



Development
NEPAL

Development Nepal

Annual report and accounts
for the year ended 31st December 2018

Registered Charity Number: 1085199

Development Nepal

Annual report and accounts for the year ended 31st December 2018

Contents

Trustees and Officers	3
Report of the Trustees.....	4
Independent Examiner's Report of the Accounts	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10

Development Nepal

Trustees and Officers

Trustees

Christopher Kelly
Brian Wong
Charlie Ullman
Roland Hancock

Secretary

Brian Wong

Registered Address

49 Penn Road
Beaconsfield
Bucks
HP9 2LW

Website / E-mail

www.developmentnepal.org
info@developmentnepal.org

Development Nepal

Report of the Trustees for the year ended 31st December 2018

The Trustees present their annual report and the financial statements for the year ended 31st December 2018.

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 21st April 1999, and has been a registered charity since 23rd 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 provide improved access to finance services and support traditional *Ujyalo Bhabisya* programme activities.

The Trustees would 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 and Co-operative Executive Committee 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 2018 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 £11,240 (prior year: £8,329) with expenditure during the year of £10,776 (prior year: £10,959) of which all related to direct charitable expenditure (prior year: all).

Direct Charitable expenditure relates to costs incurred in supporting the operational costs of the *Ujyalo Bhabisya* Co-operative as we seek to make it self-sustaining.

Development Nepal

The charity's funds remains stable at £38,040 (prior year: £38,097).

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 support to the operational costs of the *Ujyalo Bhabisy* Co-operative.

No fundraising expenditure was incurred this year, but as Trustees we ensure that any expenditure relating to a fundraising event is covered entirely by the income relating arising from 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 Development Nepal's long-term deposit

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 long-term deposit 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 any other 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 31st December 2018 the long-term deposit 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 12th October 2000, the Trustees routinely conduct a high 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.

Development Nepal

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 31st December 2018. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a 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 Bhabisya* programme and support to the *Ujyalo Bhabisya* 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 Bhabisya* programme and running of the *Ujyalo Bhabisya* 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 Bhabisya* programme and *Ujyalo Bhabisya* Co-operative.

By order of the Trustees

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

Development Nepal

Independent Examiner's Report to the Trustees of Development Nepal for the year ended 31st December 2018

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 31st December 2018, which are set out on pages 8 to 12.

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: 115 Meadway, Twickenham, TW2 6PL

Date: 12 March 2019

Development Nepal

Statement of Financial Activities for the year ended 31st December 2018

	Note	2018 £	2017 £
Incoming resources:			
Voluntary income	2	10,263	7,602
Interest		1	0
Other Income (insurance)		266	168
Long-term deposit income		710	559
Total incoming resources		11,240	8,329
Costs of generating funds:			
Fundraising	3	0	0
Charitable expenditure:			
Direct programme costs	4	-10,776	-10,959
Total resources expended		-10,776	-10,959
Net (outgoing) resources		464	-2,629
Net movement in funds			
Fund balances brought forward at 1st January		38,097	41,692
Unrealised foreign exchange (losses)/gains		-521	-966
Fund balances carried forward at 31st December	6	38,040	38,097

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

Development Nepal

Balance Sheet as at 31st December 2018

	Note	2018 £	2017 £
Current assets:			
Cash at bank and in hand	5	38,040	38,097
Net assets		38,040	38,097
Reserves:			
Unrestricted funds (General reserves held UK)	5, 6	18,864	25,599
Unrestricted funds (General reserves held Nepal)	5, 6	3,602	2,496
Unrestricted funds (Long-term deposit held Nepal)	6	15,574	10,001
Total funds		38,040	38,097

The accounts on pages 8 and 9, together with the related notes on pages 10 - 12, were approved by the Trustees on 12 March 2019 and were signed on their behalf by:

Christopher Kelly (Chair)

Brian Wong (Secretary)

Development Nepal

Notes to the Financial Statements for the year ended 31st December 2018

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 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 2018 was 143 Np Rps to £1 (prior year closing rate 139 Np Rps to £1), and the average rate of exchange during 2018 was 147 Np Rps to £1 (prior year average rate being 134 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.

Development Nepal

2 Voluntary Income

Donations and gifts are broken down as follows:

	2018 £	2017 £
Standing Orders & Individual Donations	5,222	4,230
Trust Donations	4,000	2,000
Corporate	500	500
Other Income	541	872
Total	10,263	7,602

3 Fundraising: activities and costs of generating funds

As in the prior year, in 2018 the Trustees did not hold any fundraising events.

4 Charitable expenditure

Charitable expenditure comprises amounts spent locally in Nepal in support of the operational costs of *Ujyalo Bhabisy*a Co-operative which supports Development Nepal's Micro-finance & Livelihoods offering, and are broken down below.

	2018 £	2017 £
Direct programme costs		
Micro-finance & Livelihoods	10,776	10,959
Total	10,776	10,959

For 2018 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, Development Nepal monies held locally in Sunsari by UCHEP on behalf of Development Nepal, and Development Nepal monies held locally in Sunsari within the *Ujyalo Bhabisy*a Co-operative as a long-term deposit.

Development Nepal

All funds are considered readily available, and the UK and Sunsari bank balances are fully recoverable by Development Nepal. Development Nepal's long-term deposit in the *Ujyalo Bhabisya* Co-operative are Development Nepal funds and can be allocated by the trustees to any Development Nepal expenditure in Nepal.

Amounts held in Nepalese Rupees at year end have been translated at the 31st December 2018 exchange rate.

The membership of the *Ujyalo Bhabisya* Co-operative is over 1,550 members. Funds that these members have deposited in the *Ujyalo Bhabisya* Co-operative are not considered Development Nepal's funds and have not been accounted for within Development Nepal's accounts.

	2018 £	2017 £
Cash at bank balances held in:		
UK	18,864	25,599
Sunsari (Excluding Cooperative)	3,602	2,496
Cooperative	15,574	10,001
Total	38,040	38,097

6 Funds

	2017 Total £	Income £	Expendi- -ture £	FX Gains/ (Losses) £	Transfers £	2018 Total £
General reserve (represented by cash held in the UK)	25,599	10,264			-17,000	18,864
General reserve (represented by cash held in Nepal)	2,496	266	-10,776	-384	12,000	3,603
DN Cash held in Cooperative	10,001	710		-137	5,000	15,574
Total	38,097	11,240	-10,776	-521	0	38,040

The long-term deposit is within unrestricted reserves and is held in Nepalese Rupees locally with the *Ujyalo Bhabisya* Co-operative in Sunsari.

Amounts held in Nepalese Rupees within general reserves and the long-term deposit at year end have been translated at the 31st December 2018 closing rate.