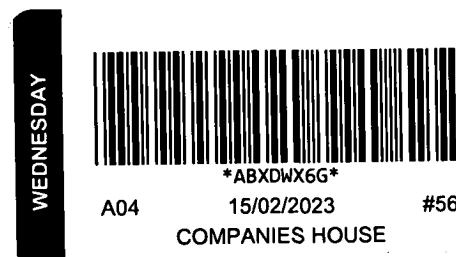




INTERNATIONAL NEPAL FELLOWSHIP

Annual Report and Audited Accounts Year ending 30 June 2022



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

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Chief Executive's Summary

Hope springs from adversity

Although the world seems to have navigated its way out of the worst health crisis in modern times, the long-term impacts of the global Covid-19 pandemic will continue to have repercussions for decades to come. Developing nations will count the greatest cost, and Nepal will not be immune from this.

One certainty emerging from the pandemic is that existent inequalities have deepened. Our work focused on the most vulnerable and marginalised people and communities in Nepal is as important as ever before.

Looking back to July 2021, when the year covered by this report begins, the concerns in Nepal were far more immediate. Over the preceding two months, Nepal had become gripped by a devastating wave of Covid cases. Hospitals were overwhelmed, people were unable to seek the medical help they needed, and about 6,000 people had died.

According to the World Health Organisation (WHO), Covid caused the deaths of 12,000 Nepalis in total, which is 30% higher than the number of lives lost in the 2015 earthquake. Actual figures are likely to be much higher than those recorded by the WHO, due to the lack of accurate recording of deaths, particularly in remote communities.

As Nepal rebuilds from the damage caused by the global pandemic, we look forward to playing our part in helping the country progress in many areas – especially healthcare, developing livelihoods in remote communities, adapting to climate change, improving education, and responding to natural disasters.

The health services and community-focused projects summarised in this report give real examples of how – even during 12 months that began in such despair – your support really does make a difference.

The challenges that lie ahead may appear overwhelming. However, I have hope and confidence that Nepal will bounce back, as together we create opportunities for the most disadvantaged people to discover fullness of life.

It is testament to the resolve of the Nepali people, as well as the dedication of our partner charities who deliver the work you support, that I can speak about the future with hope.

Yours in hope,



John Reynolds
Chief Executive Officer, INF/UK

The trustees present their report along with the audited financial statements of the charity for the year ended 30 June 2022.

Reference and administrative information set out on page 20 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (effective from January 2019).

About INF UK

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

Today, INF in the UK is a forward-thinking and impactful organisation, fulfilling its charitable objectives and demonstrating public benefit through the support of:

- Healthcare services – including cutting-edge hospital services for the treatment and rehabilitation of disabled people.
- Community health and development in some of the most remote and least served areas of the country.
- Improving access to a quality education for people in rural communities, especially girls, children with disabilities, and other marginalised groups.
- Disaster relief, mitigation, and resilience responses.

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

OUR VISION

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

OUR MISSION

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

OUR VALUES

- Love and compassion
- Inclusion and dignity
- Professional excellence

OUR ETHOS

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

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

DEMONSTRATING PUBLIC BENEFIT

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

Although visits to Nepal to monitor our partners' activities were limited due to Covid infection rates and international travel restrictions, INF/UK's Programmes Manager was able to visit several partners and projects in spring 2022, and in April the CEO and Chair of INF/UK met with the board and senior leadership team of INF Nepal. Numerous video-conferencing meetings were also held between INF/UK senior staff and our Nepali partners, to supplement project reporting and other regular communications.

Partners in Nepal

We work through a small number of like-minded partners who share our vision and values. During the past year, these local NGOs in Nepal were:

INF Nepal (INF/N): As a member of the international INF family, our primary delivery partner is INF Nepal, a locally registered NGO based in Pokhara. Through our relationship with INF Nepal, we have supported hospitals in Pokhara, Surkhet and Banke; major community development projects in Bajura and Kalikot districts; and played a key role in supporting many of INF Nepal's disaster response activities.

Asal Chhimekee Nepal (ACN): The social action arm of the Pokhara Christian Community, a grouping of 50-plus churches based in the Pokhara area, whose name translates as 'Good Neighbour Nepal'. ACN has valuable expertise in helping communities respond to natural disasters. They work in conjunction and support of municipal authorities rather than independently, and will often mobilise their networks of local church communities across Nepal to support relief activities.

Group of Helping Hands (SAHAS) Nepal: A Kathmandu-based NGO with experience of helping rural communities develop in the poorest parts of Nepal, our partnership with SAHAS Nepal began with an education project in Bajura.

Sarwangin Sewa Samaj (SSS): A volunteer-led organisation in Nepalgunj, supporting very poor patients and their carers at the Bheri Zonal Hospital with essential needs that would otherwise not be met.

Coronavirus in Nepal

Supporting people affected by Covid-19

Introduction

The second wave of Covid-19 cases, which impacted Nepal from May 2021, quickly overwhelmed the country's fragile healthcare system and caused widespread devastation.

Our partners' response, which began immediately and continued into the first half of the 2021/22 year covered by this report, helped over 4,000 people:

- 3,000 desperately hungry people received food relief.
- 10 isolation centres equipped with medical supplies.
- 200 hospital patients helped with Covid treatment, rehab, or telehealth.
- 800 children taught while schools remain closed.

Feeding hungry families

With daily wage workers unable to earn during lockdown many families went hungry. 360 households (about 1,800 people) in Kaski and Nawalparasi received food packages from ACN, and SAHAS helped a further 240 of the poorest households in Bajura (about 1,300 people) with vouchers for food packages including rice, lentils, oil and salt.

Equipping isolation centres

ACN supplied medical equipment, PPE, and medicines to 7 isolation centres in Nawalparasi and Gorkha for the treatment of Covid-19 patients.

SAHAS also supplied vital equipment for three isolations centres and health posts in Bajura, including oxygen for about 25 patients, and their support also included other medical equipment, masks, and staff training. In addition, free mask banks provided 4,897 people with disposable facemasks to help prevent the risk of Covid-19 transmission within communities.

Helping patients

Covid-infected patients seeking treatment in Banke district were supported by SSS. This included 42 patients at Bheri Zonal hospital – which due to its location on the border with India was on the frontline of fighting Covid-19 in Nepal – with food, medicine, and laboratory costs such as x-rays and blood tests. A further 50 patients living in the area were helped with PCR tests, food supplies, medicines, and transport to hospital.

INF Nepal helped over 100 patients by providing physio, counselling and rehabilitation services to assist in the recovery of Covid-19 patients, as well as telehealth services for people unable to access outpatient support due to lockdowns.

Supporting remote communities

SAHAS' support in Bajura also included the continued running of 12 Community Managed Coaching Centres (CMCCs) which delivered tutoring to 274 students. To keep students engaged in home-based

learning, 800 students (especially girls and lower caste Dalits) were given printed materials while schools were closed due to lockdowns, to help reduce the risk of them not returning to complete their education.

SAHAS also created awareness-raising radio broadcasts about Covid-19 and key social issues such as child protection, gender-based violence, and mental health.

Healthcare

Green Pastures Hospital, Pokhara

Introduction

Green Pastures Hospital (GPH) is INF Nepal's flagship hospital in Pokhara, which is Nepal's second city in the mid-west Gandaki province.

In a challenging year for healthcare across the globe due to the continuing Covid pandemic, GPH continued to develop its services and infrastructure. New projects – including the post-Covid and community medical outreach projects covered in this report – were significant milestones. In summer 2021 the construction of a new leprosy ward started (full details of which will be in next year's Annual Report).

As a result, the hospital has continued to make progress towards its core vision of becoming a Centre of Excellence in the Holistic Care and Prevention of Disability, transforming lives and communities for the most disadvantaged people of Nepal.

This year also saw the appointment of a new Hospital Director, Dr Arun Kumar Budha, who joined GPH in December 2021.

In recent years the hospital has made significant steps towards becoming more self-sufficient, moving away from an over-reliance on international funding for its core services. However this has been more of a challenge during the Covid pandemic, with patients who can afford the cost of their own treatment unable to access services due to lockdowns and other restrictions.

The hospital's biggest source of income during the year was from international funders. INF/UK's support during this year was equivalent to 38% of all international donations (and almost 5% of the hospital's total income). This was primarily to help meet the shortfall in the hospital's finances across all departments, funding about half of all GPH staff costs over the year.

Post-Covid rehabilitation (Programme Aasha)

A 12-month project was created to develop GPH's services to support their rehabilitation of people suffering from post-Covid complications. This was delivered through a new partnership with the UK's

Defence Medical Rehabilitation Centre (DMRC) in Leicestershire, which is the Ministry of Defence's premier rehabilitation service for the UK's armed forces.

The project was focused on people with disabilities, sharing the knowledge, learning and protocols that had been built up at DMRC since the start of the pandemic. This enabled many disabled people to return to normal life in their communities as a multi-disciplinary approach was developed and refined during the year.

Overall, 38 patients received post-Covid consultancy and rehabilitation services at GPH (9 of whom were admitted to the hospital for complication management). Most of the patients admitted had the problems with shortness of breath, fatigue, and multiple joint pain. Also, 94 patients agreed to telehealth consultations (out of 1,064 patients who were contacted).

Sadly, one post-Covid patient who had complications due to her leprosy passed away, and other patients were impacted by challenges which prevented them accessing the rehab on offer, or a reluctance participate in the new concept of telehealth support.

Leprosy

GPH's leprosy programme continues to contribute to the goal of 'zero transmission, zero discrimination, and zero disability'. It works towards this aim through early case detection, provision of inpatient services, healthcare education and self-care techniques, reconstructive surgeries, and provision of assistive devices.

To aim is to provide high quality leprosy services and reduce disabilities caused by leprosy in western Nepal. In 2021/22 this involved:

- 1,804 people received outpatient services.
- All of the 282 admitted inpatients were given self-care training.
- 100% of leprosy patients were discharged with an improved health condition.

Spinal cord injuries (SCI) and other disabilities

GPH provided surgical and rehabilitation services to patients with spinal cord injuries and other disabilities such as cerebral palsy, stroke, and ortho-related cases. The hospital provided health education, essential equipment, assistive and mobility aids such as wheelchairs, food and medicine to these patients to reduce secondary complications.

The main achievements during 2021/22 included:

- 13,508 patients with physical disabilities received outpatient care.
- 5,180 physiotherapy sessions attended.
- 4,949 occupational therapy sessions attended, including bowel and bladder management, provision of education and information on sexual and reproductive health, and activities of daily living.

- 1,726 assistive aids (such as wheelchair, toilet chair, pressure-relieving mattress, cushions, and other mobility aids) provided to patients with physical disabilities.
- 415 surgeries were conducted for patients with physical disabilities.

Palliative Care

Following the opening of the new Palliative Care Centre at GPH in late 2020, work in 2021/22 involved purchasing additional equipment and creating a sensory garden to be enjoyed by patients, thanks to the continued support of an international donor.

Equipment purchased included a patient hoist and defibrillator, along with other items to improve the quality of care available at the centre.

The sensory garden is a beautiful space and a wonderful addition to the landscape and environment at GPH. Unique for Nepal, it has enhanced the a holistic healing environment for patients. The garden has been designed incorporating two pre-existing chautaras (Nepali traditional seating areas around large trees), with flowers, plants, trees, as well as mosaic-topped benches and a table. It has already become a favourite place for patients, families and also for staff.

Children with Developmental Disorders

This is a development of the previous cerebral palsy clinic and camps, to increase access to integrated and affordable clinical services for children with a wider range of developmental disorders and their carers. The expansion of the scope of this service led to more families accessing treatment and therapy, which benefited 172 children during the year.

Ear Centre

The Ear Centre was supported with the purchase of various items of equipment in May 2022. This included a device for assessing vertigo, allowing the centre to start a new weekly clinic for patients suffering with this condition, and improved overhead lighting for the operating theatre.

Overall, the Ear Centre delivered 14,337 outpatient appointments and 446 patients admitted as inpatients for a range of surgical interventions.

Towards the end of 2021, ear surgeon Mike Smith returned to Nepal after a 20 month break due to Covid travel restrictions and was able to get a three month work permit to spend time back in Pokhara. This visit gave Mike the opportunity to continue to develop Ear Centre staff, including surgical expertise, as he begins to transition back to life in the UK.

Healthcare in Surkhet and Banke

Shining Hospital, Surkhet: Medical Charity Fund

Outpatient services have continued to serve people needing treatment and rehabilitation in Surkhet district, while INF Nepal has been exploring future plans to ensure the long-term viability of re-establishing a more comprehensive service at Shining Hospital.

Our support during 2021/22 has been focused on the Medical Charity Fund for patients in Surkhet who would otherwise be unable to afford treatment. For the 37 people who benefited during the year, this usually involved referrals for treatment at other hospitals, including GPH and the more local government-run Karnali Provincial Hospital.

Fistula Centre, Surkhet

This specialist centre in Surkhet treats women with obstetric fistula, a condition which causes the bladder to leak following childbirth complications. Cases often come from women living in rural communities where awareness is low and there are inadequate obstetric services.

Shirley Heywood has been training up Dr Shuvechchha, a Nepali medic who has been accepted as a Fistula trainee by FIGO, the International Federation of Obstetrics and Gynaecology. This year she completed her basic training at the Hamlin Fistula Hospital in Addis Ababa, Ethiopia.

Dr Shuvechchha's training has been particularly valuable when Shirley was back in the UK towards the end of the year, as she has been able to operate on uncomplicated fistula cases and contribute to the general gynaecology service at the neighbouring Karnali Provincial Hospital as well as being involved in fistula screening camps.

Sarwangin Sewa Samaj (SSS), Banke

SSS is a volunteer-led organisation which supports patients and their carers at the Bheri Zonal Hospital in Nepalgunj, Banke district.

They played a key role in the Covid response activities (see page 6-7) and had contact with about 2,000 patients over the 12 months covered by this report. Almost 400 were provided with food by SSS during their hospital stay and almost 200 patients were assisted with the cost associated with their treatment, including medicines, tests, and travel.

Community Health and Development (CHD)

Community Health

Community Medical Outreach

This new project to improve the health of vulnerable communities living in remote districts began in April 2021, so completed its first full year during the period covered by this report. It builds on INF's history of running medical camps to reach the most marginalised communities.

As well as medical camps to screen and treat people for a range of disabilities, the project also helps communities prepare for and respond to natural disasters, including with first aid training.

Disability and dermatology camps screened more than 3,600 people in across eight districts in the first 15 months of the project.

Dermatology camps help identify people with skin conditions including leprosy, so treatment can be prescribed and avoid further complications. Health workers in the districts in several districts have also been trained to help identify cases of leprosy and other conditions.

Camps for people with disabilities have provided on the spot services such as medical consultations, physiotherapy, prosthetic and orthotic assessment, as well as provision of devices, equipment and medicines.

Dr Suraj, the consultant plastic surgeon at Green Pastures, carried out 34 reconstructive and orthopaedic surgeries on visits to Banke and Bardiya districts. Other people with issues identified at these medical camps have been referred for further rehabilitation, including at Green Pastures.

Leprosy Free Communities, Banke

This project is also based around the delivery of camps to identify and treat people with leprosy in remote communities, as well as training local health workers to strengthen the long-term local healthcare provision.

Over the year, 110 people identified by this project's camps in Banke and Bardiya districts were diagnosed with leprosy following confirmatory tests at Green Pastures hospital.

Community Development

Community Resilience and Development project, Kalikot

This three-year project came to an end in June 2022, following a six-month extension due to disruption caused by the Covid pandemic.

During this project 90 self-help groups have helped transform people's lives and brought about sustainable change in local communities. Their action plans have included constructing and renovating drinking water systems, irrigation canals and walking trails, as well as building toilets, drainage, waste pits and check dams to prevent flooding in the rainy season.

In the past year, 274 people were trained on preparing and using organic pesticide, to prevent their crops from being damaged.

Also, 33 people started new business such as vegetable farming, poultry farming, retail shops, buffalo farming, hotels and nurseries, earning on average 5,000 NPR per month to help with costs such as food and children's education.

Other key issues such as sanitation, disability awareness, and financial savings were also addressed.

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

The IDEAL project has continued empowering the self-help groups, disability networks, and farmers' groups. This has been achieved through regular facilitation, capacity development training, workshops, and organising awareness-raising events on basic human rights issues (especially gender and disability rights).

The focus on improving farming-based livelihoods of poor and vulnerable people has included training small-hold farmers on crop diversification, production of high value crops, climate friendly and improved farming practices, and supporting people to put their knowledge gained into practice.

Local health provision has been improved by identifying and addressing the issues and needs of health institutions, as well as raising awareness of health issues amongst the population to help identify conditions which need treatment.

Climate Adaptation

Climate Change Adaptation for Sustainable Livelihoods, Bajura

This project is seeking to increase the resilience of affected communities in the remote Bajura District of Nepal – by building skills and capacity to prepare for climate and disaster threats.

Due to Covid disruption, the first year of the project was extended until April 2022. Over three years, the project is aiming to directly benefit a total of 6,112 people (with over 20,000 benefiting indirectly). People living in remote areas in the Gaumul and Badimalika Municipalities of Bajura are receiving training and resources to improve household income, and local governments and communities are being equipped to minimise the impact of disasters and climate change on their livelihoods and wellbeing.

To help achieve the project aims, INF will provide improved cooking stoves for 700 homes, with the municipality and UNICEF helping a further 2,000 households.

Education

Inclusive and Quality Education for Girls, Bajura

Group of Helping Hands (SAHAS) Nepal is implementing this project which aims to minimise educational marginalisation, especially for girls in rural areas. Over three years this will involve 12 schools in three rural municipalities.

In the first year, the project was implemented in Kailashewori Secondary School, Manakot Secondary School, and Jalpa Secondary School. Project activities included training, educational materials support, promotion of child-friendly teaching techniques, and many more. A total of 62% of students passed their examinations and 25% of students improved their achievements in English, Maths and Science.

The most vulnerable and marginalised students are at a high risk of dropping out of school due to weak economic status, looking after younger siblings, or managing their household chores. The project provided scholarships and educational materials for such students, which has helped continue their education or reduce the risk of leaving school. This year, 90% of students from marginalised families completed the academic year and have enrolled for the next grade.

Disaster Relief

Monsoon 2021 response

As monsoon season began to impact Nepal in mid-June 2021, **Manang** was one of the worst affected areas, with at least 200 houses submerged. Two churches, schools, bridges and electricity wires were swept away – leaving many remaining homes inaccessible and without power.

Asal Chhimekee Nepal help 800 of the most vulnerable people, with emergency food and medicine supplies flown in by helicopter as many roads were blocked.

Later in the season, heavy rain caused flooding in **Bardiya**. INF Nepal led the response in this district, with 120 families provided with food items, shelter, and hygiene kits.

Financial Activities of the Charity

Summary

During 2020-21, total incoming resources were £758,738 (2021: £778,405). Most of its funds are sourced from private individuals, trusts and churches.

Total expenditure was £876,401 (2021: £587,928).

Expenditure last year was significantly less than funds raised. This was almost entirely due to disruption and delays in projects brought about by the impact of COVID. Last year's Director's report anticipated a re-balancing during 2021-22, and this is duly reflected in this year's expenditure figures.

Funds

(a) General Fund

Total income on the General Fund was £359,537 (2021: £232,068). This was mainly made up of general donations, legacy income, and investment income. General donations increased significantly due to a combination of major gifts and legacies.

(b) Gifts for Partners' Programmes and Projects

This is income for the work amongst Nepalis. Income was £363,296 (2021: £514,620).

Partner income was significantly lower due to a reduction in project proposals shared by our main partner, INF/N. The reasons for this centred around two key Director Positions lying vacant for several months coupled with adequate cover for these leadership positions being unavailable.

The delay in filling these key positions and the lack of adequate cover meant that INF/UK suspended new project commitments until this leadership issue had been addressed and satisfactorily resolved, in the meantime existing commitments were rigorously managed to minimise any risk to INF/UK and its donors.

INF/UK is pleased to report that the leadership issues have been satisfactorily addressed. Two new, well qualified, Directors were appointed for the Health and Community Directorates, and the INF/N Senior Leadership Team underwent a welcome reset. INF/UK are pleased to report that working relationships within INF/N's Senior Leadership Team are very good, and that the working relationship between the senior teams of INF/UK and INF/N is the best it has been for many years.

The board believe the robust approach adopted by INF/UK, and its support of a resolution to the issues experienced by our partners, is evidence of the seriousness it places on its governance responsibilities, and its responsibilities to donors.

(c) Support fund

Historically, Mission Workers were recruited by INF/UK to serve in Nepal. A strategic decision was taken four years ago to exit this part of its operations. No new missionaries were to be recruited, but the charity would continue to support those partners that were still working in Nepal until they left the organisation.

The Support Fund is the restricted fund that has been used to support mission worker salaries and costs. 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 £24,961 (2021: £31,717). This is entirely consistent with expectations following the charity's strategic decision in 2018 to no longer recruit expatriate workers to work in Nepal.

Reserves

(a) Unrestricted reserves

- i. The policy of the board of trustees is to hold General Operating Reserves of 6-12 months of the budgeted annual costs of INF/UK in a designated Operating Reserve, to cover unforeseen events. The sum of £240,000 is held in this reserve and represents 8 months budgeted annual costs for 2022-23.
- ii. The board adopted a strategic growth plan in 2019. The pandemic, and subsequently the effect of the war in Ukraine and ensuing cost of living crisis, have had an impact on the original outcomes anticipated when this plan was set. The board have revisited the plan and revised some figures downwards to reflect the economic challenges facing Charities in the UK. Notwithstanding this, the board have reaffirmed its desire to focus on growth, rather than retrench and hope for a better economic climate.

The trustees have designated £125,000 of the charity's General Reserves to cover anticipated shortfalls on its General Fund resulting from its strategic plan over the coming 2-3 years. Examples of these additional costs are additional staff costs incurred and associated with its strategic plan for growth ahead of generating new income streams.

General Income in 2022 was sufficient to not need to draw upon this reserve during the year.

- iii. The trustees also designated some of its General Reserves in support of its Programmes Fund. This underpins its commitment to additional projects in Nepal as part of its growth strategy. These additional funds will enable the charity to commit to partner projects ahead of raising funds for them.

The total of unrestricted funds held as at 30 June 2022 is as follows:

Unallocated General Funds	£12,834
Designated: Future Growth	£125,000
Designated: Programmes	£165,979
Designated: Operating Reserve	£240,000
TOTAL UNRESTRICTED FUNDS	£543,813

(b) Restricted reserves

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

The charity raises funds to support its partners' programmes and projects, primarily from individuals, trusts and foundations. These funds are managed and paid to partners under Memorandums of

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

The total value of restricted funds held as at 30 June 2022 was £717,693 (2021: £887,142).

Investment policy

The trustees have the power to invest in such assets as they see fit. Safety of the Charity's assets is an important factor for the board and consequently most of its reserves are held in cash at well known banks.

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).

During 2021-22 the Charity moved offices and its new business address is 196-198 Edward Road, Balsall Heath, Birmingham, B12 9LX. This is also the registered address of the company.

Structure, governance, and management

Governing document

INF/UK is a company limited by guarantee and it is also a Charity registered with the Charity Commission of England and Wales. It is governed by its Articles of Association that were updated in March 2020. There are currently seven members of the company, each of whom agrees to contribute £1 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 trustees. The Chair manages the trustee 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 trustees consider 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 trustee 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 trustees 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 trustees.

Related parties and co-operation with other organisations

None of the trustees receive remuneration or other benefits from their work with the charity. Any connection between a trustee or senior manager of the charity with any supplier or beneficiary must be disclosed to the full board of trustees, similarly any other contractual relationship with a related party. In the current year no such related party transactions were reported.

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

Pay policy for senior staff

All trustees give of their time freely and no trustee received a remuneration in the year. Details of trustee expenses and related party transactions are disclosed in note 7 to the accounts.

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

Risk management

The trustees have a risk management strategy which comprises of:

- i. A regular review is undertaken by the trustees of principal risks and uncertainties that the charity faces.

Given the significant additional risks associated with the Covid-19 pandemic and more recently the impact of the war in Ukraine on energy prices and inflation, risks have been kept under constant review by the CEO and the trustees.

The CEO attends regular and frequent sector meetings with other CEOs under the auspices of Bond, a UK network for organisations working in international development. Sector wide information is shared, as is the impact that the pandemic and cost of living crisis is having on

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

The charity is aware that the impact of Covid-19 and the subsequent war in Ukraine will be felt at least for the next three years. It is in the fortunate position of having a good level of general reserves, and it is structuring these to meet anticipated operational losses over this period as it retains its strategic focus for growth.

The charity is also acutely aware of the risks faced by its partners in Nepal. The CEO is in close contact with the leadership teams of its partners to keep abreast of the risks they are facing. The charity's partners in Nepal enjoy support from a wide range of donors from around the world so to keep abreast of wider global risks in the sector, the CEO is in personal contact with leaders in INGOs in Australia, Germany and Canada.

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

Safeguarding

INF UK believes that all people have a right to feel safe and valued, and to live their lives free from coercion, modern slavery, sexual violence, harassment, and abuse. We seek to proactively encourage a culture where issues and concerns about safeguarding are raised and discussed, and where we provide a safe environment for all people that the organisation engages with.

The INF UK Board of Trustees is responsible for holding INF UK accountable for compliance with UK safeguarding law and best practice and ensuring that our partners are also following safeguarding policy and practice. The Board understands its legal duty to be accountable and responsible for Safeguarding for all persons who represent, support or benefit from the operations of INF UK. The Board appoints one of its members as a "Safeguarding Lead Trustee", for a term of three years. The current Safeguarding Lead Trustee is Rosie Hart.

Safeguarding is a fixed agenda item for all Board meetings and any concerns or issues are discussed by the CEO and the Safeguarding Lead Trustee as and when they arise and actioned as appropriate. During the 2021-22 year there was one safeguarding concern raised in relation to a beneficiary of one of INF UK's partners. Further investigations were able to confirm that this was satisfactorily dealt with by the partner in Nepal and in accordance with INF/UK's safeguarding policy.

Small company provisions

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

Voluntary help and gifts in kind

The trustees 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.

Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

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

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 7 February 2023 and signed on their behalf by:

Michael Thomas

Michael Thomas – Chair

International Nepal Fellowship

Reference and administrative details

For the year ended 30 June 2022

Company number	3060972
Charity number	1047178
Registered office and operational address	196-198 Edward Road Balsall Heath Birmingham B12 9LX
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Michael Thomas (Chair) Vijaya Adhikari Steven Collins Rosemary Hart Professor Andrew Lymer (Treasurer) David McConkey Dr Ian Smith
Chief executive officer	John Reynolds
Bankers	Bank of Scotland 33 Old Broad Street London EC2N 1HW
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Independent auditors' 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 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

Independent auditors' report

To the members of

International Nepal Fellowship

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report

To the members of

International Nepal Fellowship

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

International Nepal Fellowship

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

Use of our report

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

Alison Godfrey

Date: 13 February 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

International Nepal Fellowship

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 30 June 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	3	399,201	359,077	758,278	777,762
Investments	4	-	460	460	643
Total income		<u>399,201</u>	<u>359,537</u>	<u>758,738</u>	<u>778,405</u>
Expenditure on:					
Raising funds		-	149,796	149,796	112,714
Charitable activities		<u>568,650</u>	<u>157,955</u>	<u>726,605</u>	<u>475,214</u>
Total expenditure	6	<u>568,650</u>	<u>307,751</u>	<u>876,401</u>	<u>587,928</u>
Net gains / (losses) on investments		-	(3,036)	(3,036)	5,000
Net income / (expenditure) and net movement in funds	7	(169,449)	48,750	(120,699)	195,477
Reconciliation of funds:					
Total funds brought forward		<u>887,142</u>	<u>495,063</u>	<u>1,382,205</u>	<u>1,186,728</u>
Total funds carried forward		<u><u>717,693</u></u>	<u><u>543,813</u></u>	<u><u>1,261,506</u></u>	<u><u>1,382,205</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the accounts.

International Nepal Fellowship

Balance sheet

As at 30 June 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	11		2,271	1,960
Investments	12		<u>44,652</u>	<u>47,688</u>
			46,923	49,648
Current assets				
Debtors	13	22,094		34,627
Current asset investments		1,000,000		1,000,000
Cash at bank and in hand		<u>410,166</u>		<u>454,393</u>
		1,432,260		1,489,020
Liabilities				
Creditors: amounts falling due within 1 year	14	<u>(184,594)</u>		<u>(156,463)</u>
Net current assets			<u>1,247,666</u>	<u>1,332,557</u>
Total assets less current liabilities			1,294,589	1,382,205
Creditors: amounts falling due after 1 year	15		<u>(33,083)</u>	<u>-</u>
Net assets	17		<u><u>1,261,506</u></u>	<u><u>1,382,205</u></u>
Funds	18			
Restricted funds			717,693	887,142
Unrestricted funds				
Designated funds			530,979	465,000
General funds			<u>12,834</u>	<u>30,063</u>
Total charity funds			<u><u>1,261,506</u></u>	<u><u>1,382,205</u></u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 7 February 2023 and signed on their behalf by

Michael Thomas

Michael Thomas - Chair

International Nepal Fellowship

Statement of cash flows

For the year ended 30 June 2022

	2022 £	2021 £
Cash used in operating activities:		
Net movement in funds	(120,699)	195,477
<i>Adjustments for:</i>		
Depreciation charges	1,231	1,896
Loss on disposal of equipment	935	-
(Gains) / losses on investments	3,036	(5,000)
Investment income	(460)	(643)
Decrease / (increase) in debtors	12,534	4,322
Increase / (decrease) in creditors	<u>61,214</u>	<u>(147,632)</u>
Net cash provided by / (used in) operating activities	<u>(42,209)</u>	<u>48,420</u>
Cash flows from investing activities:		
Investment income	460	643
Purchase of tangible fixed assets	<u>(2,478)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,018)</u>	<u>643</u>
Increase / (decrease) in cash and cash equivalents in the year	<u>(44,227)</u>	<u>49,063</u>
Cash and cash equivalents at the beginning of the year	<u>1,454,393</u>	<u>1,405,330</u>
Cash and cash equivalents at the end of the year	<u><u>1,410,166</u></u>	<u><u>1,454,393</u></u>
Total cash and cash equivalents comprise:		
Current asset investments	1,000,000	1,000,000
Cash at bank and in hand	<u>410,166</u>	<u>454,393</u>
Cash and cash equivalents at the end of the year	<u><u>1,410,166</u></u>	<u><u>1,454,393</u></u>

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

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006:

International Nepal Fellowship meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

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

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

d) Interest receivable

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

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

1. Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Grants payable

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 recognised as a liability to the extent that a legal or constructive obligation exists.

h) Allocation of support and governance costs

Support costs are the costs incurred by UK-based staff, directly providing support for the staff and programmes based in Nepal. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of all direct costs, as follows:

	2022	2021
Raising funds	17%	19%
Charitable activities	83%	81%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as

Computer equipment	3 years straight line
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Items of equipment are capitalised where the purchase price exceeds £1,000 (2021: £500). This was approved by the trustees in June 2022.

j) Investments

Investments are valued at market value in accordance with the SORP. Changes in value during the period are reported as gains/losses in investment assets in the SOFA.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held in longer term deposit accounts is classified as current asset investments on the balance sheet.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

1. Accounting policies (continued)

m) Creditors

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

n) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

o) Pension costs

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There are no further liabilities other than that already recognised in the SOFA.

p) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end. Exchange differences are recognised in the SOFA.

q) Operating leases

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

r) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations and legacies	546,337	231,425	777,762
Investments	-	643	643
Total income	546,337	232,068	778,405
Expenditure on:			
Raising funds	-	112,714	112,714
Charitable activities	317,507	157,707	475,214
Total expenditure	317,507	270,421	587,928
Net gains on investments	-	5,000	5,000
Net income / (expenditure) and net movement in funds	228,830	(33,353)	195,477

3. Income from donations and legacies

	Restricted £	Unrestricted £	2022 Total £
Donations for partners' programmes and projects	329,296	34,000	363,296
Volunteer worker support fund	24,961	-	24,961
General donations	-	275,879	275,879
Legacy income	44,944	49,198	94,142
Total income from donations and legacies	399,201	359,077	758,278
Prior period comparative:			
	Restricted £	Unrestricted £	2021 Total £
Donations for partners' programmes and projects	514,620	-	514,620
Volunteer worker support fund	31,717	-	31,717
General donations	-	230,925	230,925
Legacy income	-	500	500
Total income from donations and legacies	546,337	231,425	777,762

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

4. Investment income

	2022	2021
	£	£
Bank interest	<u>460</u>	<u>643</u>

All investment income in the current and prior period was unrestricted.

5. Government grants

The charitable company did not receive any government grants in the current or prior period.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

6. Total expenditure

	Raising funds	Charitable activities	Support costs	Governance costs	2022 Total
	£	£	£	£	£
Grants payable (note 8)	-	470,222	-	-	470,222
Volunteer workers support costs	-	11,513	-	-	11,513
Website, CRM and outsourced services	48,083	-	-	-	48,083
Fundraising expenses	21,223	-	-	-	21,223
Personnel costs (note 9)	35,735	27,777	216,854	-	280,366
Premises and office costs	-	-	20,701	-	20,701
Finance, legal and professional	-	-	10,405	8,640	19,045
Depreciation	-	-	1,231	-	1,231
Trustee expenses	-	-	-	2,721	2,721
Exchange (gains) / losses	-	-	361	-	361
Loss on disposal of fixed assets	-	-	935	-	935
Sub-total	105,041	509,512	250,487	11,361	876,401
Allocation of support and governance costs	44,755	217,093	(250,487)	(11,361)	
Total expenditure	149,796	726,605	-	-	876,401

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

6. Total expenditure

Prior period comparative:	Raising funds £	Charitable activities £	Support costs £	Governance costs £	2021 Total £
Grants payable (note 8)	-	222,105	-	-	222,105
Volunteer workers support costs	-	8,045	-	-	8,045
Website, CRM and outsourced services	6,758	-	-	-	6,758
Fundraising expenses	22,120	-	-	-	22,120
Personnel costs (note 9)	32,344	27,968	229,139	-	289,451
Premises and office costs	-	-	17,494	-	17,494
Finance, legal and professional	-	-	7,864	7,860	15,724
Depreciation	-	-	1,896	-	1,896
Trustee expenses	-	-	-	686	686
Exchange (gains) / losses	-	-	3,649	-	3,649
Sub-total	61,222	258,118	260,042	8,546	587,928
Allocation of support and governance costs	51,492	217,096	(260,042)	(8,546)	
Total expenditure	112,714	475,214	-	-	587,928

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

7. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation	1,231	1,896
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	2,721	686
Auditors' remuneration:		
▪ Statutory audit (including VAT)	8,340	7,860

Trustees' reimbursed expenses relate to board meeting expenses incurred by 7 trustees (2021: 7 trustees).

8. Grants payable to partners

	2022 £	2021 £
INF Nepal	439,561	120,116
Asal Chhimekee Nepal (ACN)	22,300	44,303
Group of Helping Hands (SAHAS) Nepal	-	43,710
Sarwangin Sewa Samaj	5,750	10,879
Grants < £5k	2,611	3,097
Total grants payable	470,222	222,105

All grants are paid to fund charitable activities in Nepal. The grants shown above do not include any support cost allocations.

9. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	234,943	238,508
Social security costs	16,397	17,129
Pension costs	23,282	25,232
Courses, travel and other	5,744	8,582
	280,366	289,451

No employee earned more than £60,000 during the year (2021: none).

The key management personnel of the charitable company comprise the Trustees and Chief Executive Officer. The total employee benefits of the key management personnel including gross wages, employer's national insurance and pension contributions were £60,262 (2021: £54,421).

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

9. Staff costs and numbers (continued)

	2022	2021
	No.	No.
Average head count	<u>9.25</u>	<u>9.33</u>

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Tangible fixed assets

	Computer equipment
	£
Cost	
At 1 July 2021	37,144
Additions in year	2,478
Disposals in year	<u>(33,790)</u>
At 30 June 2022	<u>5,832</u>
Depreciation	
At 1 July 2021	35,184
Charge in year	1,231
Disposals in year	<u>(32,855)</u>
At 30 June 2022	<u>3,560</u>
Net book value	
At 30 June 2022	<u><u>2,271</u></u>
At 30 June 2021	<u><u>1,960</u></u>

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

12. Investments

	2022 £	2021 £
Market value at 1 July 2021	47,688	42,688
Unrealised gains / (losses)	<u>(3,036)</u>	<u>5,000</u>
Market value at 30 June 2022	<u>44,652</u>	<u>47,688</u>
Historical cost	<u>26,922</u>	<u>26,922</u>

The above investments held with Invesco and Blackrock 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

	2022 £	2021 £
Gift aid receivable	16,870	32,684
Prepayments	<u>5,224</u>	<u>1,943</u>
	<u>22,094</u>	<u>34,627</u>

14. Creditors: amounts falling due within 1 year

	2022 £	2021 £
Grant commitments (note 16)	140,115	126,752
Accruals	43,582	25,301
Other taxation and social security	<u>897</u>	<u>4,410</u>
	<u>184,594</u>	<u>156,463</u>

15. Creditors: amounts falling due after 1 year

	2022 £	2021 £
Grant commitments (note 16)	<u>33,083</u>	<u>-</u>

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For the year ended 30 June 2022

16. Grants commitments

	2022 £	2021 £
Grant commitments brought forward	126,752	275,743
Grants committed during the period	470,222	222,105
Grants paid during the period	<u>(423,776)</u>	<u>(371,096)</u>
Grant commitments carried forward	<u>173,198</u>	<u>126,752</u>

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	2,271	2,271
Investments	-	44,652	-	44,652
Net current assets	717,693	486,327	43,646	1,247,666
Creditors: due after 1 year	<u>-</u>	<u>-</u>	<u>(33,083)</u>	<u>(33,083)</u>
Net assets at 30 June 2022	<u>717,693</u>	<u>530,979</u>	<u>12,834</u>	<u>1,261,506</u>

	Restricted funds £	Designated funds £	General funds £	Total funds £
Prior period comparative				
Tangible fixed assets	-	-	1,960	1,960
Investments	-	47,688	-	47,688
Net current assets	<u>887,142</u>	<u>417,312</u>	<u>28,103</u>	<u>1,332,557</u>
Net assets at 30 June 2021	<u>887,142</u>	<u>465,000</u>	<u>30,063</u>	<u>1,382,205</u>

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

18. Movements in funds

	At 1 July 2021 £	Income £	Expenditure £	Gains / (losses) on investments £	Transfers between funds £	At 30 June 2022 £
Restricted funds						
<i>Partners' programmes and projects:</i>						
INF Nepal programmes & disaster relief	659,326	374,130	(490,715)	-	-	542,741
Seconded workers	140	50	(190)	-	-	-
Gordon Leitch memorial fund	29,316	-	-	-	-	29,316
Chhahari School	425	17	-	-	-	442
HBTA	382	43	-	-	-	425
KISC	193	-	-	-	-	193
PRABHAV	334	-	-	-	-	334
Samaritan Home	2,746	-	-	-	-	2,746
Volunteer workers support fund	172,871	24,961	(77,745)	-	-	120,087
Welfare fund for volunteer workers	21,409	-	-	-	-	21,409
Total restricted funds	887,142	399,201	(568,650)	-	-	717,693
Unrestricted funds						
<i>Designated funds:</i>						
Operating reserve	240,000	-	-	-	-	240,000
Nepal programmes	100,000	65,979	-	-	-	165,979
Investment in growth	125,000	-	-	-	-	125,000
Total designated funds	465,000	65,979	-	-	-	530,979
General funds	30,063	293,558	(307,751)	(3,036)	-	12,834
Total unrestricted funds	495,063	359,537	(307,751)	(3,036)	-	543,813
Total funds	1,382,205	758,738	(876,401)	(3,036)	-	1,261,506

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

18. Movements in funds (continued)

Prior period comparative	At 1 July 2020 £	Income £	Expenditure £	Gains / (losses) on investments £	Transfers between funds £	At 30 June 2021 £
Restricted funds						
<i>Partners' programmes and projects:</i>						
INF Nepal programmes & disaster relief	367,664	512,498	(220,836)	-	-	659,326
Seconded workers	165	1,770	(1,795)	-	-	140
Chhahari School	-	425	-	-	-	425
Ear camps	-	-	-	-	-	-
Gordon Leitch memorial fund	29,316	-	-	-	-	29,316
HBTA	1,089	562	(1,269)	-	-	382
KISC	193	-	-	-	-	193
PRABHAV	126	208	-	-	-	334
Samaritan Home	1,819	927	-	-	-	2,746
Volunteer workers support fund	236,531	29,947	(93,607)	-	-	172,871
Welfare fund for volunteer workers	21,409	-	-	-	-	21,409
Total restricted funds	658,312	546,337	(317,507)	-	-	887,142
Unrestricted funds						
<i>Designated funds:</i>						
Operating reserve	240,000	-	-	-	-	240,000
Nepal programmes	100,000	-	-	-	-	100,000
Investment in growth	125,000	-	-	-	-	125,000
Total designated funds	465,000	-	-	-	-	465,000
General funds	63,416	232,068	(270,421)	5,000	-	30,063
Total unrestricted funds	528,416	232,068	(270,421)	5,000	-	495,063
Total funds	1,186,728	778,405	(587,928)	5,000	-	1,382,205

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Notes to the financial statements

For the year ended 30 June 2022

18. Movements in funds (continued)

Purposes of restricted funds

Partners' programmes and projects

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

Volunteer workers support fund

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.

Welfare fund for volunteer workers

This fund is a result of a major fundraising effort some years ago on behalf of Volunteer Workers. It has grown through continuing standing orders and now amounts to £21,409. One example of the way this fund is used are small individual grants offered to retired Volunteer Workers to assist for travel costs associated with INF Conferences.

Purposes of 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 core costs for 2022/23.

Nepal programmes

Moneys allocated from the general fund for grants to partners in Nepal, but not yet disbursed, are designated as the programmes fund. Grants given by INF/UK are assessed against agreed criteria including INF's charitable purposes and its agreed vision and mission statements. Grants may be given for periods up to 3 years and are documented in memorandums of understanding with each partner.

Investment in growth

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

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2022

19. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2022	2021
	£	£
Amount falling due:		
Within 1 year	4,500	4,375
Within 1 - 5 years	-	-
	<u>4,500</u>	<u>4,375</u>

20. Related party transactions

There were no related party transactions during the year (2021: none).

21. Financial instruments at fair value

	2022	2021
	£	£
Financial assets measured at fair value	<u>44,652</u>	<u>47,688</u>

Financial assets measured at fair value comprise listed investments.