



TRUSTEES' ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

Year ending 30th June 2019



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COMPANIES HOUSE

CEO'S SUMMARY – LOOKING BACK

Welcome to the INF/UK annual report for the last financial period.

2018-19 saw the conclusion of our four-year response to the 2015 earthquake that devastated much of Nepal. Over this period grants totalling in excess of £820,000 were given to various partners to support them in rebuilding lives and communities.



£820,000 given by INF to enable our partners to rebuild lives and communities

INF/UK's understanding of the vulnerability of poor people and communities to disaster has deepened as a result of its earthquake response work. Our partner, Asa Chhimeke Nepal (ACN), has developed into an agile first responder to disaster. Further details of this partnership can be found in the disaster relief section of this report.

INF Nepal continues to see considerable progress in developing its medical work with ongoing redevelopment, modernisation and expansion of hospital facilities. The number of doctors and variety of skills has increased with the consequent improvement of treatment for patients. During the past year over 80,000 patients have benefited from the work of INF Nepal's Shining Hospitals.



over 80,000 patients have benefited from treatment at INF Nepal's Shining Hospitals

2018-19 saw the completion of a multi-purpose training centre at INF Nepal's Green Pastures Hospital. This incorporates counselling rooms, a 24-hour prayer room, and a multi-purpose auditorium that can be used for church services for patients and staff at the weekend and training events for the hospital during the week. INF/UK supporters were the primary donors for this initiative, giving in excess of £140,000 towards the capital costs over the course of its construction.

Self-help groups continue to be the main means through which INF/UK's partners effect development in communities. Facilitators support community members as they explore the challenges and difficulties they face, and potential solutions to these. Ownership at community level is key to these initiatives becoming self-sustaining. INF/UK favours projects in the remoter

areas of western Nepal, such as Bajura, as these have some of the poorest and least served communities in the country. Working in these areas can be very expensive due to their remoteness, which is often why they are the last to receive help. We have been very encouraged by the improvements recorded in some of Nepal's poorest communities through our partners' work.

Last year's directors' report recorded a significant event that was reported to The Charity Commission. We are pleased to report that The Charity Commission has written to say that they have been satisfied that *'the Trustees are dealing with the matter appropriately and responsibly'*.

Looking forward - strategic change for INF/UK

At the end of 2018-19, the Board concluded a two-year review of the strategic direction of the charity.

The core focus of the charity since its inception has been seconding volunteers to Nepal-based partners to build their capacity to serve poor and marginalised individuals and communities. Overall this capacity building has been very successful, with many senior posts in partner organisations now being filled by qualified Nepalis.

Historically, expatriate secondees have been instrumental in attracting out-of-country funding for project work. The reduction in numbers of secondees over recent years has had a corresponding negative impact on these funding streams. As a result, there is an increasing need for our Nepal-based partners to work more closely with their international partners to secure the necessary funding for projects and programmes, and for INF/UK to strategically review its role.

In my 2018 summary I wrote that *'the marketplaces of both development and Christian mission [in the UK] are experiencing significant challenges, especially in the area of fundraising'*. The rate of change, and its extent in our marketplaces, 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*'.

On a slightly more up-beat note, another of the messages from the conference was that smaller charities carry the potential to be nimbler and more responsive to market changes and are better able to position themselves to meet market challenges.

Against this backcloth the Board have decided to exit being a seconding organisation and embrace more fully being a resourcing one instead. A significant element of this will be fundraising, notwithstanding the challenges mentioned above. INF/UK will also seek other ways to

add value to its partners wherever possible, including promoting secondment via like-minded agencies where this makes sense.

To be successful, the Board recognises the need to invest in new staff and that fundraising streams will not immediately increase. A five-year development plan anticipates this and the Board has therefore committed sufficient of the charity's general reserves to cover this temporary shortfall.



John Reynolds
Chief Executive Officer

ABOUT INF/UK

OUR VISION

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

OUR MISSION

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

OUR VALUES

- love and compassion
- dignity and inclusion
- professional excellence

OUR ETHOS

INF draws its distinctive ethos and values from its Christian heritage. Supporting health and development work amongst the poor and marginalised peoples of western Nepal is a holistic expression of these.

OUR PRINCIPAL PARTNERS IN NEPAL

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

DEMONSTRATING PUBLIC BENEFIT

When deciding its priorities, trustees consider how these will further the charity's purposes for the public benefit. Trustees take account of the Charity Commission's general guidance on public benefit, its supplemental advice on the advancement of religion for public benefit, and its supplemental advice on prevention and relief of poverty for the public benefit.

In order to verify that the works of its partners are to the public's benefit and are consistent with the charity's objectives, officers of the charity (trustees, executive, and staff) regularly visit partner projects, receive regular updates and more in-depth annual reports.

ACTIVITIES DURING THE PAST YEAR

INF/UK fulfilled its charitable objectives in several ways:

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



▲ HELPING GENERATIONS OF FAMILIES AND WHOLE COMMUNITIES TO FLOURISH.

DISASTER RELIEF AND RESILIENCE

AFTER THE EARTHQUAKE

Having helped support communities emotionally, practically and financially in the aftermath of the earthquake that struck Nepal on 25th April 2015 – we completed our four-year project in this area this April – although trauma counselling is still ongoing to help people adapt to life after the earthquake and to feel safe again.

When the earthquake struck Nepal on 25th April 2015, INF Nepal's (INF/N) medics were first on the scene. Thanks to INF/UK supporters, we've continued to support partners working alongside the worst-hit communities ever since, helping them rebuild their lives and forge better futures.

BEATING HUNGER, POVERTY AND ILL-HEALTH

INF/UK support has saved lives: from those injured in the earthquake to those left homeless and vulnerable in overcrowded living conditions. Reconstructed health posts and our programme of outreach health camps have given people access to urgent medical treatment and promoted better hygiene practices for the long term.

▼ A MAN INJURED IN THE 2015 EARTHQUAKE RECEIVES TREATMENT.



The earthquake destroyed houses, possessions and livelihoods – but our partners trained men and women in new skills ranging from stone masonry and plumbing to tailoring, beekeeping and better farming techniques. Thanks to our supporters, Nepalis have been able to rebuild their own homes, earn a better living and grow more nutritious, resilient crops.

Over the last four years, INF/UK supporters also helped to:

- get children back to school: temporary learning centres have given children a safe place to study and a sense of normality in the immediate aftermath
- keep whole communities safe: securing roads, hillsides and bridges at risk of collapse connected people and protected them against future disasters
- provide crucial shelter: funding winter clothes and duvets to help homeless families keep warm in the harsh winter
- protect livestock and livelihoods: Nepal's first-ever animal health camp helped farmers keep their livestock safe until sheds were repaired
- make communities more inclusive: public buildings have been rebuilt with better disabled access and improved facilities
- ensure earthquake-resilient homes for all: supporting members of a low-caste tribe (the Chepang) to access a state-run housing reconstruction scheme

Thanks to UK supporters, our partners were able to:



treat **500** injured people within 48 hours



give emergency relief to more than **3,500** families



distribute **65** tonnes of food within the first few weeks



provide temporary shelter to over **840** families



give out **4,450** blankets

THE IMPACT OF CLIMATE CHANGE



FIRST-EVER TORNADO HITS NEPAL

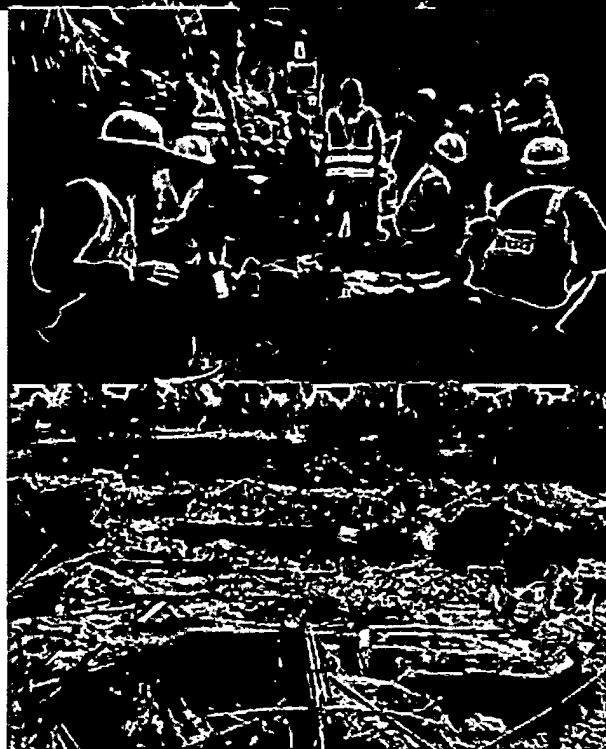
On 31 March 2019 this weather event – the first tornado ever recorded in Nepal – killed 35 people and injured 600 more. The ‘whirlwind’ travelled 30km through the Bara and Parsa districts, ripping out trees and electricity poles, razing buildings and blocking roads.

The effects of unforeseen weather events and natural disasters are disproportionately devastating for the poorest Nepalis, whose homes are often poorly constructed and situated in higher risk areas. The tornado made thousands of people homeless, forcing already vulnerable families to live in unsafe, over-crowded conditions. Thanks to INF/UK supporters, who responded rapidly and generously to our urgent appeal, we worked with our partners in Nepal to keep people safe, distributing hygiene supplies, small gas cookers and cooking utensils as well as mattresses, blankets and mosquito nets.

MONSOON SEASON IN NEPAL

Climate change is contributing to heavier, more erratic rainfall, making it increasingly hard to predict and prepare for the monsoon season. In July 2018, heavy rains led to a landslide in the middle of the night, which swept away a Dalit village leaving one child dead and many homes destroyed.

Money from the INF Disaster Relief Fund was released so that a local church organisation could provide emergency food rations, hygiene materials, mattresses and blankets straight away.



▲ TOP: EVERY SUMMER, THE MONSOON SEASON CAN CAUSE SEVERE FLOODS THAT DEVASTATE WHOLE COMMUNITIES. CENTRE: TRAINING SESSIONS FOR AT-RISK COMMUNITIES MEAN THEY ARE BETTER PREPARED SHOULD DISASTER STRIKE. BOTTOM: NEPAL'S FIRST-EVER TORNADO SWEEPED ACROSS THE BARA AND PARSA DISTRICTS ON 31ST MARCH 2019.

UK supporters also gave generously to our ‘*Home for Christmas*’ appeal in December 2018, which was able to cover the shortfall in government funding to rebuild homes. As well as supplying building materials and skills training for these marginalised communities, we supported some of the most vulnerable, isolated communities in Jaljala to secure safer plots of land.

RESILIENCE PROJECTS

When our partners work alongside disaster-hit communities, we realise how hard it can be for them to prepare for the worst. So we've supported programmes to help vulnerable communities recognise and mitigate risk before disaster strikes and respond quickly if and when these events happen.

Examples INF/UK supporters have helped fund in the last financial period include:

Mitigating risks:

- raising awareness of risk factors such as traditional wood-fuelled stoves, which lead to deforestation and increase the risk of landslides and fires
- planting pine and citrus trees, broom grass and bamboo on bare hillsides to reduce the risk of landslide following monsoon rains

Being prepared:

- supporting communities in at-risk areas to plan safe evacuation routes and create action groups trained in first aid techniques and search and rescue operations
- installing flood gates and building raised latrines and hand pumps at schools and health posts to reduce the risk of water contamination and waterborne diseases

INF/UK supporters have funded successful projects in the Terai bordering the Rapti River and in the remote, mountainous region of Bajura. This year we'll be working with communities in neighbouring Kalikot, one of the poorest districts in Nepal.

INF was the first organisation to support this district's communities to address climate change and help them be better prepared should disaster strike.

► COMMUNITIES IN BAJURA HAVE LEARNED ABOUT THE RISKS OF DEFORESTATION AND STARTED TO SECURE HILLSIDES BY PLANTING.



HEALTHCARE

INF NEPAL'S SHINING HOSPITALS: TREATING THE WHOLE PERSON

For many poor people, INF/N's three shining hospitals will be their last hope of being healed. In some cases, families have spent all their savings to pay for medical treatment that has not been successful.

Thanks to our supporters in the UK and our highly skilled partners in Nepal, a holistic programme of medical, emotional and psychological care can be offered to patients, many of whom come from the poorest and most vulnerable communities in Nepal. Often excluded due to their caste, disability or simply the topography of Nepal, these are the people most at risk of contracting a disease like leprosy, sustaining injuries that lead to disabilities or living with chronic pain and prejudice because of poor maternal healthcare.

- More than 80,000 patients each year receive help and healthcare at INF Shining Hospitals.
- Thousands more find help through medical and surgical outreach programmes which take free, specialist treatment to remote areas where healthcare services are limited.

Improving lives in Surkhet with treatment and rehabilitation

INF/N's Surkhet project supports INF/N'S Shining Hospital Surkhet and the local government hospital to improve the quality of life of those affected by leprosy, disability and obstetric fistula (a tear between the birth canal and the bladder or bowel, usually caused by a very long or difficult labour). These are the only clinical facilities in mid- and far-western Nepal to provide medical and physical rehabilitation services to patients with disabilities. Most patients are poor, and their poverty is often compounded by their condition. People with leprosy or disability are often feared and shunned; women suffering incontinence because of fistula find themselves excluded.

Specialists from INF/N's Surkhet project work with local communities to raise awareness of the risks associated with poor maternal health, untreated leprosy and climbing tall trees to collect fodder for their animals. The multidisciplinary team works with patients and their families for the long term to ensure full recovery and a brighter future.

The Shining Hospital Surkhet's rehabilitation project aims to ensure that people with disabilities can live active, productive and dignified lives in their own homes and communities.

In this financial period:



883 out-patients assessed

617 patients needed rehabilitation



1,582 therapy sessions provided

112 laboratory tests and x-rays



10 clients with disability undertook vocational training

7 clients with disability launched small grocery shops



▲ NURSING ASSISTANT SRIJANA AT SHINING HOSPITAL SURKHET.

CASE STUDY BHAKTA

HAVING INJURED HIS SPINE WHILST WORKING IN INDIA, BHAKTA RETURNED TO NEPAL AFTER A BRIEF STAY IN HOSPITAL, WITH NO REHABILITATION, SUPPORT OR ADVICE.

He recalls those early days as worse than he could ever have imagined: "I was fully dependent on others and having problems with bowel and bladder incontinence. The mental pain was killing me from inside. I was seriously worried and depressed thinking about the future of my two small children."

Bhakta heard about Shining Hospital Surkhet and asked for help. He was admitted and thanks to the hospital's unique rehabilitation project, found himself healing inside and out. "The therapy and recreational activities, group exercises and games added more of inner joy in my life," he explained. With extensive treatment and

physiotherapy, Bhakta found some of the sensation in his legs was returning. He was discharged from hospital with a walker, wheelchair, mattress, toilet chair and protective shoes. Combined with the support, advice and therapy he'd received, these aids helped him live more independently again. Surkhet's community-based rehabilitation team have visited him at home, helping to modify his toilet and ensure the family can earn a living. Bhakta says: "Nowadays my days are good. I help my children with their homework. My wife looks after goats funded by INF."

Follow-up treatment at Shining Hospital Surkhet has given Bhakta hope of becoming fully independent again. "Now I can stand with the walker and there is more improvement in balance and coordination. I am very thankful to the whole INF team."



CASE STUDY KHAGISARA

KHAGISARA LOST HER PARENTS WHEN SHE WAS JUST TWO. BROUGHT UP BY HER SIBLINGS IN A REMOTE VILLAGE IN DAILEKH DISTRICT, SHE WAS FORCED TO MARRY AGED 13, REGARDLESS OF THE LEGAL AGE FOR MARRIAGE BEING 21.

Despite qualifying to become a school teacher, her husband's income was not enough to pay their bills, so they migrated to India in search of new livelihoods and a better life.

But Khagisara fell from a tree whilst at work and damaged her spine. She was operated on in India then returned home to Nepal bedridden and fully dependent on her family. Although her husband was supportive, she felt full of despair and wanted to die.

So, when she was referred to INF Surkhet's rehabilitation team, counselling and health education was a key component of the holistic care the team provided. Reinvigorated by the dream of being independent, Khagisara put all her energy into the therapeutic exercises. Slowly she felt some sensation return below her injury level and she was able to sit on the edge of bed and do her activities by herself. She was so happy because she'd thought she would never go outside and see sunrise or sunset again.

Surkhet's community-based team helped to modify her home so her rooms and toilet were wheelchair-friendly. Now she can stand again with the support of her walker and her family have a reliable income thanks to financial support and training in goal-keeping funded by INF supporters.



Holistic care in Pokhara – home of INF/N's Green Pastures Hospital

The Shining Hospital Pokhara, incorporating Green Pastures Hospital Rehabilitation Centre and the Hearing Centre, is the largest rehabilitation hospital in western Nepal. Offering holistic care for people affected by leprosy, spinal cord injury, disability and hearing loss, its vision is to prevent disability wherever possible – and provide the best possible holistic care for people with disabilities. The next financial year will see the launch of several new services as part of realising this vision.



**FIRST-EVER, FULL-SERVICE,
PURPOSE-BUILT HOSPICE IN NEPAL**



DIABETES' CLINICS FOR OUTPATIENTS



MULTIPURPOSE LEARNING CENTRE

We are in discussion with INF/N to explore how an in-patient programme for children with cerebral palsy could replace the programme of outreach camps that INF/UK supporters have generously funded in the past.

Thanks to INF/UK support, in 2018-2019 the team at Green Pastures:



conducted **431** ear operations

provided **914** occupational therapy sessions to people with a spinal cord injury



carried out **35** reconstructive surgery procedures

trained **674** people with leprosy in self-care



▲ SOME OF THE HIGHLY SKILLED MEDICAL TEAM AT GREEN PASTURES HOSPITAL.



▲ THE SOUTH WEST SIDE OF THE NEW MULTIPURPOSE LEARNING CENTRE AT GREEN PASTURES HOSPITAL.



▲ THOUSANDS OF PEOPLE FIND HELP THROUGH INF'S MEDICAL AND SURGICAL OUTREACH PROGRAMME WHICH TAKES FREE, SPECIALIST TREATMENT TO REMOTE AREAS WHERE HEALTHCARE SERVICES ARE LIMITED. TOP: PATIENTS WAIT TO BE SEEN BY SPECIALISTS AT AN OUTREACH CAMP. BOTTOM LEFT: NURSE TAKING A PATIENT'S BLOOD PRESSURE. BOTTOM CENTRE: A PATIENT BEING EXAMINED AT A LEPROSY CAMP. BOTTOM RIGHT: A CHILD AT A CEREBRAL PALSY CAMP.

Taking treatment to those who need it: outreach health camps

In the remote, rural regions of Nepal, healthcare services are limited. Those that do exist can be hard to access due to landscape and lifestyle. It might be several days' hike to the closest hospital, which may even then be unable to assist due to a lack of doctors actually in post, and all hands are needed at home to make ends meet. These factors can mean those at risk of or living with a disability receive no support; it means early signs of leprosy are overlooked, allowing the disease to spread, and it means women can suffer incontinence, pain and prejudice for years because of injuries sustained in childbirth. Our outreach camps offer emergency treatment for those

who need it now – and provide crucial training to Nepali partners so they are confident and equipped to prevent and treat disease and injuries in the future.

From July 2018 to June 2019:

32 children with cerebral palsy
attended a camp



626 women found help
at gynaecological camps

37 people received treatment
at leprosy camps



CASE STUDY **TIKA**

TIKA WAS MARRIED AT THE AGE OF 15 AND HAD HER FIRST CHILD AGED 16. SHE'S HAD THREE MORE CHILDREN SINCE THEN AND LIFE IS HARD.

Her husband lives and works in India but she and her family have very little to live on. When Tika was diagnosed with an ovarian cyst, she couldn't afford to have treatment – but the pain was becoming worse. When she heard about INF Nepal's outreach camp, she was desperate. The team there referred her to the district hospital where she had an operation the very next day. Surgeons removed a cyst the size of a mango weighing 1.5kg. Tika was so happy to be free from pain and so thankful for her free treatment. "I'm so lucky... this camp has blessed me a painless life. I am heartily thankful to the team."



CASE STUDY **PREMA**

PREMA WAS ONLY 14 WHEN SHE GOT MARRIED. SHE HAD HER FIRST OF THREE CHILDREN AGED 19.

During each pregnancy and the day after giving birth, Prema was back doing heavy work on her family's farm. Poor nutrition combined with a lack of antenatal and postnatal care meant Prema suffered uterine prolapse – where the uterus descends towards or even through the vaginal opening – after giving birth to her first baby. With no treatment and further pregnancies, Prema's condition deteriorated. Her third baby was born in hospital but when she returned home she struggled to work. She was so relieved to find help at an INF Nepal gynaecological camp. She had third degree uterine prolapse by this point and was admitted for a vaginal hysterectomy. The operation was a success and she was discharged three days later, so happy to have her health restored.



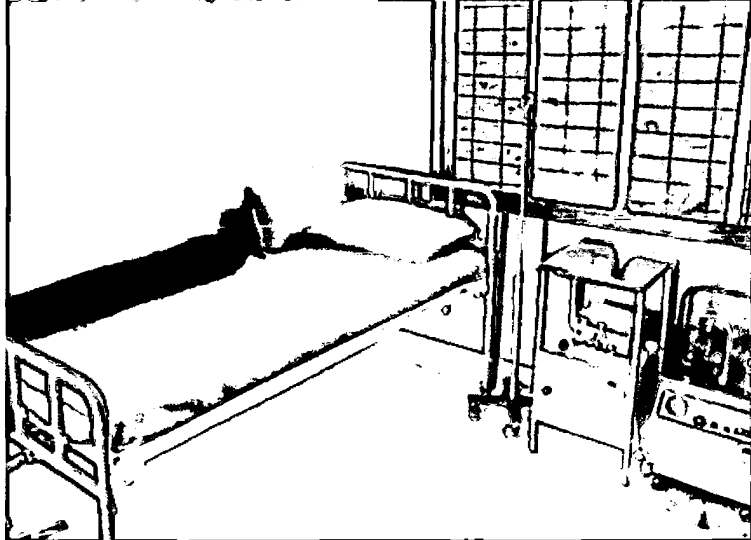
COMMUNITY DEVELOPMENT

All strands of our partners' work combine to create stronger, healthier and more inclusive communities. Thanks to INF/UK supporters, our partners can work alongside some of the poorest communities in the remotest parts of Nepal, helping households grow more crops, learn new skills and lead independent but interconnected lives filled with hope for the future.

HEALTH POSTS

Health posts containing medical supplies and equipment serve a number of remote rural communities, many of them several hours' walking distance away. They represent the intersection of all three strands of the work we support: disaster relief and resilience, healthcare and community development, because they give marginalised groups access to better healthcare in the community. In some cases, health posts have been damaged by natural disasters. INF/UK support means our partner, ACN, has been able to rebuild some of them with improved facilities that better meet their communities' needs.

- The Shreenathkot health post was very badly damaged by the 2015 earthquake and on the verge of collapsing. Donations meant we could fund building a new, improved health post to serve the Gorkha district and also create three brand new outposts. When health post staff visit the villages now, they have safe, clean places to administer treatment, which includes immunisations for children, pre- and post-natal check ups and emergency services for injuries.
- INF/UK support meant our partner could rebuild the Parabat health post destroyed by the 2018 landslide, adding extra features such as a generator to supply electricity and a childbirth unit. These additions mean women in labour can get to a warm, dry, clean place to give birth in safety any time of the day or night.



▲ TOP: RURAL CLINIC, CHHOPRAK, SIRANCHOK RURAL MUNICIPALITY, GORKHA. MIDDLE: AMPPIPAL HEALTH POST, GORKHA. BOTTOM: INSIDE THE NEW, IMPROVED AMPPIPAL HEALTH POST, GORKHA



▲ DISCOVERED DANGEROUSLY ILL AND CLOSE TO DEATH - NURTURED BACK TO HEALTH AND FITNESS BY INF - GIRVESH NOW RUNS HIS OWN BICYCLE REPAIR SHOP AND HAIRDRESSING BUSINESS

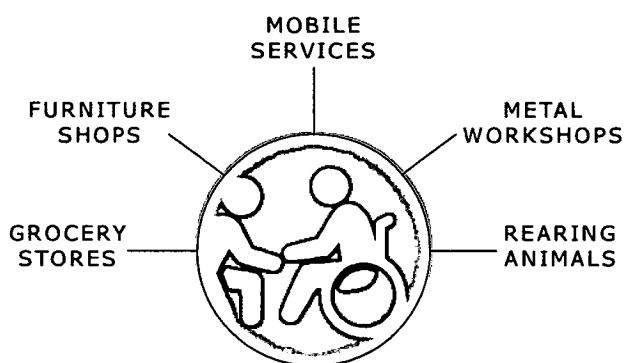
LIVING WITH DISABILITY: HELPING COMMUNITIES BE MORE INCLUSIVE

Two long-term projects focusing on people with disabilities reached their conclusion in June 2019. INF/UK support meant our partner could work alongside local government to raise awareness of disability issues and help communities adapt to be more inclusive.

In Gorkha and Banke districts, INF support helped to:

- train health workers and raise awareness in schools
- ensure public buildings, roads and homes are accessible
- launch self-help groups for people with disabilities
- provide vocational training for people with disabilities
- give people with disabilities access to government schemes
- improve understanding of disability and reduce prejudice

As a result, many people with disabilities now have their own business:



In Gorkha...



self help groups supported **327** people

55 people with disabilities attended vocational training



In Banke...



more than **1000** people attended 20 awareness-raising events

232 people received disability ID cards at an outreach camp



SELF-HELP GROUPS IN BAJURA & KALIKOT

Deep-rooted traditions and cultural beliefs around caste, gender and disability can exacerbate the challenges faced by many Nepalis in the poorest, most remote regions of the country. Many women are still excluded from society during menstruation and labour, putting lives and health at risk. People with disabilities are often shunned because their disability is still seen by many as a curse, meaning they are ostracised and often trapped in their own home. Members of the lowest caste, Dalits or 'untouchables', are deemed unworthy to share public places, which compounds the problems of poverty, hunger and ill health they already face.

Self-help groups (SHG) play an important role in building inclusive communities where all are respected and regarded as equals. Thanks to INF/UK support, SHGs launched in the remote, mountainous region of Bajura have successfully united community members and helped them to articulate and resolve many of the challenges they face on a daily basis.

By saving collectively and sharing funds, SHG members have been able to offer loans in excess of £100,000¹ to members so they can improve their income opportunities. During the last financial period, loans were typically used to invest in:

- farming vegetables or poultry
- rearing pigs or goats
- setting up grocery shops
- starting tailoring businesses
- learning about eco-friendly, efficient farming practices
- creating plantations to provide food, generate income and protect against landslides

As a result, householders have more reliable sources of more nutritious food, and can afford their basic bills with funds left over to send their children to school and pay for health care.

¹ See page 14 of Today in Nepal, Spring 2019

In Bajura, the SHG success story so far...

- Nearly 200 people with disabilities are members of an SHG
- Over 1,000 SHG members have set up kitchen gardens
- Community members established eight apple orchards
- 2,000 apple tree seedlings have been planted
- SHGs have loaned over £100,000 to members to start or grow businesses

The majority of SHGs in Bajura are now running independently. With INF/UK support, INF/N have been able to replicate their success in the neighbouring community of Budhinanda and during the next financial year hope to broaden support to bring the same benefits to Kalikot, one of Nepal's most isolated and underdeveloped areas.

CASE STUDY IMAY

IMAY LEARNED TO BUILD A POND TO FARM GEESE AND OVER THE YEARS HAS BEEN ABLE TO INCREASE HIS MONTHLY INCOME BY SEVEN TIMES FROM NEPALI RUPEES 2,000 TO NEPALI RUPEES 15,000.

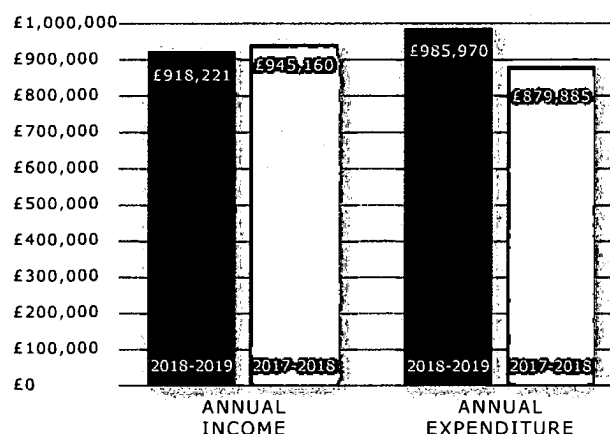
Now he is able to send his younger son to study medicine, and his daughter is training to become a midwife:



INF/UK FINANCIAL ACTIVITIES

SUMMARY

During 2018-2019, total incoming resources were £918,221 (£945,160). Total expenditure in 2018-19 was £985,970 (£879,885).



FUNDS

(a) General Fund

Total income on the General Fund was £199,170 (£315,019). This was mainly made up of General donations, Legacy income, and Interest income.

(b) Work in Nepal

This is income for the work of INF amongst Nepalis. Income was £640,269 (£498,833).

(c) Support Fund

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

During the current financial year support income was £74,842 (£125,913). This fall in income is directly attributable to the charity's strategic decision to no longer directly recruit and send expatriate workers to work in Nepal.

RESERVES

(a) Unrestricted Reserves

The policy of the Board is to hold general reserves of 6–12 months of the budgeted annual costs of INF/UK in a designated Operating Reserve, to cover unforeseen events. Funds in excess of this are made available for grants to INF programmes and projects both inside and outside of Nepal. The total value of unrestricted funds held as at 30/06/2019 was £541,685 (£603,687).

(b) Restricted Reserves

These are funds held on behalf of a project, or for a restricted purpose, and the amount held is equal to the fund balance at any one time. The total value of restricted funds held as at 30/06/2019 was £649,167 (£654,250).

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 30th June 2019. The financial statements have been prepared in accordance with the accounting policies as set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

BOARD OF TRUSTEES

MICHAEL THOMAS (CHAIR): Mike's working life was spent in commerce and industry, and the charitable sector until his retirement.

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

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

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

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

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

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

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

OFFICERS AND ADVISORS

Chief Executive Officer Mr John Reynolds

Company Secretary Mr John Reynolds

Auditors Mazars LLP
45 Church Street
Birmingham
B3 2RT

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

INF/UK is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1st May 1995. It is registered with the Charity Commission. There are eight 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 our Trustees receive remuneration or other benefits from their work with the charity. Any connection between a trustee or senior manager of the charity with

any supplier or beneficiary must be disclosed to the full 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.

BREXIT – IMPACT ASSESSMENT

INF/UK has assessed the potential impact that leaving the European Union might have on its business (Brexit). The key issues facing the charity fall under the general heading of 'uncertainty'. More specifically:

Potential impact on staffing: the sector overall has seen a decline in staff coming from EU countries since June 2016, resulting in greater competition for talent (e.g. between June 2016 and June 2017 the number of staff in the sector from the EU fell by 20%). Given its small number of staff and its openness to remote working, INF/UK assess the risk to be moderate with little likelihood of a negative impact in the coming 12 months.

Potential impact on its overseas commitments: one of the greatest unknowns is what might happen to exchange rates should the UK leave the EU. Given that all of INF/UK's project commitments to partners in Nepal are denominated in sterling, there is no immediate impact. However, if there is a fall in the value of sterling then the 'amount of good that can be bought' will reduce. On the other hand, we could see a stabilising of sterling, and possibly even a strengthening as other uncertainties will be removed.

Financial uncertainty: uncertainty in the general population could have a negative impact on giving from the general public, especially if price increases reduce disposable income. Having said that, past recessions teach us that the Christian giving public remains more robust in times of purse tightening than the wider general public. There is a risk to income, but INF/UK assesses this

as moderate to low to its existing income streams in the immediate future. There is, however, a higher risk to the charity in terms of its growth plans, which are reliant on growing a broader range of income streams. Brexit is likely to exacerbate an already competitive market.

Each of these uncertainties will require the charity to be alert to their potential impact, responding early and as flexibly to them as possible.

RISK MANAGEMENT

The Trustees have a risk management strategy which comprises of:

- i. A regular review of principal risks and uncertainties that the charity faces, this to be undertaken at intervals of not more than 24 months. The board undertook a full risk review in February 2017, supplemented by an interim review of IT security in November 2018. The most recent review was undertaken on the 22nd October 2019. This will be presented to the board on the 14th December 2019.
- ii. Established policies, systems and procedures to mitigate risks identified in its reviews.
- iii. The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.
- iv. 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.

TRUSTEES' RESPONSIBILITIES

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

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

- a. Select suitable accounting policies and then apply them consistently;
- b. Observe the methods and principles in the Charities SORP;
- c. Make sound judgements and estimates that are reasonable and prudent;
- d. State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

and

- e. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will not continue in business.

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

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

STATEMENT OF INFORMATION FOR AUDITORS

In so far as the Trustees are aware:

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

SMALL COMPANY PROVISIONS

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

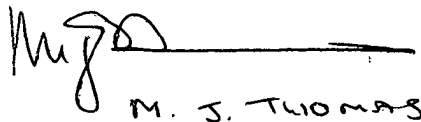
AUDITORS

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

VOLUNTARY HELP AND GIFTS IN KIND

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

14 December 2019


M. J. THOMAS

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

OPINION

We have audited the financial statements of International Nepal Fellowship (the 'charity') for the year ended 30 June 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; *and*
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

THE IMPACT OF UNCERTAINTIES DUE TO BRITAIN EXITING THE EUROPEAN UNION ON OUR AUDIT

The Trustees' view on the impact of Brexit is disclosed on page 20.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We consider the impact of Brexit on the Charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF THE AUDIT REPORT

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


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 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2019

	Note	Unrestricted funds General funds £	Designated fund £	Restricted funds £	TOTAL 2019 £	TOTAL 2018 £
INCOME						
Income from donations & legacies	2	187,036	–	719,051	906,087	932,286
Interest & dividends receivable	3	8,149	–	–	8,149	8,123
Conference income	4	3,985	–	–	3,985	4,751
TOTAL INCOME		199,170	–	719,051	918,221	945,160
EXPENDITURE						
Expenditure for raising funds	5	74,410	–	–	74,410	33,730
Charitable Activities						
Community Development	6,19	55,095	–	101,909	157,004	84,226
Health Services	6,19	91,826	–	477,614	569,440	528,925
Disaster Relief	6,19	27,548	–	30,720	58,268	86,470
Other Relief & Development	6,19	7,346	–	81,213	88,559	113,821
Diaspora	6,19	1,837	–	26,349	28,186	25,179
Charitable Activities total		183,652	–	717,805	901,457	838,620
Welfare fund expenditures	19	–	–	6,329	6,329	–
Cost of conference	4	3,774	–	–	3,774	7,535
TOTAL EXPENDITURE		261,835	–	724,135	985,970	879,885
UNREALISED GAIN ON INVESTMENT						
		663	–	–	663	1,038
NET INCOME/ (EXPENDITURE)		(62,002)	–	(5,083)	(67,085)	66,314
Transfer between funds	18	40,000	(40,000)	–	–	–
NET MOVEMENT IN FUNDS		(22,002)	(40,000)	(5,083)	(67,085)	66,314
BROUGHT FORWARD		323,687	280,000	654,250	1,257,937	1,191,623
CARRIED FORWARD		301,685	240,000	649,167	1,190,852	1,257,937

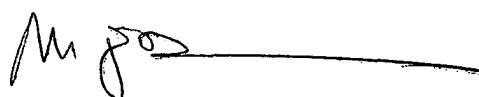
All of the above results are derived from continuing operations. There were no other recognised gains or losses other than those stated above. The deficit for the year for Companies Act purposes was £67,085 (2018 surplus: £66,314).

The notes on pages 28 to 36 form an integral part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2019 Company number 03060972

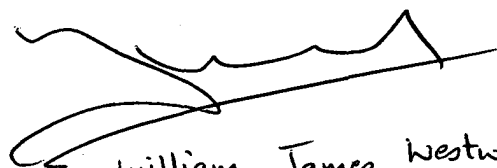
	Note	Unrestricted funds General funds £	Designated fund £	Restricted funds £	TOTAL 2019 £	TOTAL 2018 £
FIXED ASSETS						
Tangible Assets	13	4,349	–	–	4,349	845
Investments	14	43,374	–	–	43,374	42,860
		47,722	–	–	47,722	43,705
CURRENT ASSETS						
Debtors & Prepayments	15	11,657	–	–	11,657	25,189
Short term deposits		–	–	1,000,000	1,000,000	500,000
Cash at bank and in hand		253,691	240,000	6,944	500,634	975,907
		265,348	240,000	1,006,944	1,512,291	1,501,096
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Creditors & Accrued charges	16	(11,385)	–	(288,656)	(300,041)	(271,322)
NET CURRENT ASSETS		253,963	240,000	718,288	1,212,250	1,229,774
CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR						
	17	–	–	(69,121)	(69,121)	(15,543)
TOTAL NET ASSETS		301,685	240,000	649,167	1,190,852	1,257,937
FUNDS						
General reserve		301,685	–	–	301,685	323,687
Designated income funds	18	–	240,000	–	240,000	280,000
Restricted income funds	19	–	–	649,167	649,167	654,250
		301,685	240,000	649,167	1,190,852	1,257,937

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.



Michael Jordan Thomas

14 December 2019



William James Westwood

The notes on pages 28 to 36 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net incoming /(outgoing) resources	(67,085)	66,314
Adjustment for:		
Depreciation	1,006	1,879
Surplus on sale of property, plant & equipment	—	—
Gain/loss on investment	(663)	(1,038)
Trade and other expenses	—	—
Decrease /(increase) in debtors	13,532	(4,977)
Increase /(decrease) in creditors	82,297	(276,591)
Investment interest	(8,149)	(8,123)
Exchange rate loss/gain	1,333	(603)
Net cash flows from operating activities	22,271	(223,140)
Cash flow from investing activities		
Purchase of property, plant & equipment	(4,510)	—
Proceeds on disposal of property, plant & equipment	150	—
Purchase of investments	—	—
Proceeds on disposal of investment	—	—
Interest received	8,149	8,123
	3,789	8,123
Net increase / (decrease) in cash & cash equivalent	26,060	(215,017)
Cash & cash equivalents at the beginning of year	1,475,907	1,690,320
Exchange rate gain /loss	(1,333)	603
Total Cash and cash equivalents at the end of the year	1,500,634	1,475,907

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2018

	Note	Unrestricted funds General funds £	Designated fund £	Restricted funds £	TOTAL 2018 £	TOTAL 2017 £
INCOME						
Income from donations & legacies	2	302,145	—	630,140	932,286	884,604
Interest & dividends receivable	3	8,123	—	—	8,123	11,144
Conference income	4	4,571	—	—	3,985	4,751
TOTAL INCOME		199,170	—	630,140	945,160	909,341
EXPENDITURE						
Expenditure for raising funds	5	41,265	—	—	41,265	60,368
Charitable Activities						
Community Development	6	73,526	—	10,700	84,226	336,445
Health Services	6	121,544	—	406,381	528,925	363,086
Disaster Relief	6	36,763	—	49,707	86,470	151,318
Other Relief & Development	6	9,803	—	104,017	113,821	168,323
Diaspora	6	2,451	—	22,728	25,179	26,293
Charitable Activities total		245,087	—	593,533	838,620	1,105,465
TOTAL EXPENDITURE		286,352	—	593,533	879,884	1,105,833
UNREALISED GAIN ON INVESTMENT		1,038	—	—	1,038	5,037
NET INCOME/ (EXPENDITURE)		29,706	—	36,608	66,314	(191,454)
Transfer between funds		5,000	40,000	(45,000)	—	—
NET MOVEMENT IN FUNDS		34,706	40,000	(8,392)	66,314	(191,454)
BROUGHT FORWARD		288,981	240,000	662,643	1,191,623	1,383,077
CARRIED FORWARD		323,687	280,000	654,250	1,257,937	1,191,623

All of the above results are derived from continuing operations. There were no other recognised gains or losses other than those stated above. The deficit for the year for Companies Act purposes was £67,085 (2018 surplus: £66,314).

The notes on pages 28 to 36 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 date of transition to FRS102 was on the 1st July 2014. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102, the restatement of comparative items was required. No material changes were identified in the transition to FRS102 and the Charities SORP FRS102 therefore no restatement was required in this respect.

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

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

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

Income

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

Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Companies Act 2006.

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

Expenditure

Expenditure is included on an accrual's basis, when incurred.

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

Support Costs – these represent costs incurred by UK--based staff, directly providing support for the staff and programmes based in Nepal. They are allocated to the five main charitable activities (support of Community Development, Health Services, Disaster Relief, Other Relief and Development activities, Diaspora work) as disclosed in Note 10.

Fixed asset & depreciation

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Foreign currencies

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

Grants

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

Investments

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

Designated funds

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

Restricted funds

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

2 INCOME FROM DONATIONS & LEGACIES

	Unrestricted funds		Restricted funds	TOTAL 2019	TOTAL 2018
	General funds	Designated funds			
Gifts to Nepal		–	607,418	607,418	498,833
Volunteer worker support fund	–	–	78,782	78,782	131,308
General donations	172,036	–	–	172,036	184,024
Legacy income	15,000	–	32,851	47,851	118,122
	187,036	–	719,051	906,087	932,286

3 INTEREST & DIVIDENDS RECEIVABLES

	2019 £	2018 £
Bank interest	7,919	7,766
Dividends	230	357
	8,149	8,123

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

4 CONFERENCE INCOME AND COST

	2019 £	2018 £
Conference income	3,985	4,737
Cost of conference	3,774	7,535

5 EXPENDITURE FOR GENERATING FUNDS

	2019 £	2018 £
Website development cost	32,850	–
Website support cost	6,144	3,024
Outsourced copywriting cost	3,815	1,778
Outsourced fundraising cost	4,300	–
General fundraising cost	27,301	28,928
	74,410	33,730

6 CHARITABLE ACTIVITIES

Activities directly undertaken (note 19)	Community development	Health services	Disaster relief	Other relief & development	Diaspora	TOTAL
Specific gifts directly to Nepal	39,192	330,700	–	60,804	–	430,696
Grant funding – restricted fund (Note 8)	29,786	99,824 ²⁸	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	91,826	27,548	7,346	1,837	183,652
2019 total	157,004	569,440	58,268	88,559	28,186	901,457

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 ANALYSIS OF SUPPORT COSTS (RESTRICTED & UNRESTRICTED)

Activity	Community development	Health services	Disaster relief	Other relief & development	Diaspora	TOTAL
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 COST (UNRESTRICTED) TOTAL	55,095	91,825	27,548	7,346	1,837	183,652
SUPPORT COST (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

Basis of allocations:

The Trustees have apportioned support costs direct to activities where this is possible. Where support costs cannot be directly attributable to activities the Trustees have taken the view that support costs should be divided in a ratio of 30%, 50%, 15%, 4% and 1% between support of Community Development, Health Services, Disaster relief, other relief & development work and Diaspora as they believe this reflects the division of costs incurred by the charity.

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

Charitable activities	Programme	Grants to Institutions Total 2019 £
Health services	GPH Leprosy & Rehabilitation work	3,600
Health services	GPH Medical Charity fund	675
Health services	Leprosy free project in 18-20	8,818
Health services	Leprosy free project after 2020	9,121
Health services	Surkhet rehabilitation	110,000
	Less cancelled previous year end creditors	-32,390
Health Service total		99,824
Disaster Relief	Parbat Landslide House reconstruction project	10,000
Disaster Relief	Bara Storm Response	1,620
Disaster Relief	Rural Clinic Construction project	10,000
Disaster Relief	ACN flood relief	3,585
	Less cancelled previous year end creditors	-3,303
Disaster Relief total		21,902
Community Development	Surkhet Poor fund	500
Community Development	Rolpa Educate Project	257
Community Development	BRACE Project for purchasing bicycle	349
Community Development	IDEAL project	28,680
Community Development total		29,786
Total		151,512

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

9 ANALYSIS OF STAFF COSTS

	2019 £	2018 £
Wages and salaries	135,269	137,278
Social security costs	9,279	9,366
Other pension costs	10,710	10,247
Courses, travel and other	9,028	13,363
	164,288	170,254
Average number of employees (FTE & head count):	2019	2018
Management	1	2
Administration	4	4
	5	6

No staff earned over £60,000 in 2019. The Key management personnel of the charity is the Chief Executive Officer. The total employee benefits of the key management personnel are salary £48,957 & employer's pension contribution £4,098 for 2019 (£47,809 and £4,002 in year 2018).

There are no termination payments for leavers in 2019.

10 GOVERNANCE COSTS

	2019 £	2018 £
Trustee expenditure	3,094	4,069
	3,094	4,069

11 NET MOVEMENT IN RESOURCES FOR THE YEAR

	2019 £	2018 £
The net income/expenditure for the year is stated after charging:		
Depreciation of owned tangible fixed assets (see note 13)	1,006	1,879
Audit fee	7,200	6,300

12 DIRECTORS' REMUNERATION

No directors' remuneration was paid during the year. 10 directors incurred expenses in connection with travelling costs amounting to £3,094 (2018: £4,069).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

13 FIXED ASSETS

	Computer equipment £	Total £
Cost		
At 1 July 2018	31,930	31,930
Addition	4,510	4,510
Disposal in year	-475	-475
At 30 June 2019	35,965	35,965
Depreciation		
At 1 July 2018	31,085	31,085
Charge for the year	1,006	1,006
Disposal in year	-475	-475
At 30 June 2019	31,616	31,616
Net book values		
At 30 June 2019	4,349	4,349
At 30 June 2018	845	845

14 INVESTMENTS

	2019 £	2018 Total £
Charinco Common Investment Fund:		
Market value at beginning of year	42,860	41,822
Unrealised gain during the year	514	1,038
Disposals	—	—
	43,374	42,860

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

	2019 £	2018 Total £
Taxation refund receivable	8,392	24,546
Other debtors and prepayments	3,265	1,173
	11,657	25,718

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

16 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2019	2018 Total
	£	£
Taxation and social security	2,545	4,045
Unreleased Grants committed to Nepal – general fund	2,000	2,000
Audit fee	6,840	7,200
Total - general fund	11,385	13,245
Accruals and deferred income	57,851	29,818
Funds held for Nepal	145,445	9,159
Unreleased Grants committed to Nepal - restricted fund	85,360	219,099
Total – restricted fund	288,656	258,077
TOTAL	300,041	271,322

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

	2019	2018 Total
	£	£
Grants committed to Nepal - restricted fund	69,121	15,543

18 DESIGNATED FUNDS

	Balance at 1 July 2018	New designation	Utilised/ released in year	Transfers	Balance at 30 June 2019
	£	£	£	£	£
Operating Reserve	240,000	–	–	–	240,000
Allocated to Programmes fund	40,000			(40,000)	–
	280,000	–	–	(40,000)	240,000

Transferred £40,000 from allocated programme fund back to general fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

19 RESTRICTED FUNDS

	Brought forward £	Donations, gifts & legacies £	Charitable expenditure £	Transfers £	Carried forward £
GIFTS FOR NEPAL					
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 2019

20 OTHER FINANCIAL COMMITMENTS

At 30 June 2019 the charity was committed to making the following payments under non-cancellable operating leases:

	2019	2018
	Building	Building
Within one year	7,500	7,500
2 - 5 years	19,375	26,875
More than 5 years	–	–
	26,875	34,375

21 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.

RESTRICTED FUNDS

Gifts for Nepal

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

Volunteer Worker Related Funds, Restricted Support – General Reserve

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

Other Related Funds, Welfare Fund for Volunteer Workers

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

22 RELATED PARTY TRANSACTIONS

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



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