



INTERNATIONAL NEPAL FELLOWSHIP

Annual Report and Audited Accounts

Year ending 30 June 2021

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

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Chief Executive's summary

A challenging year, but we have hope for a better tomorrow

Like so many countries around the world, Nepal endured another difficult and challenging year because of the pandemic. The nadir occurred in April, when a second wave hit, and for a while Nepal became the Covid-19 epicentre of the world for infections.

Those dark days mirrored the situation in India just a few weeks prior, with desperate families searching for oxygen for their loved ones, full hospitals, and very few places to turn to for help or hope. The fragility of Nepal's health system was exposed, and people were rightly frightened.

Lockdowns and other restrictions taken to stem the tide of the virus had an immediate and stark impact on many. Overnight, daily wage workers had no employment and even those in employment faced huge difficulty in sustaining their families with a lack of food and basics.

Later in this report you can read of the actions taken by INF/UK and its partners to meet the needs of many thousands impacted by Covid-19 this year.

Covid-19 also had a severe impact on the projects supported by INF/UK. Again, because of lockdown and other restrictions, many had to effectively shut down for months on end, putting planned work on hold. When it became possible for projects to start again, it was often at lower levels initially. This has had a significant impact on the financial picture presented in this report.

While fundraising continued at a similar level to 2019-20, the hiatus in project work in Nepal meant we were unable to send the amount planned to projects being on hold. This imbalance will rectify itself as work is caught up this year and subsequently, but our financial statements this year need to be read with this clearly in mind.

In May 2021 we felt the harsh reality of the Government's decision to reduce Overseas Aid from 0.7% to 0.5%. INF/UK had been successful in brokering a new and innovative partnership between the Defence Medical Rehabilitation Centre (DMRC) at Stanford Hall (the UK centre of excellence for disability for all armed forces), The Tropical Health and Education Trust, and INF Nepal's Green Pastures Hospital. With Government funding of £350,000, the planned project would have made a significant contribution to the development of Nepal's health system, built capacity at local government level to respond to people with disabilities, and supported many Disabled Person Organisations. Sadly, just a few days before the project was due to start, the funding was cancelled.

While the cancellation of the planned project was hugely disappointing, DMRC and INF continued to see the merit in working together for the benefit of the Nepali people. Since the pandemic hit, DMRC had built significant experience in responding to Covid-19, and rehabilitating people suffering acute responses to it. The decision was taken to create a new programme that would enable the sharing of that learning and expertise. Experts from DMRC will offer their time voluntarily and team up with counterparts in Nepal to share learning, and protocols and training materials are being made freely available INF Nepal's Green Pastures Hospital. INF is profoundly grateful to DMRC for the way they responded to get this project off the ground quickly.

Despite the huge challenges faced during the past 12 months, we remain hopeful for a better tomorrow, positive we will overcome these challenges, and completely committed to supporting and serving the people the charity exists for.

Despite the many challenges encountered in 2020/21, the following pages of our annual report record many of the wonderful things achieved through our partners in Nepal. A big 'THANK YOU' goes to them and the dedication and commitment of their staff during these difficult times.

The final words of the introduction must be a simple, but heart felt 'THANK YOU' to everyone who has supported us in so many ways this year. One small thing that touched my heart greatly was an envelope with shaky handwriting containing a piece of paper to which was sellotaped a 50p piece. That 50p epitomises the love that so many have for this wonderful country called Nepal and its wonderful people.

A handwritten signature in black ink, appearing to read 'John Reynolds', with a large loop at the end.

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 2021.

Reference and administrative information set out on page 24 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 is a forward-thinking and impactful organisation, fulfilling its charitable objectives and demonstrating public benefit through the support of:

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

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

OUR VISION

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

OUR MISSION

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

OUR VALUES

- Love and compassion
- Inclusion and dignity
- Professional excellence

OUR ETHOS

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

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

DEMONSTRATING PUBLIC BENEFIT

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

Ordinarily, officers of the charity (Trustees, executives, and staff) would regularly visit partner projects to verify that the works of its partners are to the public's benefit and are consistent with the charity's objectives. This has not been possible for the past year due to Covid-19 restrictions. In place of these visits INF/UK's Chief Executive has held regular meetings with the Executive Directors of the charity's main partners and their projects have been closely monitored by the charity's Programmes Manager. It is hoped that in-person visits will be possible again from early 2022.

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 with, and in support of municipal authorities rather than independently, and will often mobilise their networks of local church communities across Nepal to support relief activities.

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

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

Elijah Counselling Training Centre (ECTC): A specialist organisation with expertise in psychological counselling and training. ECTC has been providing vital support for people affected by the long-term psychological effects of the 2015 earthquake.

Coronavirus in Nepal

First wave of Covid-19

In July 2020, Nepal was still in a nationwide lockdown that had been in force since mid-March to restrict the spread of Covid-19. Although the volume of cases in Nepal's first wave did not cause a healthcare crisis, the extended lockdown had severe consequences on the poorest, especially the flood of migrant workers who returned home to Nepal and daily wage labourers who struggling to provide for their families.

Between June and October 2020 our partners helped around 9,000 Nepalis across 8 of the districts most affected by the pandemic, including along the Indian border and in rural western communities:

- 5,000 people received food packages.
- 2,000 food and drinks for returning migrants.
- 14 quarantine centres equipped, including mosquito nets.
- 200 nutrition packs for new and pregnant mothers.
- 500 personal hygiene packs for adolescent girls.
- 11 hand washing stations for schools and health-posts.
- 600 children received teaching during school closures.

Food relief

Food packages were delivered to 605 households (at least 3,000 people) in Nawalparasi, near the Indian border thanks to Asal Chhimekee Nepal (ACN). INF Nepal delivered food relief to more than 400 households (about 2,000 people) in Kalikot, Jumla and Mugu. Each household received enough food for about two weeks, including rice, lentils, oil, salt, sugar and soap.

Returning migrant workers and hospital patients

Sarwangin Sewa Samaj (SSS) gave vital food and drink to 2,000 migrant workers as they returned across the border into Nepal. They also fed 15 hospital patients at the Bheri Zonal Hospital, while ensuring that their volunteers had the equipment to protect themselves from contracting Covid-19.

Quarantine centres

INF Nepal helped protect people staying at 14 quarantine centres, as they attempt to travel home – many returning from migrant labour in India. Food supplies and equipment such as mosquito nets were provided, as well as personal hygiene kits including items such as soap, toothbrushes and toothpaste.

Supporting women, teenage girls, and children

In Bajura, Group of Helping Hands (SAHAS) Nepal delivered a wide-ranging package of support: nutrition packs for 200 new and pregnant mothers, hygiene packs for 500 adolescent girls, 11 hand-washing stations were established at schools and health posts, and they also supported people at a quarantine centre. To help minimise the impact of schools being closed, 30 community-managed coaching centres were set up to deliver some education for 600 children.

Second wave of Covid-19

In April 2021 a far more devastating wave of Covid-19 hit Nepal, which quickly overwhelmed the country's fragile healthcare system and caused widespread devastation.

Our partners' response, which began in May and continued later into 2021, 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 Asal Chhimekee Nepal (ACN), and Group of Helping Hands (SAHAS) Nepal helped 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 Nepal 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 Sarwangin Sewa Samaj (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 Nepal's 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) has a core vision of becoming a Centre of Excellence in the Holistic Care and Prevention of Disability, transforming lives and communities for the poor and disadvantaged people of Nepal.

During a particularly difficult year due to Covid-19, INF/UK was the second largest international donor for services provided at GPH. We have supported various specific services which are detailed below, as well as covering a financial deficit caused by the pandemic. This support has been especially appreciated as income from local patients was 27% less income than budgeted, due to the hospital being affected by lockdowns for two and a half months.

GPH serves about 36,000 outpatients visits annually. The hospital treats people affected by Leprosy, spinal cord injury and other spinal disorders, hearing disabilities, palliative care, cerebral palsy, and ortho-related patients. A dedicated team provides holistic care to address the patients' physical, psychological, social, and spiritual needs.

Also during this year, GPH has been registered as a 100-bed hospital with the Nepal Government's Ministry of Health and Population.

Impact of Covid-19

GPH took steps to prevent a widespread outbreak of the disease by procuring essential supplies, equipment, and medicine, building the capacity of medical personnel through training, and spreading public awareness through signage and social media. INF/N also provided food package support to poor and needy people who are unable to earn their livelihood due to nationwide lockdown and travel restrictions. As a part of the Government's priority list, its frontline workers and hospital staff have been fully vaccinated.

Due to Covid-19 lockdowns and some people's fear, many patients were delayed in seeking treatment at GPH. This leads to more complications and a delay in their rehab, with many patients waiting until they develop a major problem before coming for care. To help with this, GPH introduced a telehealth service for its Spinal Cord Injury (SCI) and stroke patients. A total of 302 people with disabilities and their caregivers have been contacted, while 40 SCI patients received health packages including urine bags, gloves, catheters, and gauze.

INF/UK has also contributed to GPH's comprehensive Covid-19 preparation and response project. This includes ordering medical and life-saving equipment to treat Covid-19 patients, such as oxygen concentrators, and a new oxygen plant is being installed. A 12-bed Covid ward has been established for providing care and treatment for patients, including those requiring oxygen supply. These treatment and isolation beds are made generally available but priority is given to people with disabilities, as GPH is able to address the interlocking health issues.

Leprosy

GPH's leprosy programme continues to contribute to the goal of 'zero transmission, zero discrimination and zero disability' through early case detection, provision of inpatient services, provision of health care education and self-care technique, reconstructive surgeries, and provision of assistive devices through the hospital.

To aim is to provide high-quality leprosy services and reduce disabilities caused by leprosy in western Nepal. In 2020/21 this involved:

- 1,551 people received outpatient services.
- All of the 97 admitted inpatients were given self-care training.
- 100% of leprosy patients were discharged with an improved health condition.

SCI and other disabilities

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

In 2020/21 GPH provided high-quality rehabilitation services to patients with significant rehabilitation to patients with physical disabilities through:

- 23,590 visits of patients with physical disabilities received outpatient care.
- 6,586 physiotherapy sessions attended.
- 3,782 occupational therapy sessions attended, including bowel and bladder management, provision of education and information on sexual and reproductive health, and activities of daily living.
- 1,136 different assistive aids (such as wheelchair, toilet chair, pressure-relieving mattress, cushions, and other mobility aids) provided to patients with physical disabilities.
- 317 surgeries were conducted for patients with physical disabilities.

Acute Trauma Care

GPH is now further contributing towards the prevention of disability resulting from trauma by providing emergency care and surgery, followed by immediate rehabilitation, through its new Acute Trauma Care service.

The four-bed service makes GPH a comprehensive centre for the management of patients – from the initial stage of injury to the final stage of re-integration back to their communities. The longer-term plan is to expand this service to become a 50-bed trauma hospital.

Although the service was only fully ready in March 2021, 164 people benefitted through nursing care, rehabilitation, and counselling. Out of these, 19 patients were immediate trauma victims.

Palliative Care

INF/UK supporters have benefitted Nepali people in need of palliative care, enabling the service at Green Pastures to progress to the next phase in the long-term strategy of developing an innovative model of palliative care integrated with chronic disease management.

The vision of establishing an excellent palliative care service at GPH took a significant step forward with the opening of the new Palliative Care Centre in November 2020. Through INF/UK, an international donor provided the equipment needed for 10 adult inpatient beds, initial staff salaries, and staff training, as well as additional infrastructure including a disability-accessible sensory garden, external seating area, and some landscaping.

The palliative care team works closely with other doctors and nurses at Green Pastures. Over the last year, clients were admitted for a total of 196 inpatient days, of which 167 were supported by charity subsidy. 40 other hospital inpatients were referred to the service for palliative support, pain assessments, or counselling.

In the community, 227 home visits were carried out, including the frail and aged living on the Green Pastures complex, for a monthly average of 26 patients over the course of the year. Clinic reviews, phone reviews, and pain assessments are also part of the community service.

Cerebral Palsy

During the past year this project has provided an opportunity for 82 children with cerebral palsy to access specialized services including physiotherapy, occupational therapy, speech therapy, and assistive/mobility devices.

For next year there are plans to incorporate this into a broader service for children with a range of development disorders.

Shining Hospital, Surkhet

Surkhet Rehabilitation Development Project

After many years of transforming the lives of people with disabilities in Surkhet, the Rehabilitation Development Project based at INF Nepal's Shining Hospital has had to come to an end.

The loss of international funding has forced Shining Hospital to reduce the services it provides, sadly resulting in staff redundancies. INF/UK worked closely with INF Nepal over several months to try and resolve the situation. However, with INF/UK supporters left as the sole funders, it was clearly unsustainable and beyond INF/UK's means to increase the level of its annual commitment to five times the previous amount.

In the final year of this project, despite the significant disruption caused by the Covid pandemic, 479 people with disabilities received access to high-quality rehabilitation services and were supported through the re-integration into their home communities:

- 198 patients were assessed in the outpatient department for basic medical screening.

- 435 patients were assessed for therapeutic interventions in the rehab department.
- 2,093 therapy sessions were provided to strengthen and improve the functional ability of outpatients.
- 14 patients were admitted for therapeutic interventions.
- 2 clients received home modifications to make their home environment suitable for their needs.
- 89 assistive devices (including orthotic devices and wheelchairs) were provided to patients to enable them to carry out daily activities and participate actively and productively in community life.

However, this is certainly not the end of INF/UK's support for people with disabilities in Surkhet. A new three-year **Access and Inclusion** project will start in early 2022. Benefiting over 1,300 people, it will tackle the issues which result in people with disabilities in Nepal being more likely to be unemployed or underpaid. It will enable them to enjoy equal rights, equal opportunities, and a barrier-free environment adapted to fit their needs.

Fistula Centre, Surkhet

Fistula Outreach

Obstetric fistula is a devastating birth injury that can be prevented through awareness-raising, along with increased access to antenatal check-ups and giving birth in healthcare deliveries.

It is completely preventable where there is community awareness and adequate obstetric services. The outreach programme aims to identify patients needing treatment and to educate communities and health workers on how fistula can be prevented.

INF/UK supporters are funding INF Nepal's awareness-raising activities through a Fistula Outreach and Rehabilitation Coordinator and four Fistula Outreach Facilitators.

Fistula treatment is only available from four hospitals in Nepal, and INF's Fistula Centre at the Karnali Provincial Hospital in Surkhet is only the government hospital providing fistula treatment free of cost, with the financial and technical support of Shining Hospital Surkhet.

As the first phase of this outreach work, the team visited 42 municipalities and rural municipalities in the various different districts of the project working area, to explain the service and seek opportunities to share with relevant local groups.

During the past year period, Fistula outreach activities included:

- 28 women's groups in Baitadi, Kalikot, Salyan and Rupandehi, Achham and Mugu districts.
- 45 groups of female community health volunteers in various local areas of 6 districts.
- 22 high schools in the 6 target districts.
- 12 events raising awareness of fistula among other NGOs and INGOs.

As a result, 38 suspected fistula patients were contacted, and the diagnosis has been confirmed in 13 patients. Some of them have already received treatment, and others are waiting for their treatment. Other suspected fistula patients were given advice and counselling.

Medical Charity Funds

Sarwangin Sewa Samaj (SSS), Banke

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

Over the past 12 months, SSS has provided food and counselling for more than 800 people, who would otherwise not be able to afford care. They also supported almost 500 people with advocacy and relevant referrals, and supported the costs of medical treatment for 246 patients. This includes support provided in response to the Covid-19 crisis, which is detailed earlier in this report.

INF/N Medical Charity Funds

INF/UK is a major funder for the INF Nepal's Medical Charity Funds, donating almost 30% of the support for patients who are unable to afford their treatment at Green Pastures Hospital (GPH). During the past year, 488 patients benefitted from this support after socio-economic assessment by INF social workers.

This helped patients with disabilities, including spinal cord injury, stroke, amputations, cerebral palsy, club feet, and burn contractures. They received support for assistive devices, surgery, surgical implants, and rehabilitation in the hospital.

In Surkhet, the Medical Charity Fund is fully funded by INF/UK supporters. Last year this covered treatment, medicine and travel costs for 63 individuals.

Community Health and Development

Kalikot

Community Resilience and Development

This project has faced some significant challenges this year as a result of Covid-19, however progress is being made with almost 2,000 people participating in local self-help groups – more than 80% of whom are female.

Training to improve agriculture is helping reduce food poverty, generating better yields and making food production more sustainable. The project also focuses on removing barriers for disadvantaged groups such as women, girls and people with disabilities – helping increase their participation in village life, as well as improving maternal and child health.

To help prepare for natural disasters, such as landslides with villages perched on steep hillsides, people have been trained in first aid and how to move injured people. The government has established a new health post in one of the project area communities, supported by INF Nepal with health equipment and medication. All 90 self-help groups have established emergency grain stores and funds for emergency assistance during disasters.

As a result of the income generation support and business creation training, a total of 33 people have started different businesses such as vegetable farming, poultry farming, retail shops, buffalo farming, a

hotel, and a nursery. Income from these businesses is helping them pay for their basic needs such as food, clothes, children's health, and education.

Bajura

Inclusive Development Empowerment and Livelihood (IDEAL)

This project aims to sustainably improve the quality of life of people living in Bajura. In the past year, 6,833 people have directly benefited from this project, including 1,827 self-help group members.

People have been encouraged to adopt improved farming techniques through training on crop diversification and the importance of kitchen gardens. A total of 374 households are now engaged in farming fruit and vegetables to consume at home, and selling excess produce to make some additional income.

Due to extreme poverty, many adolescent girls in these communities are not able to buy ready-made sanitary pads, and would be absent from school during their period. 200 adolescent girls were taught how to make their own sanitary pads. The teachers were so impressed by this initiative that they have committed to continue it for the school's future groups of adolescent girls.

A total of 54 people have opened bank accounts to help manage their money and form saving habits. This has also increased the access of women to financial resources, and they have started various businesses such as goat rearing, poultry rearing, retail shops, tailoring, and hotels.

Action has also been taken by self-help groups to prevent landslides, protecting 106 homes in two villages during this year's monsoon season.

Promoting Safe and Alternative Environment for Education

Nepal's education system was hard-hit by the Covid-19 pandemic as schools were shut down leading to uncertainties about the future. This nine-month project was planned in response to the pandemic's impact on children's education in Bajura, with the planned three-year project **Inclusive and Quality Education for Girls** then starting in May 2021.

Through the Covid-19 bridging project, Group of Helping Hands (SAHAS) Nepal aimed to facilitate an environment for continuing school and home-based learning during Covid-related school closures, through improved collaboration between parents, teachers, and local government.

It included three different schools (Shree Laxmi Secondary School, Shree Bal Mandir Basic School and Masteswori Basic School) in the Badimalika Municipality in Bajura district. In order to engage school students in their studies at home during school closures, this project also supported the continuation of 13 Community-Managed Coaching Centres (CMCCs).

Project highlights included:

- To help restrict the spread of Covid-19, a handwashing demonstration was conducted in three schools where a total of 653 students practiced six steps of handwashing, along with the distribution of hygiene kits which include masks, soap, toothpaste, and a toothbrush.
- Thanks to the construction of the drinking water systems at two schools, children and teachers can now access clean and safe water, benefitting a total of 365 children.
- Each CMCC supported students in their school assignments and homework, and their continued learning in subjects such as Maths, Science, Nepali. A total of 286 students were actively engaged and benefitted from the CMCCs.
- 312 students from marginalised backgrounds were given educational materials to help students to do their homework, retain students in the CMCCs, and enable a better learning environment for the students.

Surkhet

Leprosy Free Communities, Surkhet

This project has helped improve the identification, diagnosis and treatment of leprosy at government-run health centres, as well as identify leprosy cases in the community through skin outreach camps.

Over the past three years, 1,680 people with dermatology cases attended outreach camps. The project has also improved the knowledge and skills of 178 female community health volunteers.

Training was given to outpatient and laboratory staff at health institutions, while awareness-raising activities took place in schools and for the general public.

At the conclusion of this project, INF leprosy services have largely moved from Surkhet to Banke, where cases are more prevalent in the population of this terai district. INF/UK has made a new three-year commitment to a similar project in Banke.

New projects

Two new Community Health and Development projects delivered by INF Nepal began in April 2021:

- **Climate Change Adaptation in Bajura:** Helping communities adapt to the changing climate, improving farming practices, and creating income-generating opportunities for people to lift themselves out of poverty.
- **Community Medical Outreach:** Medical camps in various remote districts for people living with disabilities or affected by leprosy, including referrals for surgery and rehabilitation at Green Pastures Hospital.

However, due to the significant impact of the second wave of Covid-19 and related lockdowns, most of the initial project activities were delayed until after the year ended on 30 June 2021.

More information will be included on both these projects in the 2021/22 Annual Report.

Disaster Relief

Monsoon 2020 response (several districts)

Natural disasters during Nepal's annual monsoon season were even more keenly felt in 2020, with communities already struggling due to the pandemic.

About 300 people lost their lives across dozens of incidents. By the end of July flooding in several districts had affected at least 70,000 people, with many more whose homes or livelihoods were damaged by landslides.

Thanks to the response to our Monsoon Appeal in September, INF/UK supporters helped over 4,400 people through the distribution of food and hygiene kits as well as materials to build temporary shelters.

There was an extended period of disruption, which started in early July when Asal Chhimekee Nepal responded to flooding in Nawalparasi and landslides in Myagdi. INF Nepal delivered much-needed relief in Kalikot which was also hit by landslides in July. INF's support continued in Baglung following early September flash-floods which affected 80 homes, two schools and a health post.

Fire response, Rolpa

In March 2021 a forest fire broke out in Rolpa district, and within a few days it destroyed 37 homes and 11 cow sheds across six rural villages.

INF Nepal together with Asal Chhimekee Nepal responded to a request from the local government for support. With support from INF UK, 21 families were given materials to help repair their homes.

Fifteen households have already used these materials to repair their homes, while the other six have used the corrugated metal sheets to make temporary shelters.

Raptisonary Recovery Project, Banke

The two-year Raptisonary Recovery Project was completed by INF Nepal in June 2021, reducing the risk of natural disasters and improving recovery plans for people living in the Raptisonary Rural Municipality in Banke district, which was hit by major flooding in 2017.

Local Disaster Risk Reduction and Management committees have been formed in all nine wards of the municipality, empowering local communities to identify and assess the impact of disasters like flooding and domestic fire in their surroundings and to address them by preparing and implementing action plans.

The project has also provided vocational training to young people and women, helping to create employment opportunities and greater financial independence.

Community based Psychological Support, Sindhupalchowk and Kavre

This three-year project was delivered by the Elijah Counselling Training Centre (ECTC) as part of the long-term response to the major earthquake which devastated Nepal in 2015.

This project provided psychological first aid and counselling to the survivors of the 2015 earthquake in two of the most affected districts, Kavre and Sindhupalchowk.

ECTC also equipped relief workers and communities on how to provide psychological support for people. These people who were previously unaware of mental health issues can now identify, address the issues, and have more confidence in dealing with people, including those who are suicidal.

Financial Activities of the Charity

Summary

During 2020-21, total incoming resources were £778,405 (2020: £764,737). Most of its funds are sourced from private individuals, trusts and churches.

Total expenditure was £587,928 (2020: £768,176). Expenditure was significantly less than funds raised.

The primary reason for this is almost entirely down to the continuing impact that Covid-19 has had on projects that the charity supports in Nepal. During the last financial year, lockdown in Nepal and other Covid-related restrictions meant that most projects were unable to function as planned for a significant period. Most projects have now re-started and are getting back to planned levels. The charity believes that in the year 2021-22 it will see a re-balancing following the hiatus experienced in 2020-21.

Funds

(a) General Fund

Total income on the General Fund was £232,068 (2020: £227,925). This was mainly made up of general donations, legacy income, and investment income.

(b) Gifts for Partners' Programmes and Projects

This is income for the work amongst Nepalis. Income was £514,620 (2020: £500,461).

(c) Support fund

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

During the current financial year, support income was £31,717 (2020: £19,778). 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

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 2021-22.

Separately, and for the sake of transparency, the trustees of INF/UK have designated £125,000 of the charity's general reserves to cover anticipated shortfalls on its General Fund over the coming 2-3 years. This is a result of incurring additional staff costs associated with its strategic plan for growth ahead of generating new income streams, compounded by the impact of Covid-19.

The trustees have also designated £100,000 of General Reserves in support of its Programmes Fund. This underwrites its commitment to supporting more projects in Nepal. The additional funds set aside for this purpose will enable it to enter into more Memorandums of Understanding with partners ahead of raising funds for projects.

The total of unrestricted funds held as at 30 June 2021 is as follows:

Unallocated General Funds	£ 30,063
Designated: Future Growth	£125,000
Designated: Programmes	£100,000
Designated: Operating Reserve	£240,000
TOTAL UNRESTRICTED FUNDS	£495,063

(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 2021 was £887,142 (2020: £658,312). As noted at the start of this section of the Director's Report, the primary reason for the rise in restricted reserves is almost entirely down to the continuing impact that Covid-19 has had on projects that the charity supports in Nepal. During the last financial year, lockdown in Nepal and other Covid-related restrictions meant that most projects were unable to function as planned for a significant period and therefore incurred a lower level of costs. Most projects have now re-started and are getting back to planned levels. The charity believes that in the year 2021-22 it will see a re-balancing following the hiatus experienced in 2020-21.

Investment policy

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

Events after the reporting period

None.

Charity details

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

The principal address of INF/UK is 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX. This is also the registered address of the company.

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, risks have been kept under constant review by the CEO and the trustees since March 2020. The CEO attends regular and frequent sector meetings with other CEOs, held 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 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.

While INF/UK is not dependent on UK government funding, in May 2021 we felt the harsh reality of the Government's decision to reduce Overseas Aid from 0.7% to 0.5%. INF/UK had been successful in brokering a new and innovative partnership between the Defence Medical Rehabilitation Centre (DMRC) at Stanford Hall (the UK centre of excellence for disability for all armed forces), The Tropical Health and Education Trust, and INF Nepal's Green Pastures Hospital. With Government funding of £350,000, the planned project would have made a significant contribution to the development of Nepal's health system, built capacity at local government level to respond to people with disabilities, and supported many Disabled Person Organisations. Sadly, just a few days before the project was due to start, the funding was cancelled.

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

The charity is also acutely aware of the risks faced by its partners in Nepal from Covid-19 and the CEO is in close contact with their leadership teams to keep abreast of the risks they are facing. The charity's partners in Nepal enjoy support from a wide range of donors from around the world. The charity does not therefore feel that there is excessive risk from the situation

peculiar to the UK. In order to keep abreast of wider global risks in the sector, the CEO is in personal contact with leaders in INGOs in Australia, Germany and Canada.

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

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 29 January 2022 and signed on their behalf by:



Michael Thomas – Chair

International Nepal Fellowship

Reference and administrative details

For the year ended 30 June 2021

Company number	3060972
Charity number	1047178
Registered office and operational address	24 Weoley Park Road Birmingham B29 6QX
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 Peter Hopkinson (resigned 19 September 2020) 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 2021 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 2021 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: 31 January 2022

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 2021

	Note	Restricted £	Unrestricted £	2021 Total £	Restated 2020 Total £
Income from:					
Donations and legacies	3	546,337	231,425	777,762	757,197
Investments	4	-	643	643	7,540
Total income		<u>546,337</u>	<u>232,068</u>	<u>778,405</u>	<u>764,737</u>
Expenditure on:					
Raising funds		-	112,714	112,714	100,619
Charitable activities		<u>317,507</u>	<u>157,707</u>	<u>475,214</u>	<u>667,557</u>
Total expenditure	6	<u>317,507</u>	<u>270,421</u>	<u>587,928</u>	<u>768,176</u>
Net gains / (losses) on investments		-	5,000	5,000	(685)
Net income / (expenditure)		228,830	(33,353)	195,477	(4,124)
Transfers between funds		-	-	-	-
Net movement in funds	7	228,830	(33,353)	195,477	(4,124)
Reconciliation of funds:					
Total funds brought forward		<u>658,312</u>	<u>528,416</u>	<u>1,186,728</u>	<u>1,190,852</u>
Total funds carried forward		<u><u>887,142</u></u>	<u><u>495,063</u></u>	<u><u>1,382,205</u></u>	<u><u>1,186,728</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.

The 2020 comparatives have been restated in line with the Charities SORP (FRS 102). The restatements are purely reclassifications of expenditure and do not affect net income.

International Nepal Fellowship

Balance sheet

As at 30 June 2021

	Note	£	2021 £	2020 £
Fixed assets				
Tangible assets	11		1,960	3,856
Investments	12		47,688	42,688
			49,648	46,544
Current assets				
Debtors	13	34,627		38,949
Current asset investments		1,000,000		1,000,000
Cash at bank and in hand		454,393		405,330
		1,489,020		1,444,279
Liabilities				
Creditors: amounts falling due within 1 year	14	(156,463)		(286,191)
Net current assets			1,332,557	1,158,088
Total assets less current liabilities			1,382,205	1,204,632
Creditors: amounts falling due after 1 year	15		-	(17,904)
Net assets	17		1,382,205	1,186,728
Funds	18			
Restricted funds			887,142	658,312
Unrestricted funds				
Designated funds			465,000	465,000
General funds			30,063	63,416
Total charity funds			1,382,205	1,186,728

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 29 January 2022 and signed on their behalf by



Michael Thomas - Chair

International Nepal Fellowship

Statement of cash flows

For the year ended 30 June 2021

	2021 £	2020 £
Cash used in operating activities:		
Net movement in funds	195,477	(4,124)
<i>Adjustments for:</i>		
Depreciation charges	1,896	1,672
(Gains) / losses on investments	(5,000)	685
Investment income	(643)	(7,540)
Decrease / (increase) in debtors	4,322	(27,293)
Increase / (decrease) in creditors	<u>(147,632)</u>	<u>(65,067)</u>
Net cash provided by / (used in) operating activities	<u>48,420</u>	<u>(101,667)</u>
Cash flows from investing activities:		
Investment income	643	7,540
Purchase of tangible fixed assets	<u>-</u>	<u>(1,178)</u>
Net cash provided by / (used in) investing activities	<u>643</u>	<u>6,362</u>
Increase / (decrease) in cash and cash equivalents in the year	49,063	(95,304)
Cash and cash equivalents at the beginning of the year	<u>1,405,330</u>	<u>1,500,634</u>
Cash and cash equivalents at the end of the year	<u>1,454,393</u>	<u>1,405,330</u>
Total cash and cash equivalents comprise:		
Current asset investments	1,000,000	1,000,000
Cash at bank and in hand	<u>454,393</u>	<u>405,330</u>
Cash and cash equivalents at the end of the year	<u>1,454,393</u>	<u>1,405,330</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 2021

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 and despite the ongoing Covid pandemic. 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 2021

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 staff costs, as follows:

	2021	2020
Raising funds	19.0%	13.0%
Charitable activities	81.0%	87.0%

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 follows:

Computer equipment	3 years straight line
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Items of equipment are capitalised where the purchase price exceeds £500.

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 2021

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 2021

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	Restated 2020 Total £
Income from:			
Donations and legacies	536,812	220,385	757,197
Investments	-	7,540	7,540
Total income	536,812	227,925	764,737
Expenditure on:			
Raising funds	-	100,619	100,619
Charitable activities	527,667	139,890	667,557
Total expenditure	527,667	240,509	768,176
Net losses on investments	-	(685)	(685)
Net income / (expenditure)	9,145	(13,269)	(4,124)
Transfers between funds	-	-	-
Net movement in funds	9,145	(13,269)	(4,124)

3. Income from donations and legacies

	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
Prior period comparative:			2020
	Restricted £	Unrestricted £	Total £
Donations for partners' programmes and projects	500,461	-	500,461
Volunteer worker support fund	19,778	-	19,778
General donations	-	208,592	208,592
Legacy income	16,573	11,793	28,366
Total income from donations and legacies	536,812	220,385	757,197

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

4. Investment income

	Restricted £	Unrestricted £	2021 Total £
Bank interest	-	643	643
Prior period comparative:			2020
	Restricted £	Unrestricted £	Total £
Bank interest	-	6,979	6,979
Dividends	-	561	561
Total investment income	-	7,540	7,540

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 2021

6. Total expenditure

	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	<u>51,492</u>	<u>217,096</u>	<u>(260,042)</u>	<u>(8,546)</u>	<u>-</u>
Total expenditure	<u>112,714</u>	<u>475,214</u>	<u>-</u>	<u>-</u>	<u>587,928</u>

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

6. Total expenditure

Prior period comparative:	Raising funds £	Charitable activities £	Support costs £	Governance costs £	Restated 2020 Total £
Grants payable (note 8)	-	417,583	-	-	417,583
Volunteer workers support costs	-	19,760	-	-	19,760
Website, CRM and outsourced services	14,092	-	-	-	14,092
Fundraising expenses	25,100	-	-	-	25,100
Conference costs	-	389	-	-	389
Personnel costs (note 9)	31,524	31,435	185,312	-	248,271
Premises and office costs	-	-	27,425	-	27,425
Finance, legal and professional	-	-	3,709	7,860	11,569
Depreciation	-	-	1,672	-	1,672
Trustee expenses	-	-	-	3,354	3,354
Exchange (gains) / losses	-	-	(1,039)	-	(1,039)
Sub-total	70,716	469,167	217,079	11,214	768,176
Allocation of support and governance costs	<u>29,903</u>	<u>198,390</u>	<u>(217,079)</u>	<u>(11,214)</u>	<u>-</u>
Total expenditure	<u>100,619</u>	<u>667,557</u>	<u>-</u>	<u>-</u>	<u>768,176</u>

The 2020 comparatives have been restated in line with the Charities SORP (FRS 102). The restatements are purely reclassifications of expenditure and do not affect net income.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

7. Net movement in funds

This is stated after charging:

	2021	2020
	£	£
Depreciation	1,896	1,672
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	686	3,354
Auditors' remuneration:		
▪ Statutory audit (including VAT)	<u>7,860</u>	<u>7,860</u>

Trustees' reimbursed expenses relate to board meeting expenses incurred by 7 trustees (2020: 10 trustees).

8. Grants payable to partners

	2021	2020
	£	£
INF Nepal	120,116	365,638
Asal Chhimekee Nepal (ACN)	44,303	36,073
Group of Helping Hands (SAHAS) Nepal	43,710	7,698
Sarwangin Sewa Samaj	10,879	7,566
Grants < £5k	<u>3,097</u>	<u>608</u>
Total grants payable	<u>222,105</u>	<u>417,583</u>

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:

	2021	2020
	£	£
Salaries and wages	238,508	198,446
Social security costs	17,129	16,231
Pension costs	25,232	13,200
Courses, travel and other	8,582	13,648
Holiday pay	<u>-</u>	<u>6,746</u>
	<u>289,451</u>	<u>248,271</u>

No employee earned more than £60,000 during the year (2020: 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 £54,421 (2020: £53,585).

A termination payment for 1 leaver was made in the year totalling £5,593 (2020: 1 leaver, £3,046).

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Notes to the financial statements

For the year ended 30 June 2021

9. Staff costs and numbers (continued)

	2021 No.	2020 No.
Average head count	<u>10.00</u>	<u>9.00</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 2020	37,144
Additions in year	<u>-</u>
At 30 June 2021	<u>37,144</u>
Depreciation	
At 1 July 2020	33,288
Charge for the year	<u>1,896</u>
At 30 June 2021	<u>35,184</u>
Net book value	
At 30 June 2021	<u><u>1,960</u></u>
At 30 June 2020	<u><u>3,856</u></u>

12. Investments

	2021 £	2020 £
Market value at 1 July 2020	42,688	43,373
Unrealised gains / (losses)	<u>5,000</u>	<u>(685)</u>
Market value at 30 June 2021	<u><u>47,688</u></u>	<u><u>42,688</u></u>
Historical cost	<u><u>26,922</u></u>	<u><u>26,922</u></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.

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

13. Debtors

	2021 £	2020 £
Gift aid receivable	32,684	37,716
Prepayments	<u>1,943</u>	<u>1,233</u>
	<u>34,627</u>	<u>38,949</u>

14. Creditors: amounts falling due within 1 year

	2021 £	2020 £
Grant commitments (note 16)	126,752	257,839
Accruals	25,301	23,463
Other taxation and social security	<u>4,410</u>	<u>4,889</u>
	<u>156,463</u>	<u>286,191</u>

15. Creditors: amounts falling due after 1 year

	2021 £	2020 £
Grant commitments (note 16)	<u>-</u>	<u>17,904</u>

16. Grants commitments

	2021 £	2020 £
Grant commitments brought forward	275,743	299,926
Grants committed during the period	73,114	393,400
Grants paid during the period	<u>(222,105)</u>	<u>(417,583)</u>
Grant commitments carried forward	<u>126,752</u>	<u>275,743</u>

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
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>
Prior period comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	3,856	3,856
Investments	-	-	42,688	42,688
Net current assets	676,216	465,000	16,872	1,158,088
Creditors: due after 1 year	<u>(17,904)</u>	<u>-</u>	<u>-</u>	<u>(17,904)</u>
Net assets at 30 June 2020	<u>658,312</u>	<u>465,000</u>	<u>63,416</u>	<u>1,186,728</u>

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

18. Movements in funds

	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
Gordon Leitch memorial fund	29,316	-	-	-	-	29,316
Chhahari School	-	425	-	-	-	425
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
<i>Total designated funds</i>	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

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

18. Movements in funds (continued)

Prior period comparative	At 1 July 2019 £	Income £	Expenditure £	Gains / (losses) on investments £	Transfers between funds £	At 30 June 2020 £
Restricted funds						
<i>Partners' programmes and projects:</i>						
INF Nepal programmes & disaster relief	275,005	510,355	(417,583)	-	(113)	367,664
Seconded workers	-	2,805	(2,640)	-	-	165
Chhahari School	520	147	(667)	-	-	-
Ear camps	100	-	-	-	(100)	-
Gordon Leitch memorial fund	29,180	136	-	-	-	29,316
HBTA	2,048	2,760	(3,719)	-	-	1,089
KISC	193	-	-	-	-	193
PRABHAV	236	219	(329)	-	-	126
Samaritan Home	2,356	3,417	(3,954)	-	-	1,819
Volunteer workers support fund	318,232	16,861	(98,775)	-	213	236,531
Welfare fund for volunteer workers	21,297	112	-	-	-	21,409
Total restricted funds	649,167	536,812	(527,667)	-	-	658,312
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
<i>Total designated funds</i>	240,000	-	-	-	225,000	465,000
General funds	301,685	227,925	(240,509)	(685)	(225,000)	63,416
Total unrestricted funds	541,685	227,925	(240,509)	(685)	-	528,416
Total funds	1,190,852	764,737	(768,176)	(685)	-	1,186,728

International Nepal Fellowship

Notes to the financial statements

For the year ended 30 June 2021

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 costs for 2021/22.

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 2021

19. Operating lease commitments

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

	2021	2020
	£	£
Amount falling due:		
Within 1 year	4,375	7,500
Within 1 - 5 years	<u>-</u>	<u>11,250</u>
	<u><u>4,375</u></u>	<u><u>18,750</u></u>

20. Related party transactions

There were no related party transactions during the year (2020: none).

21. Financial instruments at fair value

	2021	2020
	£	£
Financial assets measured at fair value	<u><u>47,688</u></u>	<u><u>42,688</u></u>

Financial assets measured at fair value comprise listed investments.

22. Contingent assets

The charity had been notified of a legacy at 31 March 2021 for which the final amount receivable was not known and therefore the legacy is not accrued. Indications are that the estimated value of this legacy is around £35k.