254	37,934
Grants	16	-	173,759	-	173,759	112,485
Others		-	-	13,823	13,823	21,800
<i>Support costs</i>						
UK Personnel	2	193,898	-	-	193,898	178,184
Premises , Offices, Depreciation		41,533	-	-	41,533	37,234
Communications, Publicity, Recruitment		31,656	-	-	31,656	27,936
	18	<u>267,087</u>	<u>206,013</u>	<u>575,520</u>	<u>1,048,620</u>	<u>1,081,835</u>

INTERNATIONAL NEPAL FELLOWSHIP
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STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2014

	Note	Unrestricted funds General funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
Governance costs	5	16,790	-	-	16,790	11,052
Exchange rate losses/gains	6	4,929	-	-	4,929	(3,313)
		<u>21,719</u>	<u>-</u>	<u>-</u>	<u>21,719</u>	<u>7,739</u>
TOTAL RESOURCES EXPENDED		<u>305,361</u>	<u>206,013</u>	<u>575,520</u>	<u>1,086,894</u>	<u>1,110,112</u>
NET INCOMING / (OUTGOING) RESOURCES		<u>(72,587)</u>	<u>(188,548)</u>	<u>65,364</u>	<u>(195,771)</u>	<u>248,012</u>
Transfer between funds	8, 19	397,086	(353,086)	(44,000)	-	-
Unrealised gain on investments		1,749	-	-	1,749	3,255
NET MOVEMENT		<u>326,248</u>	<u>(541,634)</u>	<u>21,364</u>	<u>(194,022)</u>	<u>251,267</u>
Brought forward		190,892	898,301	792,274	1,881,467	1,630,200
CARRIED FORWARD		<u>517,140</u>	<u>356,667</u>	<u>813,638</u>	<u>1,687,445</u>	<u>1,881,467</u>

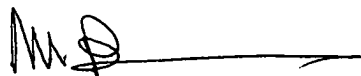
All of the above results are derived from continuing operations. There were no other recognised gains or losses other than those stated above. The deficit for the year for Companies Act purposes was £195,771 (2013 surplus: £248,012).

INTERNATIONAL NEPAL FELLOWSHIP
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BALANCE SHEET AS AT 30 June 2014
Company number: 03060972

	Notes	General funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
FIXED ASSETS						
Tangible assets	11	6,590	36,667	-	43,257	45,625
Investments	12	32,755	-	-	32,755	31,006
		<u>39,345</u>	<u>36,667</u>	<u>-</u>	<u>76,012</u>	<u>76,631</u>
CURRENT ASSETS						
Debtors and prepayments	13	71,922	-	-	71,922	29,205
Cash at bank and in hand		757,440	320,000	813,638	1,891,078	1,982,799
		<u>829,362</u>	<u>320,000</u>	<u>813,638</u>	<u>1,963,000</u>	<u>2,012,004</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Creditors and accrued charges	14	(271,998)	-	-	(271,998)	(142,703)
NET CURRENT ASSETS		<u>557,364</u>	<u>320,000</u>	<u>813,638</u>	<u>1,691,002</u>	<u>1,869,301</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR						
	15	(79,569)	-	-	(79,569)	(64,465)
TOTAL NET ASSETS		<u><u>517,140</u></u>	<u><u>356,667</u></u>	<u><u>813,638</u></u>	<u><u>1,687,445</u></u>	<u><u>1,881,467</u></u>
FUNDS						
General reserve		517,140	-	-	517,140	190,892
Designated funds	19	-	356,667	-	356,667	898,301
Restricted funds	20	-	-	813,638	813,638	792,274
		<u>517,140</u>	<u>356,667</u>	<u>813,638</u>	<u>1,687,445</u>	<u>1,881,467</u>

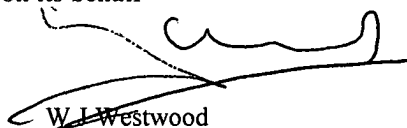
Approved and authorised for issue by the board and signed on its behalf



M Thomas

Date

10/1/15



W J Westwood

Date

1 ACCOUNTING POLICIES

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

Incoming resources

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

Depreciation

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

Assets purchased with a value in excess of £500 are capitalised using the following rates:

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

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Investments

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

Foreign currencies

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

Grants

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

Resources expended

Expenditure is included on an accruals basis, when incurred.

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

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

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

1 ACCOUNTING POLICIES (Continued)

Designated funds

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

Restricted funds

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

Cash flow statements

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

Operating leases

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

2 STAFF COSTS

	2014 £	2013 £
Wages and salaries	161,325	140,669
Social security costs	11,059	12,784
Other pension costs	9,291	9,813
Courses, travel and other	11,023	13,318
Outsourced	1,200	1,600
	<u>193,898</u>	<u>178,184</u>
Average number of employees/volunteers on home assignment:		
Management	2	1
Administration	6	5
	<u>8</u>	<u>6</u>

3 SPONSORED NEPALIS

	2014 £	2013 £
Income and donations	17,465	21,516
Less: Costs	(32,254)	(37,934)
	<u>(14,789)</u>	<u>(16,418)</u>

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For the year ended 30 June 2014

4 MISSION WORKERS' SUPPORT COSTS

	2014 £	2013 £
Mission Worker Support Fund:		
(1) UK Costs		
Allowances and travel	36,651	21,182
Social security	2,576	2,725
Other pension costs	35,738	29,386
Sabbatical costs	-	-
(2) Remitted to Nepal		
Support and related costs	87,241	86,883
	<u>162,206</u>	<u>140,176</u>
Other Mission Worker related funds		
Home Assignment costs	42,334	21,078
	<u>204,540</u>	<u>161,254</u>

5 GOVERNANCE COSTS

	2014 £	2013 £
Audit fee	7,900	5,880
Legal and statutory	4,459	1,516
Bank and web charges	3,419	2,014
Trustee expenditure	1,012	1,642
	<u>16,790</u>	<u>11,052</u>

6 FOREIGN EXCHANGE GAIN / LOSS

	2014 £	2013 £
Foreign exchange (gain) / loss	4,929	(3,313)
	<u>4,929</u>	<u>(3,313)</u>

7 NET MOVEMENT IN RESOURCES FOR THE YEAR

	2014 £	2013 £
The net movement in resources for the year is stated after charging:		
Depreciation of owned tangible fixed assets (see note 10)	7,804	7,907
Audit fee	7,900	5,500
Operating lease rentals		
- land and buildings	11,220	10,872
	<u>11,220</u>	<u>10,872</u>

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8 TRANSFERS FROM RESTRICTED FUNDS

The company has a policy of transferring an amount from the Support Fund to the General Fund to cover the full costs incurred in recruiting and supporting overseas staff. During the year ended 30 June 2014 support income included an amount of £44,000 (2013 £35,000), which was transferred to unrestricted funds to cover the costs of recruiting and supporting overseas staff.

9 DIRECTORS' REMUNERATION

No directors' remuneration was voted during the year. 4 Directors incurred expenses in connection with travelling costs amounted to £1,012 (2013 £1,642).

10 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Bank interest	13,155	23,755
Dividends	253	419
	<u>13,408</u>	<u>24,174</u>

11 FIXED ASSETS

	Leasehold improvements £	Computer equipment and software £	Total £
Cost			
At 1 July 2013	55,000	20,859	75,859
Additions	-	5,436	5,436
	<u>55,000</u>	<u>26,295</u>	<u>81,295</u>
At 30 June 2014	<u>55,000</u>	<u>26,295</u>	<u>81,295</u>
Depreciation			
At 1 July 2013	12,833	17,401	30,234
Charge for the year	5,500	2,304	7,804
	<u>18,333</u>	<u>19,705</u>	<u>38,038</u>
At 30 June 2014	<u>18,333</u>	<u>19,705</u>	<u>38,038</u>
Net book value			
At 30 June 2014	<u>36,667</u>	<u>6,590</u>	<u>43,257</u>
At 30 June 2013	<u>42,167</u>	<u>3,458</u>	<u>45,625</u>

12 INVESTMENTS

	2014 £	2013 £
Charinco Common Investment Fund:		
Market value at beginning of year	31,006	37,751
Unrealised gain during the year	1,749	3,255
Disposals	-	-
	<u>32,755</u>	<u>31,006</u>

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For the year ended 30 June 2014

12 INVESTMENTS (Continued)

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.

13 DEBTORS AND PREPAYMENTS

	2014 £	2013 £
Taxation refund receivable	69,134	25,438
Other debtors and prepayments	2,788	3,767
	<u>71,922</u>	<u>29,205</u>

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

14 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2014 £	2013 £
Accruals and deferred income	56,655	57,035
Funds held for Nepal	56,124	22,758
Grants committed to Nepal	158,211	59,649
Taxation and social security	3,008	3,261
	<u>271,998</u>	<u>142,703</u>

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

	2014 £	2013 £
Grants to committed to Nepal	<u>79,569</u>	<u>64,465</u>

16 ANALYSIS OF GRANTS

Organisation	Programme	Grants to Institutions £	2014 £	Total 2013 £
INF/N	Bajura	-	-	135,000
INF/N	INF Goes Green	1,374	1,374	6,400
INF/N	Surkhet MCH	11,379	11,379	-
INF/N	Surkhet CHD	58,682	58,682	-
INF/I	* International Director	-	-	(34,810)
INF/I	Migrant Link Initiative (MLI)	-	-	90
INF/I	India Migrant Initiative (IMI)	35,000	35,000	-
INF/UK	Nepalis in the UK	40,324	40,324	-
INF/UK	NCCUK	2,000	2,000	-
Other	Elijah Counselling & Training Centre	-	-	5,805
Other	Dr Krishna Adhikari	-	15,000	-
Chhahari Nepal UK (Charity No. 1133311)	Chhahari Schools	10,000	10,000	-
		<u>158,759</u>	<u>173,759</u>	<u>112,485</u>

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16 ANALYSIS OF GRANTS (Continued)

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

17 SUPPORT COSTS

Activity	Support of Mission Workers £	Support of INF Nepal £	Support of INF International £	Total 2014 £	Total 2013 £
Personnel (note 2)	77,560	58,169	58,169	193,898	178,184
Premises, Offices, Depreciation	16,613	12,460	12,460	41,533	37,234
Communications, Publicity, Recruitment	12,662	9,497	9,497	31,656	27,936
	<u>106,835</u>	<u>80,126</u>	<u>80,126</u>	<u>267,087</u>	<u>243,354</u>

Basis of allocations:

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

18 CHARITABLE ACTIVITIES

	Activities directly undertaken £	(Note 15) Grant Funding £	(Note 16) Support Costs £	2014 Total £	2013 Total £
Support of Missionary Workers	205,540	-	106,835	311,375	258,596
Support of INF Nepal	-	-	80,126	80,126	73,006
Support of INF International	-	-	80,126	80,126	73,006
Support of INF Programmes & Projects	403,234	173,759	-	576,993	677,227
	<u>607,774</u>	<u>173,759</u>	<u>267,087</u>	<u>1,048,620</u>	<u>1,081,835</u>

19 DESIGNATED FUNDS

	Balance at 1 July 2013 £	New Designations £	Utilised / released in year £	Transfers £	Balance at 30 June 2014 £
Grants Fund	856,134	-	(173,759)	(682,375)	-
Property Reserve – The Cottage	42,167	-	-	(5,500)	36,667
Sponsored Nepalis in the UK	-	17,465	(32,254)	14,789	-
Operating Reserve	-	-	-	320,000	320,000
	<u>898,301</u>	<u>17,465</u>	<u>(206,013)</u>	<u>(353,086)</u>	<u>356,667</u>

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20 RESTRICTED FUNDS

	Brought forward £	Donations, gifts & legacies £	Charitable expenditure £	Transfers £	Carried forward £
Gifts to Nepal					
Specific gifts	-	253,502	(253,502)	-	-
Work gifts	-	50,688	(50,688)	-	-
Seconded workers	-	9,613	(9,613)	-	-
Chhahari Schools	4,687	2,573	(4,151)	-	3,109
Ear Hospital & Training Centre	60,167	20,302	-	-	80,469
Ear Camps	-	356	-	-	356
Elijah Counselling & Training Centre	5,000	-	(5,000)	-	-
Gordon Leitch Memorial Fund	28,772	72	-	-	28,844
HBTA	5,629	6,303	(7,907)	-	4,025
KISC	2,507	9,264	(10,987)	-	784
PRABHAV	7,998	9,878	(15,310)	-	2,566
Samaritan Home	1,409	3,740	-	-	5,149
Mission Worker Related Funds					
Restricted Support – General Reserve	613,029	260,259	(162,205)	(48,412)	662,671
Home assignment reserve	37,922	-	(42,334)	4,412	-
Others					
Welfare fund for Mission Workers	25,066	599	-	-	25,665
Personal gifts	-	9,421	(9,421)	-	-
Volunteers	-	4,314	(4,314)	-	-
UK Staff	88	-	(88)	-	-
	<u>792,274</u>	<u>640,884</u>	<u>(575,520)</u>	<u>(44,000)</u>	<u>813,638</u>

Note: The Support Fund transfer includes a transfer of £44,000 (2013 £35,000) from support income to unrestricted funds (see note 7).

21 FUNDS

Unrestricted Operating Reserve

The policy of the Board is to hold an Operating Reserve of 6 – 12 months of the budgeted annual costs of INF/UK to cover unforeseen operating events. The sum of £320,000 is held in this reserve being approximately 9 months budgeted annual costs for 2014/15.

Other Unrestricted Reserve

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

A formal grant application process is in place and this is overseen by the INF/UK Grants Committee. Grants are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements. Grants may be given for periods up to 3 years. Progress is monitored against agreed plans through annual reports from recipient programmes.

Restricted Support Fund – General Reserve

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

NOTES TO THE FINANCIAL STATEMENTS
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Restricted Support Fund - Welfare Fund for Mission Workers

This fund is a result of a major fund raising effort some years ago on behalf of Mission Workers. It has grown through continuing standing orders and now amounts to £25,665. One example of the way this fund is used are small individual grants given offered to retired Mission Workers to assist for travel costs associated to INF Conferences.

Other Restricted Reserves

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

22 OTHER FINANCIAL COMMITMENTS

At 30 June 2014 the charity was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2014.

	Land & building 2014 £	Other 2014 £	Land & buildings 2013 £	Other 2013 £
Within 1 year	-	-	-	-
Within 2-5 years	-	413	-	413
More than 5 years	11,364	-	11,364	-
	<u>11,364</u>	<u>413</u>	<u>11,364</u>	<u>413</u>

23 RELATED PARTY TRANSACTIONS

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