



Development  
**NEPAL**

Development Nepal

Annual report and accounts  
for the year ended 31<sup>st</sup> December 2017

Registered Charity Number: 1085199

# Development Nepal

## Annual report and accounts for the year ended 31<sup>st</sup> December 2017

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# Development Nepal

## Trustees and Officers

### Trustees

Christopher Kelly  
Brian Wong  
Charlie Ullman  
Roland Hancock

### Secretary

Brian Wong

### Registered Address

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Beaconsfield  
Bucks  
HP9 2LW

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# Development Nepal

## Report of the Trustees for the year ended 31<sup>st</sup> December 2017

The Trustees present their annual report and the financial statements for the year ended 31<sup>st</sup> December 2017.

Information with respect to the identity of the Trustees is set out on page 3 of this report. The financial statements comply with the charity's trust deed, guidance of the Charity Commission, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 and the Charities Act 2011.

### **Status and administration**

The charity is constituted by a Deed of Trust dated 21<sup>st</sup> April 1999, and has been a registered charity since 23<sup>rd</sup> February 2001. The charity is registered with the UK Charity Commissioners under charity number 1085199.

### **Objects**

The primary objects of Development Nepal are to support communities and marginalised groups using a participatory self-help approach to:

- Facilitate the community and individuals to assess their needs;
- Empower the community and individuals to identify solutions; and
- Support the implementation of these initiatives.

Development Nepal does this through implementing the *Ujyalo Bhabisya (Brighter Future)* Programme.

### **Review of the charity's activities and future developments**

Development Nepal has continued to work with some of the poorest individuals and communities to increase their access to essential resources and opportunities, and increase their ability to make choices and influence change.

From May 2016 we have done this primarily through the establishment and operation of the *Ujyalo Bhabisya Co-operative* which is our channel to provide micro-finance and livelihoods support. Once profitable, profit from the *Ujyalo Bhabisya Co-operative* will support traditional *Ujyalo Bhabisya* programme activities.

The Trustees would also like to thank the *Ujyalo Bhabisya Co-operative* team: Ram Niraula, Kalpana Ghimire, Umesh Uranw, Gita Niraula, Yogita Koirala and Bhishma Dahal and the UCHEP Chairperson Rabin Ghimire. In particular the Trustees wish to recognise Ram Niraula's on-going hard work in leading the team locally.

The statement of financial activities for the year to 31st December 2017 is set out on page 8. A summary of the financial results is set out below.

### **Incoming Resources and Resources Expended**

Income during the year has been £8,329 (prior year: £40,829) with expenditure during the year of £10,959 (prior year: £26,828) of which all expenditure of £10,959 (prior year: £15,868) related to direct charitable expenditure. The Development Nepal fundraising ball did not take place in 2017 and therefore no related expenditure incurred (prior year: £10,960).

Direct Charitable expenditure on the *Ujyalo Bhabisya* Programme relates to costs incurred in running the *Ujyalo Bhabisya* Programme which includes working with 30 communities in

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Sunsari, East Nepal. Costs relate primarily to the cost of setting up and running *the Ujyalo Bhabisyia* Co-operative, together with costs of funding 20 community facilitators for the first 4 months of the year in order to deliver on educational programmatic activities.

The charity's funds have decreased during the year to £38,097 (prior year: £41,692).

The Trustees wish to thank their supporters, including friends of Development Nepal, who have signed up for standing orders and for all those who generously supported Development Nepal through their own independent fundraising for Development Nepal.

## **Fundraising, administration and programme costs**

Expenditure during the year relates to on-going *Ujyalo Bhabisyia* programme costs in Nepal and the costs associated with setting up and *the Ujyalo Bhabisyia* Co-operative. Fundraising expenditure relates to ring-fenced costs of putting on the Development Nepal fundraising ball.

As Trustees we ensure that any expenditure relating to a fundraising event is covered entirely by the income relating solely to that event.

## **UK employees and related parties**

The charity does not employ any staff in the UK, nor do the trustees or UK advisors receive any payment for their involvement with the charity. The charity has not made any related party transactions during the year.

## **Fixed assets and the revolving fund**

The charity expenses small asset purchases made during the year direct to the income and expense account. Where support has been provided for community infrastructure, such as the development of irrigation systems, ownership is transferred to the local communities and as a consequence the costs incurred are expensed in the year incurred.

The charity does not hold any property or investments other than the monies committed to the Revolving Fund in Nepal that are held and utilised by the Co-operative, and recoverable from the Co-operative, in the same manner as funds held in the Co-operative by another member of the Co-operative.

## **Reserves**

The trustees take any surplus to reserves at the end of each financial year and retain the funds for the use by the charity to support future programmes.

Trustees review the levels of reserves on an annual basis. Trustees are comfortable with the current level of reserves, as they represent sufficient funding for over two years' activity which reflects the fundraising lifecycle. At the 31<sup>st</sup> December 2017 the Revolving Fund as held within the Co-operative continues to be treated as a separate unrestricted reserve.

## **Governance of the charity**

During the year the trustees have met virtually through a series of monthly conference calls. Trustees serve for a minimum period of two years. The composition of the board of trustees is reviewed during the year to ascertain whether the trustees have the relevant skill-sets required to govern the charity. Potential trustees are identified by the current Trustees, and invited to join the board. Development Nepal's Trustees are supported by advisors, who bring specific skill-sets to support Development Nepal's activities. The Trustees and UK advisors provide their expertise and time voluntarily without pay.

## **Risk management**

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on 12<sup>th</sup> October 2000, the Trustees routinely conduct a high

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level Risk Assessment for the Charity and material Development Nepal expenditure during the year, and in particular ahead of any substantial expenditure and fundraising activities.

## **Trustees' responsibilities**

The Trustees are required by charity law 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 surplus or deficit of the charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31<sup>st</sup> December 2017. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They 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.

## **UCHEP and Nepali advisors**

The charity is grateful for the unstinting efforts of UCHEP for their crucial input as implementation delivery partners of the *Ujyalo Bhabisyas* programme and *Ujyalo Bhabisyas* Co-operative. The Trustees are particularly grateful for the ongoing support that Rabin Ghimire and the rest of the UCHEP family provide in supporting the delivery of the *Ujyalo Bhabisyas* programme and *Ujyalo Bhabisyas* Co-operative.

During the year Development Nepal has worked closely with Harihar Maharjan and are grateful for his efforts and his support of the *Ujyalo Bhabisyas* programme and *Ujyalo Bhabisyas* Co-operative.

**By order of the Trustees**

**Christopher Kelly BA MA CA  
(Chair of Trustees)**

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## Independent Examiner's Report to the Trustees of Development Nepal for the year ended 31<sup>st</sup> December 2017

The accounts have been prepared by the trustees and reviewed by an independent examiner. I report on the accounts and accompanying notes of the charity for the year ended 31<sup>st</sup> December 2017, which are set out on pages 8 to 13.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. The charity has prepared accounts on a receipts and payments basis and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants for England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act, and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: Robert Dodds

Relevant professional qualification or body: Chartered Accountant, Institute of Chartered Accountants in England and Wales

Address:

Date: 2<sup>nd</sup> July 2018

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## Statement of Financial Activities for the year ended 31<sup>st</sup> December 2017

	Note	2017 £	2016 £
<b>Incoming resources:</b>			
Voluntary income	2	<b>7,602</b>	14,897
Activities for generating funds	3	<b>0</b>	25,721
Interest		<b>0</b>	10
Other Income (insurance)		<b>168</b>	0
Revolving fund income		<b>559</b>	201
<b>Total incoming resources</b>		<b>8,329</b>	40,829
<b>Costs of generating funds:</b>			
Fundraising	3	<b>0</b>	-10,960
<b>Charitable expenditure:</b>			
Direct programme costs	4	<b>-10,959</b>	-15,868
<b>Total resources expended</b>		<b>-10,959</b>	-26,828
<b>Net (outgoing) resources</b>		<b>-2,629</b>	14,001
<b>Net movement in funds</b>			
Fund balances brought forward at 1st January		<b>41,692</b>	27,744
Unrealised foreign exchange (losses)/gains		<b>-966</b>	-53
<b>Fund balances carried forward at 31st December</b>	7	<b>38,097</b>	41,692

All incoming resources and resources expended are derived from continuing activities. All funds are unrestricted.

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## Balance Sheet as at 31<sup>st</sup> December 2017

	Note	2017 £	2016 £
<b>Current assets:</b>			
Cash at bank and in hand	5	<b>38,097</b>	41,692
<hr/>			
<b>Net assets</b>		<b>38,097</b>	41,692
<b>Reserves:</b>			
<hr/>			
Unrestricted funds (General reserves held in the UK)	5, 6	<b>25,599</b>	31,997
Unrestricted funds (General reserves held in Nepal)	5, 6	<b>2,496</b>	1,836
Unrestricted funds (Revolving Fund held in Nepal)	6	<b>10,001</b>	7,859
<hr/>			
<b>Total funds</b>		<b>38,097</b>	41,692

The accounts on pages 8 and 9, together with the related notes on pages 10 - 13, were approved by the Trustees on 3<sup>rd</sup> July 2018 and were signed on their behalf by:

**Christopher Kelly** (Chair)

**Brian Wong** (Secretary)

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## Notes to the Financial Statements for the year ended 31<sup>st</sup> December 2017

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2005, and in line with Charity Commission guidance. A summary of the principal accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared on a 'receipts and payments basis'.

#### **Receipts and income**

Donations are recorded on a receipt basis.

The charity's policy on restricted funds is to separately record donations, grants and other sources of fundraising where restrictions are imposed that are narrower than the charity's overall objectives.

#### **Resources expended**

Resources expended are recorded on a payment basis. Where applicable, payments are split between direct programme expenditure and fundraising costs. During the year all of costs related to programme expenditure, with no costs relating to the fundraising.

Neither the Trustees nor UK based advisors receive any payment for their involvement with the charity.

#### **Foreign currencies**

Transactions in foreign currencies are translated at the average rate at the end of the year. Amounts held in Nepalese Rupees at year end have been translated at the closing rate. The closing rate at 31st December 2017 was 139 Np Rps to £1 (prior year closing rate 134 Np Rps to £1), and the average rate of exchange during 2017 was 134 Np Rps to £1 (prior year average rate being 145 Np Rps to £1).

#### **Taxation**

The charity is a registered charity, and as such is entitled to certain tax exemptions which it subscribes to. The charity is not registered for VAT and accordingly, all the charity's expenditure is recorded inclusive of any VAT incurred.

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## 2 Voluntary Income

Donations and gifts are broken down as follows:

	2017 £	2016 £
Standing Orders & Individual Donations	4,230	12,897
Trust Donations	2,000	2,000
Corporate	500	0
Other Income	872	0
<b>Total</b>	<b>7,602</b>	<b>14,897</b>

## 3 Fundraising: activities and costs of generating funds

	2017 £	2016 £
Income		
2016 Ball	-	25,721
<b>Total Fundraising Income</b>	<b>0</b>	<b>25,721</b>
Expenditure		
2016 Ball	-	10,960
<b>Total Fundraising Expenditure</b>	<b>0</b>	<b>10,960</b>

In 2016 the Trustees held the 2016 fundraising ball. No fundraising events were held in 2017.

Reconciliation to the SOFA:

	2017 £	2016 £
2016 Ball	-	10,960
<b>Total Fundraised expenditure per the SOFA:</b>	<b>-</b>	<b>-10,960</b>

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## 4 Charitable expenditure

Charitable expenditure comprises amounts spent locally in Nepal in relation to the *Ujyalo Bhabisy*a programme and the *Ujyalo Bhabisy*a Co-operative (Micro-finance & Livelihoods), and are broken down below.

	2017 £	2016 £
<b>Direct programme costs</b>		
Education	0	3,772
Micro-finance	10,959	12,096
Other		
<b>Sub-total</b>	<b>10,959</b>	15,868
<b>Total</b>	<b>10,959</b>	15,868

For 2017 the monitoring and evaluation costs have been captured within direct programme costs.

## 5 Cash at bank and in hand

The cash at bank and in hand comprise Development Nepal monies held in the UK, monies held locally in Sunsari by UCHEP on behalf of Development Nepal and Development Nepal monies held locally in Sunsari relating to the Revolving Fund that are held within the *Ujyalo Bhabisy*a Co-operative. Monies that are not Development Nepal's that are held in the *Ujyalo Bhabisy*a Co-operative are not considered to be Development Nepal resources and are not accounted for.

All funds are considered readily available, and the UK and Sunsari bank balances are fully recoverable by Development Nepal. Revolving Funds held by Development Nepal within the *Ujyalo Bhabisy*a Co-operative are Development Nepal funds and can be allocated to any Development Nepal expenditure in Nepal. Amounts held in Nepalese Rupees at year end have been translated at the 31<sup>st</sup> December 2017 exchange rate.

	2017 £	2016 £
<b>Cash at bank balances held in:</b>		
UK	25,599	31,997
Sunsari (Excluding Cooperative)	2,496	1,836
Cooperative	10,001	7,859
<b>Total</b>	<b>38,097</b>	41,692

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## 6 Funds

	2016	Income	Expendi- ture	FX Gains/ (Losses)	Transfers	2017
	Total					Total
	£	£	£	£	£	£
General reserve (represented by cash held in the UK)	31,997	7,602			-14,000	<b>25,599</b>
General reserve (represented by cash held in Nepal)	1,836	168	-10,959	-559	12,010	<b>2,496</b>
DN Cash held in Cooperative	7,859	559		-407	1,990	<b>10,001</b>
<b>Total</b>	<b>41,692</b>	<b>8,329</b>	<b>-10,959</b>	<b>-966</b>	<b>0</b>	<b>38,097</b>

The Revolving Fund is within unrestricted reserves and is held in Nepalese Rupees locally with the *Ujyalo Bhabisy*a Co-operative in Sunsari.

Amounts held in Nepalese Rupees within general reserves and the Revolving Fund at year end have been translated at the 31<sup>st</sup> December 2017 closing rate.