



Development
NEPAL

Development Nepal

Annual report and accounts
for the year ended 31st December 2020

Registered Charity Number: 1085199

Development Nepal

Annual report and accounts for the year ended 31st December 2020

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Trustees and Officers

Trustees

Alexandra Firth
Brian Wong
Charlie Ullman
Christopher Kelly
Roland Hancock

Secretary

Brian Wong

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Report of the Trustees for the year ended 31st December 2020

The Trustees present their annual report and the financial statements for the year ended 31st December 2020.

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 Charities Statement of Recommended Practice (SORP) FRS 102 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 and supporting the *Ujyalo Bhabisya Co-operative*.

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, Akash, Kalpana Ghimire, Umesh Uranw, Bhishma Dahal, Gita Niraula, Yogita Koirala and Yashoda, the UCHEP Chairperson Rabin Ghimire and the Co-operative Executive Committee. 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 2020 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 £9,987 (prior year: £21,709) with expenditure during the year of £14,347 (prior year: £13,359) of which all related to direct charitable expenditure. During the year no fundraising events were held.

The charity's funds remain stable at £39,239 (prior year: £45,062).

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

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Development Nepal through their own independent fundraising for Development Nepal.

Fundraising, administration and programme costs

Direct Charitable expenditure relates to the cost of running *the Ujyalo Bhabisya* Co-operative. No expenditure was incurred on fundraising, but as Trustees we ensure that any expenditure relating to a fundraising event would be 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 in 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. At the 31st December 2020 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 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.

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 2020. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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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* 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 *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* 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 31st December 2020

The accounts have been prepared by the trustees and reviewed by an independent examiner. I report to the trustees on my examination of the accounts and accompanying notes of the charity for the year ended 31st December 2020, 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 in accordance with the requirements of the Charities Act 2011 (Charities Act). The charity's trustees consider that an audit is not required for this year under section 144(2) of 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 applicable 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 the applicable 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: 12 October 2021

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Statement of Financial Activities for the year ended 31st December 2020

	Note	2020 £	2019 £
Incoming resources:			
Voluntary income	2	8,367	13,939
Activities for generating funds	3	0	6,573
Interest		3	7
Other Income (insurance)		371	4
Revolving fund income		1,246	1,186
Total incoming resources		9,987	21,709
Costs of generating funds:			
Fundraising	3	0	0
Charitable expenditure:			
Programme planning & strategy	4	-162	-309
Direct programme costs	4	-14,185	-13,049
Total resources expended		-14,347	-13,359
Net (outgoing) resources		-4,360	8,350
Net movement in funds			
Fund balances brought forward at 1st January		45,062	38,040
Unrealised foreign exchange (losses)/gains		-1,464	-1,328
Fund balances carried forward at 31st December	6	39,238	45,062

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

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Balance Sheet as at 31st December 2020

	Note	2020 £	2019 £
Current assets:			
Cash at bank and in hand	5	39,238	45,062
Loans outstanding (Revolving Fund)	6	0	0
<hr/>			
Net assets		39,238	45,062
Reserves:			
<hr/>			
Unrestricted funds (General reserves held in the UK)	5, 6	22,752	28,382
Unrestricted funds (General reserves held in Nepal)	5, 6	318	895
Unrestricted funds (Revolving Fund held in Nepal)	6	16,168	15,785
<hr/>			
Total funds		39,238	45,062

The accounts on pages 8 and 9, together with the related notes on pages 10 - 12, were approved by the Trustees on 28 October 2021 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 31st December 2020

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 2020 was 160 Rps to £1 (prior year closing rate 152 Np Rps to £1), and the average rate of exchange during 2020 was 152 Np Rps to £1 (prior year average rate being 144 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:

	2020	2019
	£	£
Standing Orders & Individual Donations	7,756	4,705
Trust Donations	-	8,500
Corporate	500	500
Other Income	111	234
Total	8,367	13,939

3 Fundraising: activities and costs of generating funds

In 2020 no fundraising activities were held. In the prior year the Trustees held an online auction to raise funds for the charity:

	2020	2019
	£	£
Online Auction income	-	6,573
Total Fundraising Income	0	6,573

4 Charitable expenditure

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

	2020	2019
	£	£
Direct programme costs		
Micro-finance & Livelihoods	14,347	13,359
Total	14,347	13,359

For 2020 the monitoring and evaluation costs have been captured within direct programme costs.

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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 Bhabisyala* Co-operative. Monies that are not Development Nepal's that are held in the *Ujyalo Bhabisyala* 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 Bhabisyala* 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 31st December 2020 exchange rate.

	2020	2019
	£	£
Cash at bank balances held in:		
UK	22,752	28,382
Susari (Excluding Revolving Fund)	318	895
Revolving Fund	16,168	15,785
Total	39,238	45,062

6 Funds

	2019 Total £	Income £	Expenses £	FX Gains/ (Losses) £	Transfers £	2020 Total £
General reserve (represented by cash held in the UK)	28,382	8,370			-14,000	22,752
General reserve (represented by cash held in Nepal)	895	371	-14,347	-601	14,000	318
DN Cash held in Revolving Fund	15,785	1,296	-50	-863		16,168
Total	45,062	10,037	-14,396	-1,464	0	39,238

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

Amounts held in Nepalese Rupees within general reserves and the Revolving Fund at year end have been translated at the 31st December 2020 closing rate.