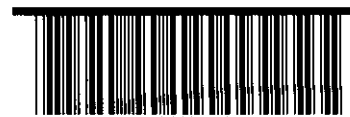


REGISTERED NUMBER:- 3060972.

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

FINANCIAL STATEMENTS

15 JULY 2001



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INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

CONTENTS
15 JULY 2001

	<u>PAGE</u>
COMPANY INFORMATION	1
DIRECTORS' REPORT	2 and 3
AUDITORS' REPORT	4
STATEMENT OF FINANCIAL ACTIVITIES	5
SUMMARY INCOME AND EXPENDITURE ACCOUNT	6
BALANCE SHEET	7
NOTES TO THE FINANCIAL STATEMENTS	8 to 15

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

COMPANY INFORMATION
15 JULY 2001

COMPANY NUMBER:

3060972

CHARITY NUMBER:

1047178

DIRECTORS:

Mr John Bradley (Chairman)
Mr Robert Cranston
Dr Elizabeth Forbes - Stone
Dr David Halpin
Rev Anthony Leighton
Dr Sarah Meanley
Dr Jan Parker
Rev John Putman
Mr Peter Rowe
Mr Alexander Swarbrick
Mr Asbjorn Voreland

COMPANY SECRETARY:

Mr John Reynolds

REGISTERED OFFICE:

69 Wentworth Road
Harborne
Birmingham
B17 9SS

AUDITORS:

Mazars Neville Russell
The Broadway
Dudley
West Midlands
DY1 4PY

SOLICITORS:

Anthony Collins Solicitors
Pearl Assurance House
4 Temple Row
Birmingham
B2 5HG

BANKERS:

Bank of Scotland plc
55 Temple Row
Birmingham
B2 5LS

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 15 July 2001.

PRINCIPAL ACTIVITIES

The principal activities of the company are as follows:

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year and do not anticipate any significant changes in the forthcoming year.

RESULTS AND DIVIDENDS

The results of the company for the year are set out, in the financial statements on pages 5 to 14.

FIXED ASSETS

The directors consider that the market value of freehold property is in excess of the net book value shown in the financial statements.

DIRECTORS

The directors set out below held office during the whole of the period from 16 July 2000 to the date of this report (unless otherwise stated):

Mr John Bradley	(Chairman)
Mr Robert Cranston	
Dr Elizabeth Forbes - Stone	
Miss Barbara Gill	(resigned 23 June 2001)
Dr David Halpin	
Rev Anthony Leighton	
Dr Sarah Meanley	
Mr George Nichols	
Dr Jan Parker	
Rev John Putman	
Mr Peter Rowe	
Mr Alexander Swarbrick	
Mr Asbjorn Voreland	

INTERNATIONAL NEPAL FELLOWSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

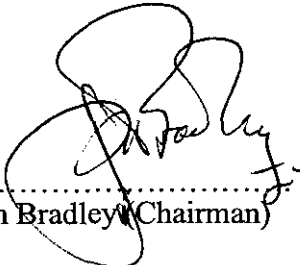
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements, and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

Mazars Neville Russell here indicate their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forth coming annual general meeting.

Approved by the board on 19/6/02 2002
and signed on its behalf by


.....
Mr John Bradley (Chairman)

AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL NEPAL FELLOWSHIP

We have audited the financial statement on pages 5 to 14 which have been prepared following the accounting policies set out on pages 8 and 9.

Respective responsibilities of the members of the Council of Management and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the charity's affairs at 15 July 2001 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS and
Registered Auditors

The Broadway
Dudley
West Midlands
DY1 4PY

19 March 2002



INTERNATIONAL NEPAL FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 15 JULY 2001

	Note	Unrestricted funds General funds £	Designated funds £	Restricted funds £	Total 2001 £	Total 2000 £
INCOMING RESOURCES						
General donations, etc		136,682	-	70,161	206,843	120,670
Contributions to printing		6,337	-	-	6,337	4,819
Support income		-	-	343,844	343,844	327,169
Designated Nepal and seconded workers		-	-	406,322	406,322	316,214
Members Welfare Fund		-	-	22,593	22,593	72,387
Grants receivable		18,444	-	205,614	224,058	88,746
Interest receivable	9	27,963	-	5,947	33,910	19,709
Income from literature and other sales		396	-	-	396	1,640
Conference fees		6,685	-	-	6,685	7,392
TOTAL INCOMING RESOURCES		<u>196,507</u>	<u>-</u>	<u>1,054,481</u>	<u>1,250,988</u>	<u>958,746</u>
RESOURCES EXPENDED						
Direct charitable expenditure:						
Purchases and conference costs		7,979	-	-	7,979	13,675
Members' costs UK	4	-	-	159,181	159,181	160,281
Grants payable to Nepal	20	-	-	152,780	152,780	78,434
Other funds remitted to Nepal	5	-	-	587,129	587,129	433,085
		<u>7,979</u>	<u>-</u>	<u>899,090</u>	<u>907,069</u>	<u>685,475</u>
Other expenditure:						
Communications		11,140	-	-	11,140	13,533
Stationery and supplies		11,043	-	-	11,043	11,533
Office and mission house		5,783	-	-	5,783	6,893
Publicity expenses		12,315	-	-	12,315	14,566
Personnel	3	96,923	-	-	96,923	85,479
Depreciation	11	4,854	7,000	-	11,854	-
Sundries		2,400	-	-	2,400	5,452
		<u>144,458</u>	<u>7,000</u>	<u>-</u>	<u>151,458</u>	<u>137,456</u>
TOTAL RESOURCES EXPENDED		<u>152,437</u>	<u>7,000</u>	<u>899,090</u>	<u>1,058,527</u>	<u>822,931</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
	6	44,070	(7,000)	155,391	192,461	135,815
Transfers from restricted to unrestricted funds	7	<u>33,794</u>	<u>-</u>	<u>(33,794)</u>	<u>-</u>	<u>-</u>
NET INCOMING/(OUTGOING) RESOURCES		<u>77,864</u>	<u>(7,000)</u>	<u>121,597</u>	<u>192,461</u>	<u>135,815</u>
Net transfer between funds	18	(71,204)	71,204	-	-	-
Surplus on revaluation of freehold property	11	-	-	-	-	242,585
Unrealised (losses)/gains on investment assets		-	-	-	-	(137)
NET MOVEMENT IN FUNDS		<u>6,660</u>	<u>64,204</u>	<u>121,597</u>	<u>192,461</u>	<u>378,263</u>
FUND BALANCES AT BEGINNING OF YEAR		<u>156,003</u>	<u>415,871</u>	<u>203,709</u>	<u>775,583</u>	<u>387,051</u>
FUND BALANCES AT END OF YEAR		<u>162,663</u>	<u>480,075</u>	<u>325,306</u>	<u>968,044</u>	<u>765,314</u>

All recognised gains and losses are included in the statement of financial activities.

The company's income and expenditure all relates to continuing operations.

INTERNATIONAL NEPAL FELLOWSHIP

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 15 JULY 2001

	2001 £	2000 £
Total income of continuing operations	1,250,988	958,746
Total expenditure of continuing operations	<u>(1,058,527)</u>	<u>(822,931)</u>
Net income for the year	<u>192,461</u>	<u>135,815</u>

Total income comprises £196,207 for unrestricted funds and £1,054,481 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analyses of expenditure are provided in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 5 which, together with the notes to the accounts on pages 6 to 14, provides full information on the movements during the year on all the funds of the company.

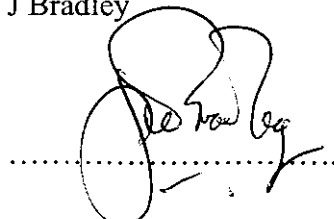
INTERNATIONAL NEPAL FELLOWSHIP

BALANCE SHEET AT 15 JULY 2001

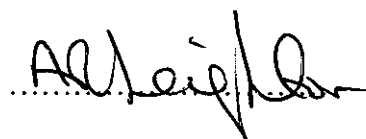
	Note	General funds £	Designated funds £	Restricted funds £	Total 2001 £	Total 2000 £
Fixed assets						
Tangible assets	11	6,801	343,000	-	349,801	359,535
Investments	12	11,408	-	-	11,408	11,408
		<u>18,209</u>	<u>343,000</u>	<u>-</u>	<u>361,209</u>	<u>370,943</u>
Current assets						
Stock of literature	10	353	-	-	353	353
Debtors and prepayments	13	26,009	-	35,310	61,319	169,333
Cash at bank and in hand		150,376	137,075	377,608	665,059	434,020
		<u>176,738</u>	<u>137,075</u>	<u>412,918</u>	<u>726,731</u>	<u>603,706</u>
Creditors: amounts falling due within one year						
Creditors and accrued charges	14	(32,284)	-	(87,612)	(119,896)	(199,066)
Net current assets		<u>144,454</u>	<u>137,075</u>	<u>325,306</u>	<u>606,835</u>	<u>404,640</u>
Total net assets		<u>162,663</u>	<u>480,075</u>	<u>325,306</u>	<u>968,044</u>	<u>775,583</u>
Funds						
Restricted funds	17	-	-	325,306	325,306	203,709
Designated funds:	18					
Revaluation reserve	11	-	237,585	-	237,585	242,585
Other		-	242,490	-	242,490	173,286
General reserve		162,663	-	-	162,663	156,003
		<u>162,663</u>	<u>480,075</u>	<u>325,306</u>	<u>968,044</u>	<u>775,583</u>

Approved by the Board on 14 July 2002
and signed on its behalf

J Bradley



A R Leighton



INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Income

Income represents amounts received during the period, with the exception of grants, the accounting policy for which is set out below. Tax refunds are accrued in accordance with the SORP Accounting by Charities.

Depreciation

Depreciation is calculated to write off the cost of the assets less their residual value over their expected useful lives using the following rates:

Computer equipment and software	33 1/3% straight line
Freehold buildings	2% straight line

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme as 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.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Investments

Investments are valued at market value in accordance with the SORP Accounting by Charities. Changes in value during the period are reported in unrealised gains/losses in investment assets in the statement of financial activities.

Foreign currencies

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

Grants

Grants received towards specific projects are taken to income during the period in which they are receivable so as to match them with the expenditure towards which they contribute. 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.

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

1 ACCOUNTING POLICIES (Continued)

Designated funds

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

Restricted funds

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

Cash flow statements

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

2 INCOMING RESOURCES

All of the incoming resources relate to the principal activity of the company. Grants receivable of £205,614 in 2001 were attributable to the EC, whilst the remainder of incoming resources were mainly attributable to the UK.

3 STAFF COSTS

	2001 £	2000 £
Wages and salaries	77,935	72,700
Social security costs	6,161	5,976
Other pension costs	6,978	3,578
Courses, travel and other	5,849	3,225
	<u>96,923</u>	<u>85,479</u>
Average number of employees		
Management	1	1
Administration	5	5
Home leave	5	7
	<u>11</u>	<u>13</u>

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

4 MEMBERS COSTS UK

	2001 £	2000 £
Home leave allowances	20,417	63,196
Re-equipment allowances	3,746	5,722
Accommodation and travelling	22,601	14,146
Social security costs	7,469	8,241
Other pension costs	37,140	44,839
Welfare fund payments	64,001	-
Provision for UK-based sabbaticals	-	15,000
Other expenses	3,807	9,137
	<u>159,181</u>	<u>160,281</u>

5 REMITTED TO NEPAL

Support	123,481	83,903
Provision for members' conference in Nepal	-	5,000
Designated Nepal - monies for specific projects	511,220	286,895
Seconded workers	35,047	29,319
Personal gifts	70,161	27,968
	<u>739,909</u>	<u>433,085</u>

6 NET MOVEMENT IN RESOURCES FOR THE YEAR

The net movement in resources for the year is stated after charging:

Depreciation of owned tangible fixed assets	11,854	4,414
Audit fee	3,000	2,750
	<u></u>	<u></u>

7 TRANSFERS FROM RESTRICTED FUNDS

Under the terms and conditions for members, each adult UK member is responsible to fund support income to include a contribution to unrestricted company administration costs. It is the policy of the company to transfer a proportion of this as decided upon by the directors.

During the year to 15 July 2001, support income included an amount of £33,794 (2000 £16,610), all of which was transferred to unrestricted funds during the year.

8 DIRECTORS' REMUNERATION

No directors' remuneration was voted during the year. Directors' expenses incurred in connection with the company's affairs amounted to £631 (2000 £478).

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

9 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Bank interest	33,910	19,246
Income from investments	-	463
	<u>33,910</u>	<u>19,709</u>

10 STOCKS

Goods and resale	<u>353</u>	<u>353</u>
------------------	------------	------------

11 FIXED ASSETS

	Freehold property £	Computer equipment and software £	Total £
Cost or valuation			
At 16 July 2000	350,000	24,371	374,371
Additions	-	2,120	2,120
Disposals	-	(10,839)	(10,839)
	<u>350,000</u>	<u>15,652</u>	<u>365,652</u>
At 15 July 2001	<u>350,000</u>	<u>15,652</u>	<u>365,652</u>
Depreciation			
At 16 July 2000	-	14,836	14,836
Charge for the year	7,000	4,854	11,854
Disposals	-	(10,839)	(10,839)
	<u>7,000</u>	<u>8,851</u>	<u>15,851</u>
At 15 July 2001	<u>7,000</u>	<u>8,851</u>	<u>15,851</u>
Net book value			
At 15 July 2000	<u>350,000</u>	<u>9,535</u>	<u>359,535</u>
At 15 July 2001	<u>343,000</u>	<u>6,801</u>	<u>349,801</u>

The freehold property at 69 Wentworth Road, Harborne, Birmingham, was valued as at 15 July 2000 by Hadleigh, Chartered Surveyors of Harborne, Birmingham, on a vacant possession basis.

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

12 INVESTMENTS	2001 £	2000 £
Charinco Common Investment Fund: Market value at beginning of year	11,408	11,545
Unrealised gain during the year	-	(137)
	<u>11,408</u>	<u>11,408</u>
Market value at end of year	<u>11,408</u>	<u>11,408</u>

The above investments 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.

13 DEBTORS AND PREPAYMENTS

Trade debtors	-	1,686
Tax reclaimable	46,125	54,067
Other debtors - grants receivable	-	110,221
Other debtors and prepayments	15,194	3,359
	<u>61,319</u>	<u>169,333</u>

There are no debtors falling due after more than one year

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

Funds held for Nepal	87,612	155,457
Trade creditors	-	1,550
Other creditors	13,637	1,798
Taxation and social security	1,483	2,266
Payments received on account	-	6,719
Accruals and deferred income	17,164	31,276
	<u>119,896</u>	<u>199,066</u>

15 CONTINGENT LIABILITY

Should the freehold property ever be sold due to the International Nepal Fellowship ceasing to work in Nepal or the United Kingdom, there would be a liability to repay a gift of £25,000 or 25% of the net proceeds if greater. For this purpose, the net proceeds of sale will be adjusted to have regard to improvements expenditure incurred since acquisition. The directors do not anticipate such a liability crystallising in the foreseeable future.

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

16 PERSONAL GIFTS

Personal gifts amounting to £70,161 (2000 £27,968) were received on behalf of, and forwarded to missionaries in Nepal.

17 RESTRICTED FUNDS

	Brought forward £	Donations and gifts £	Direct charitable expenditure £	Transfers £	Carried forward £
Gordon Leitch Memorial Scholarship Fund	15,467	490	-	-	15,957
Support fund	-	343,844	(170,235)	(156,816)	16,793
Operational reserve (support)	24,629	-	-	35,696	60,325
Home assignment reserve	74,000	-	(48,104)	67,595	93,491
Members welfare fund	79,344	26,155	(64,001)	-	41,498
Designated Nepal	-	344,230	(344,230)	-	-
Seconded workers	-	35,047	(35,047)	-	-
Scholarship Fund	-	1,815	(1,160)	-	655
Gospel Outreach fund	-	840	-	-	840
Himalayan Ministries	-	20,311	(13,050)	-	7,261
Others in Nepal	-	5,652	-	-	5,652
Members in UK	-	322	(322)	-	-
Personal gifts	-	70,161	(70,161)	-	-
Emergency repatriation reserve	-	-	-	15,000	15,000
Sabbatical reserve	10,269	-	-	4,731	15,000
TLP fund	-	164,682	(112,015)	-	52,667
HSP fund	-	40,932	(40,765)	-	167
	<u>203,709</u>	<u>1,054,481</u>	<u>(899,090)</u>	<u>(33,794)</u>	<u>325,306</u>
Transfer to unrestricted funds from support income	-	-	(33,794)	33,794	-
	<u>203,709</u>	<u>1,054,481</u>	<u>(932,884)</u>	<u>-</u>	<u>325,306</u>

INTERNATIONAL NEPAL FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 15 JULY 2001

18 DESIGNATED FUNDS

The unrestricted funds include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 16 July 2000 £	New designations £	Utilised/ released in year £	Balance at 15 July 2001 £
Operational reserve (support)	33,371	-	(33,371)	-
Operational reserve (general)	32,500	3,575	-	36,075
Property reserve	350,000	-	(7,000)	343,000
UK development fund	-	30,000	-	30,000
Emergency repatriation fund	-	35,000	-	35,000
Gift to Nepal	-	36,000	-	36,000
	<u>415,871</u>	<u>104,575</u>	<u>(40,371)</u>	<u>480,075</u>

The emergency reserve comprises monies set aside to cover the cost of evacuating personnel from Nepal in the event of an emergency, although this is not envisaged within the twelve months following the date of the signing of the accounts. The amount set aside represents the net costs of flights from Nepal based on current air fares, together with home leave costs for two months, less the balance of restricted reserves as indicated in the balance sheet. In the opinion of the directors, the restricted reserve balance of support income can be used for the purpose of evacuation.

The property reserve represents the current market value the property at 69 Wentworth Road.

The operational reserve comprises an estimate of the costs of basic field support plus UK administration for two and a half months, and this has been created because of the fluctuating nature of income.

19 RELATED PARTY TRANSACTIONS

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

20 GRANTS PAYABLE

These comprise the following grants, all in excess of £10,000:

Payable to institutions:

INF Nepal: Community Health and Development Project (Burtibang)	2001 £	2000 £
T Band Leprosy Project	-	78,434
Health Services Partnership	112,015	-
	40,765	-
	<u>152,780</u>	<u>78,434</u>
	Number	Number
Number of grants	<u>2</u>	<u>1</u>

21 RESERVES POLICY

Operational reserves

To cover fluctuations in income on both restricted account and unrestricted account. Level of reserve to be held = 2.5 months of total projected annual costs on the Support fund (restricted fund), and the UK budget (unrestricted fund) respectively.

Home assignment reserves

An element of regular monthly support is required towards a member's eventual home assignment at the end of their period in Nepal. This is credited to a home assignment reserve on a monthly basis. Payment of home assignment costs is taken from the home assignment reserve.

Emergency reserves

The security position in Nepal is fragile. During the financial year there was an increase in Maoist activity, which was exacerbated by the massacre in the Royal Palace in June. Subsequent to the year end an increase in Maoist activity has resulted in a national state of emergency with the government using the army, as well as the police, to combat the insurgency.

The board consider it imperative to an emergency reserve to enable it to respond to any emergency that arises.

Property reserve

Property is in the balance sheet at a net book value of £343,000. This forms the basis of the property reserve. No revaluation is proposed at this stage.

General reserves

For prudence sake the board wish to hold sufficient general reserves to cover needs as yet not identified. As a matter of principle it does not wish to hold unnecessarily high reserves and has set itself a maximum upper target for general reserves of approximately £150,000, to be reviewed annually, or as necessary.

Restricted reserves

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