

INTERNATIONAL NEPAL FELLOWSHIP

Company no. 3060972  
(Limited by guarantee and having no share capital)

Registered charity no. 1047178

Reports and Financial Statements

for the period 24 May 1995 to 15 July 1996



**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

Reports and financial statements for the period 24 May 1995 to 15 July 1996

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**Directors**

Rev John Putman (Chairman)  
Dr David Halpin  
Mr Keith Kirby  
Rev Anthony Leighton  
Mr George Nichols  
Mrs M Joyce Odell  
Mrs Margaret Scott-Brown  
Dr Elizabeth Forbes

**Secretary and registered office**

Mr Peter Hitchin, 69 Wentworth Road, Harborne, Birmingham, B17 9SS

**Company number**

3060972

**INTERNATIONAL NEPAL FELLOWSHIP**  
**(Limited by guarantee and having no share capital)**

**Report of the Directors**  
**for the period 24 May 1995 to 15 July 1996**

The Directors, who are also the Trustees, have pleasure to present their report, together with the audited financial statements of the Company for the period 24 May 1995 to 15 July 1996.

The company is a Registered Charity, number 1047178, and was incorporated on 24 May 1995. It remained dormant until the commencement of business on 15 July 1995 when it acquired all the assets, liabilities and activities of the Trust known as the International Nepal Fellowship which was a registered charity, number 259188. The directors appointed on the incorporation of the company were all the same people as the Trustees of the above-mentioned Trust, which was dissolved on 15 July 1995.

*Principal Activities*

The principal activities of the company are governed by the objects as set out in the Memorandum of Association as follows:

- i) To advance the Christian religion by enabling Christians to serve the Lord Jesus Christ amongst Nepali and other Asian peoples 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 period and do not anticipate any significant changes in the forthcoming year.

*Fixed assets*

Significant changes in fixed assets are set out in note 12 to the financial statements.

*Results and dividends*

The consolidated statement of financial activities is set out on page 5 and shows the result for the period, which was a surplus of £37,400. In addition, funds amounting to £257,309 were transferred from the Trust referred to above, leaving £294,709 in reserves at 15 July 1996. The breakdown of these amounts between the different funds is shown on page 5.

*Directors*

The Directors throughout the period 24 May 1995 to 15 July 1996 were all appointed on 24 May 1995, the date of incorporation, and were as follows:

Rev John Putman (Chairman)  
Mr Francis Belcher (resigned 14 October 1995)  
Mr Keith Cope (resigned 22 June 1996)  
Dr David Halpin  
Mr Keith Kirby  
Rev Anthony Leighton  
Mr George Nichols  
Mrs M Joyce Odell  
Mrs Margaret Scott-Brown  
Miss Penelope Smeaton (resigned 22 June 1996)  
Dr Elizabeth Forbes

**INTERNATIONAL NEPAL FELLOWSHIP**  
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**Report of the Directors (continued)**  
**for the period 24 May 1995 to 15 July 1996**

*Freehold property*

The directors consider that the market value of freehold property is in excess of the amount shown in the financial statements but, as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified.

*Directors' responsibilities:*

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the result for the period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 assume that the company will continue its operations.


The Directors are responsible for keeping 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 any relevant statutes. 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.

*Auditor*

Paul Jackson Chartered Accountant has expressed his willingness to continue in office and a resolution to re-appoint him will be proposed at the annual general meeting.

This report has been prepared taking advantage of the special exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that, in the opinion of the directors, the company is entitled to these exemptions as a small company.

*On behalf of the Board on International Nepal Fellowship*

  
.....  
Rev J R Putman, Chairman

Dated: 27/10/96.....

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

I have audited, in accordance with Auditing Standards, the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditor

As described on page 2, the directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 judgments 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the company at 15 July 1996 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Paul Jackson  
Registered Auditor  
Chartered Accountant

Caledonian House  
98 The Centre  
Feltham  
Middlesex  
TW13 4BH

Date.....27/10/96.....

**INTERNATIONAL NEPAL FELLOWSHIP**  
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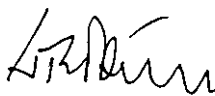
**Balance Sheet at 15 July 1996**

	Note	Unrestricted funds: Legacy reserve £	Unrestricted funds: General reserve £	Restricted funds £	Total 1996 £
<b>Fixed assets</b>					
Tangible assets	12	-	116,416	-	116,416
<b>Investments</b>	13	-	9,414	-	9,414
<b>Current assets</b>					
Stock of literature	14	-	435	-	435
Debtors and prepayments	15	-	71,298	-	71,298
Cash at Bank - held for Nepal		-	-	105,914	105,914
Cash at Bank - Other		17,908	77,590	-	95,498
Cash in Hand		-	341	-	341
		17,908	149,664	105,914	273,486
<b>Creditors: amounts falling due within one year</b>					
Creditors and accrued charges	16	-	(21,208)	(83,399)	(104,607)
<b>Net current assets</b>		17,908	128,456	22,515	168,879
<b>Total net assets</b>		17,908	254,286	22,515	294,709
<b>Funds</b>					
Realised amounts		17,908	249,872	22,515	290,295
Unrealised amounts		-	4,414	-	4,414
		17,908	254,286	22,515	294,709

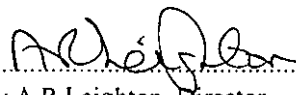
The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion, the company is entitled to these exemptions as a small company.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its surplus or deficit for each period in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

Approved by the Board on 10th Oct 1996  
and signed on its behalf by



Rev J R Putman, Director



Rev A R Leighton, Director

The notes on pages 6 to 11 form part of these financial statements

**INTERNATIONAL NEPAL FELLOWSHIP**  
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**Consolidated Statement of Financial Activities**  
**for the period 24 May 1995 to 15 July 1996**

	Note	Unrestricted funds: Legacy reserve £	Unrestricted funds: General reserve £	Restricted funds £	Total 1996 £
<i>Continuing Activities:</i>					
<b>Incoming Resources</b>					
General Donations		-	91,897	-	91,897
Deposit covenants		-	2,025	-	2,025
Legacies receivable		4,850	-	-	4,850
Support Income		-	-	283,365	283,365
Designated Nepal and seconded workers		-	-	260,261	260,261
Grants receivable		-	-	69,538	69,538
Interest receivable	10	-	10,786	-	10,786
Income from literature sales		-	256	-	256
<b>Total incoming resources</b>		<b>4,850</b>	<b>104,964</b>	<b>613,164</b>	<b>722,978</b>
<b>Resources expended</b>					
<b>Direct charitable expenditure</b>					
Members' costs UK	4	-	-	80,854	80,854
Remitted to Nepal	5	-	-	502,983	502,983
		-	-	583,837	583,837
<b>Other expenditure</b>					
Communications		-	5,725	-	5,725
Stationery and supplies		-	10,799	-	10,799
Office and mission house		-	5,363	-	5,363
Publicity expenses		-	17,946	-	17,946
Personnel	3	-	53,128	-	53,128
Sundries		-	9,034	-	9,034
		-	101,995	-	101,995
<b>Total resources expended</b>		<b>-</b>	<b>(101,995)</b>	<b>(583,837)</b>	<b>(685,832)</b>
<b>Net incoming resources before transfers</b>	6	<b>4,850</b>	<b>2,969</b>	<b>29,327</b>	<b>37,146</b>
<b>Transfer from restricted to unrestricted funds</b>	7	-	10,000	(10,000)	-
<b>Transfer from legacy reserve</b>		(14,295)	14,295	-	-
<b>Net incoming resources</b>		<b>(9,445)</b>	<b>27,264</b>	<b>19,327</b>	<b>37,146</b>
<b>Unrealised gains on investment assets</b>		-	254	-	254
<b>Net movement in funds</b>		<b>(9,445)</b>	<b>27,518</b>	<b>19,327</b>	<b>37,400</b>
<i>Acquisitions:</i>					
<b>Fund balances transferred from Trust at 15 July 1995</b>	20	<b>27,353</b>	<b>226,768</b>	<b>3,188</b>	<b>257,309</b>
<b>Fund balances carried forward at 15 July 1996</b>		<b>17,908</b>	<b>254,286</b>	<b>22,515</b>	<b>294,709</b>

All recognised gains and losses are included in the statement of financial activities.  
The notes on pages 6 to 11 form part of these financial statements

**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996

**1. Accounting policies**

The financial statements have been prepared under the historical cost convention and comply with all applicable accounting standards. There have been no changes in the accounting policies during the period. The following principal accounting policies have been consistently applied.

Legacy reserve

Legacy income is credited to the legacy reserve when received, and transferred to general funds in equal annual instalments over a four year period commencing with the year in which the legacy was received.

Income

Income represents amounts received during the period.

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:

Motor vehicles	25% reducing balance
Computer equipment	25% straight line

The freehold property is not depreciated since the directors consider that its market value now and ultimate residual value exceed the net book value.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme. Contributions during the period amounted to £23,105 and no further contributions are payable for the period.

Stocks

Stocks are valued 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 exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at net movements in resources.

EC grants

EC 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 received in order to finance the general administration are taken to income during the period in which they become receivable.

Cash flow statements

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



**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996 (continued)

**2 Turnover**

All of the turnover relates to the principal activity of the company.

<b>3 Personnel costs</b>	1996
	£
Wages and salaries	42,403
Social security costs	3,320
Other pension costs	2,847
Courses, travel and other	4,558
	<hr/>
	53,128

**4 Members costs UK**

	1996
	£
Allowances	36,908
Re-equipment allowance	230
Accommodation and travelling	12,575
Social security costs	9,382
Other pension costs	20,258
Medical/counselling	661
Other expenses	840
	<hr/>
	80,854

**5 Remitted to Nepal**

	1996
	£
Support	172,713
Designated Nepal	239,422
EC Grant	69,448
Seconded workers	21,400
	<hr/>
	502,983

**6 Net movement in resources for the year**

This is stated after charging	
Depreciation	3,840
Loss on sale of tangible fixed assets	1,630
Auditors' remuneration	1,246
and after crediting	
EC grants received - restricted income	69,538
EC grants received - interest received	8

**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996 (continued)

**7 Transfer from restricted to unrestricted funds**

Under the terms and conditions for members, each adult UK member is responsible to find 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 period 16 July 1995 to 15 July 1996, support income included an amount of £17,664, of which £10,000 was transferred to unrestricted funds during the year.

**8 Directors' remuneration**

No directors' remuneration was voted during the year.

**9 Staff costs**

	Members	Personnel	1996
	£	£	£
Wages and salaries	49,483	42,403	91,886
Social security costs	9,382	3,320	12,702
Other pension costs	20,258	2,847	23,105
	<u>79,123</u>	<u>48,570</u>	<u>127,693</u>

The average number of persons employed by the company, including directors, during the period was as follows:

	1996
Management and administration	16
Home leave members	<u>10</u>
	<u>26</u>

**10 Other interest receivable and similar income**

	1996
	£
Bank interest	10,294
Income from investments	<u>492</u>
	<u>10,786</u>

**11 Pension costs**

The company operates a non-contributory pension scheme. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue.

**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996 (continued)

**12 Fixed assets**

*Tangible assets*

	Freehold property £	Motor vehicle £	Computer equipment £	Total £
<i>Cost</i>				
Assets transferred from Trust at 15 July 1995	107,415	2,530	4,689	114,634
Other additions	-	5,835	2,317	8,152
Disposals	-	(2,530)	-	(2,530)
At 15 July 1996	107,415	5,835	7,006	120,256
<i>Depreciation</i>				
Charge for the period	-	1,459	2,381	3,840
Disposals	-	-	-	-
At 15 July 1996	-	1,459	2,381	3,840
<i>Net book value</i>				
At 15 July 1996	107,415	4,376	4,625	116,416

The directors consider that the estimated market value of the freehold property at 15 July 1996 was in excess of the cost and that its ultimate residual value will not be less than this figure. Hence, no depreciation has been charged.

**13 Investments**

	1996 £
Charinco Common Investment Fund:	
Market value of investments transferred from the Trust at 15 July 1995	9,160
Unrealised gain during the period	254
Market value at 15 July 1996	9,414

The original cost of the above investments when acquired by the Trust was £5,000.

**14 Stocks**

	1996 £
Goods for resale	435

**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996 (continued)

<b>15 Debtors and prepayments</b>	1996
	£
Other debtors - Grants receivable	69,538
Prepayments	1,760
	<hr/>
	71,298
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There are no debtors falling due after more than one year

<b>16 Creditors and accrued charges</b>	1996
	£
Funds held for Nepal (restricted funds)	83,399
Trade creditors	3,840
Payments received on account	5,820
Accruals and deferred income	11,548
	<hr/>
	104,607
	<hr/> <hr/>

**17 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.

**18 Personal gifts**

Personal gifts amounting to £52,951 were received on behalf of, and forwarded to missionaries in Nepal. This figure is excluded from the statement of financial activities.

**19 Restricted funds**

	Donations and gifts £	Direct Charitable Expenditure £	Surplus £
Support income	283,365	254,038	29,327
Designated Nepal	238,861	238,861	-
Seconded workers	21,400	21,400	-
EC Grant	69,538	69,538	-
	<hr/>	<hr/>	<hr/>
	613,164	583,837	29,327
Transfer to unrestricted funds	-	10,000	(10,000)
	<hr/>	<hr/>	<hr/>
	613,164	593,837	19,327
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**INTERNATIONAL NEPAL FELLOWSHIP**  
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Notes to the financial statements for the period 24 May 1995 to 15 July 1996 (continued)

**20 Transfer of assets and liabilities to limited company**

At the close of business on 15 July 1995, all assets, liabilities and activities of the International Nepal Fellowship (United Kingdom) trust were transferred to the company.. The trust was a UK registered charity number 259188, and was dissolved on the same day, following the above transfer of assets.

The assets were all transferred at book value from the Trust, which adopted identical accounting policies to the company, except that investments were valued at the lower of cost and market value.