

REGISTERED COMPANY NUMBER: SC224124 (Scotland)
REGISTERED CHARITY NUMBER: SC022552

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
THE NEPAL TRUST**

THE NEPAL TRUST

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for the year ended 31 December 2015**

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THE NEPAL TRUST

REPORT OF THE TRUSTEES for the year ended 31 December 2015

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2015. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objectives of The Nepal Trust are

1. to relieve poverty among the residents of Nepal
2. to advance education among the residents of Nepal
3. to preserve and promote the traditional culture of Nepal
4. to protect and preserve for the benefit of the general public the natural environment of Nepal.

In pursuance of those objectives, The Nepal Trust

- (a) provides educational facilities, equipment, training & teaching
- (b) provides medical facilities, medicines, equipment, training & teaching
- (c) can provide housing, shelter, nutritional advice, food & clothing
- (d) provides and improves agricultural facilities & equipment
- (e) operates a guest house and supports tourist initiatives in Nepal
- (f) provides facilities for educational & training activities, conferences, exhibitions, workshops & seminars
- (g) provides & supports renewable energy facilities & equipment
- (h) provides facilities & equipment for water supply & sanitation

It is the charity's philosophy to work in collaboration with the local people and to avoid building a culture of dependency. Projects and programmes are developed in consultation with the locals based on their views on their community needs in terms of assistance and development. The decision on which projects to sanction and support is heavily conditioned by the levels of contribution and support that the local communities are willing to commit to themselves. The Nepal Trust emphasises local participation and recognises the local people as the ultimate custodians of their homelands. The aim of the charity is to co-create with the people of Nepal clearly-needed, attainable and sustainable projects.

ACHIEVEMENT AND PERFORMANCE

The 2015 Earthquakes

The earthquakes in Spring 2015 have resulted in a fundamental change to our outlook and programme of activities. Although not a disaster recovery agency, we were within a matter of days able to provide urgent relief supplies to villagers in the Sindhupalchowk district, close to Kathmandu, where we were the first agency to arrive. Both the Nepal Trust and The Nepal Trust (Nepal) have received very substantial donations to be used for post-earthquake recovery programmes and have decided to focus these on community recovery projects and programmes in the Sindhupalchowk district. These funds are ring fenced within our accounts

This effectively means that The Nepal Trust now has two operational areas: Humla in the remote NW corner of Nepal and the Sindhupalchowk district in the Himalayan foot hills, which are NE of and close to Kathmandu. Our operational team in Kathmandu has been expanded to cope with this increase in activity and in June 2016 moved to a larger office.

THE NEPAL TRUST

REPORT OF THE TRUSTEES for the year ended 31 December 2015

ACHIEVEMENT AND PERFORMANCE **Sindhupalchowk Programmes**

The initial relief efforts were focused on the delivery of materials to build temporary shelters, on the provision of basic medical supplies and on the supply of filters for clean drinking water.

By mid-summer the focus of the Nepal Trust team had swung on to identifying projects to help the communities rebuild infrastructure including secondary schools, irrigation and water storage schemes, clean water supply and sanitation facilities, electricity distribution facilities and agricultural infrastructure. Projects are identified in consultation with the village district committees and use local labour to optimise expenditure in the affected local economies. The pace of development has been constrained by the lack of basic supplies such as cement & oil and by the need to obtain government approvals for all building and construction works. Nevertheless projects are now underway across Sindhupalchowk and we are making solid progress in 2016.

Although the bureaucracy and delay to getting work under way has been frustrating, the primary concern of the trustees is to ensure that the money donated by many individuals and organisations is spent wisely and in the field. One year after the disaster The Nepal Trust is still seeing very little in the way of other agencies engaging on the ground in Sindhupalchowk.

Earthquake recovery & reconstruction work will continue for a number of years.

Humla Programmes

We are pleased to report that our various projects in Humla were not directly affected by the earthquakes.

The Humla Health Programme:

This project provides primary healthcare services for the people of Humla District in North West Nepal, training of community health workers, health education, courses for school children to learn basic health & sanitation concepts, nutritional knowledge & first aid skills, preventative and curative health services and it also arranges for foreign medical volunteers to share their skills with the indigenous population. The Nepal Trust operates and funds a chain of six primary healthcare clinics, including the supply and distribution of medicines. The aim is to continue to support this network of clinics and to expand both the number of clinics and the breadth & depth of treatments available through them. Our focus is on delivering prenatal and ante natal care to mother and child, targeting to reduce infant and in-labour mortality rates with particular attention given to the needs of disadvantaged groups such as women, children and low caste or impoverished communities.

A key objective of the Nepal Trust in Humla is that every member of the community should have access to a functioning primary healthcare clinic no further than one day's walk from their community.

All six clinics Nepal Trust were operational in 2015 and provided routine healthcare services. The processes around the procurement and distribution of medical supplies are the prime responsibility of the NT's senior management team in Kathmandu and NT's healthcare co-ordinator based in Humla. The new birthing centres at Bargaun and Sarkegad were brought into full operation in 2015. The construction of the new clinic and birthing centre in Yari was substantially completed in 2015; this clinic and birthing centre is expected to move into full operational service in the summer of 2016.

Three Little Doctors' programmes were run during the year at Simikot, Yalbang and Bargaun. For 2016 this is being expanded to include a 4th programme at Sarkegad.

In 2015 there was little engagement by volunteer doctors, nurses and dentists visiting the health posts to provide training, supervision and general support.

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REPORT OF THE TRUSTEES for the year ended 31 December 2015

ACHIEVEMENT AND PERFORMANCE

Humla Education

The primary school at Thehe built by The Nepal Trust with funding support from Stichting Nepal, a Dutch aid organisation, is fully functional. Likewise the Kailash Humla Children's Home remained fully operational in 2015 providing accommodation and education at Muchu for over 40 young children and the school library at Yalbang built by The Nepal Trust continued to deliver library services to the school.

Humla Renewable Energy projects:

This programme supplies electricity to village households, schools, health posts and monasteries; providing lighting, power to gristmills to improve food production and work opportunities for local people.

No new renewable energy schemes were worked on in 2015. The Nepal Trust board has determined to release funds from its reserves to finance the fitting out and equipping of the Service Centre, effectively matching funds for this programme that were donated by a number of Rotary clubs from Yorkshire and North Wales. This project which was stalled for most of 2015 is now expected to enter into the operational phase by the end of 2016.

Water & Sanitation

The Kaski water, sanitation & hygiene project funded by grants from the Stichting Waterprojekt Nepal, a Dutch aid organisation, saw the distribution works complete in 2015.

FINANCIAL REVIEW

The Nepal Trust receives income from individual friends and supporters, corporate donors, charitable trusts & organisations and Rotary Clubs. The earthquakes raised the global awareness of Nepal's plight and the wide response to earthquake appeals resulted in a significant increase in income both directly for earthquake relief & recovery work and indirectly for other work. Total income for the year was £304,212, of which £171,157 was specifically for Earthquake relief & recovery, £72,279 for other restricted purposes and £60,776 for unrestricted purposes. Expenditure was £223,293. There was a net increase in the year in Unrestricted Funds of £6,702, with a balance of £108,695 carried forward into 2016. At the year end, The Nepal Trust was financially strong with net assets of £250,121, including £141,426 to be spent on specific projects in future years.

FUTURE DEVELOPMENTS

In the next year the Nepal Trust plans to continue some or all of its core activities in both Humla and Sindhupalchowk:

1. Primary Healthcare
2. Education & Literacy
3. Renewable Energy and Electricity distribution
4. Culture & Heritage Preservation
5. Food Security & Agricultural Development
6. Tourism – Social Enterprise & Business Development
7. Water, Sanitation & Hygiene
8. Earthquake relief & recovery

Funds for the following projects are available or pledged:

1. Continued activities for the Healthcare Project in Humla, including four Little Doctors' programmes
2. Completion of the Yari health post
3. The equipping and initial operational activities of the Simikot Service Centre
4. Construction of new schools in Sindhupalchowk
5. Post-earthquake community recovery projects in Sindhupalchowk
6. Construction of a deaf school in Chitwan
7. Support of the Kailash Humla Children's' Home in Muchu

THE NEPAL TRUST

REPORT OF THE TRUSTEES for the year ended 31 December 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Nepal Trust is a charitable company limited by guarantee, incorporated in Scotland on 10 October 2001 and is a registered Scottish Charity. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and appointment of new trustees

The trustees may at any time appoint a nominated person to fill a vacancy or as an additional trustee. New trustees or directors are appointed from within the membership and their appointment is confirmed by a vote of the membership at an annual general meeting. It is the responsibility of the trustees to ensure that there is no reason for the person joining to be disqualified. We welcome Anna McPherson to the board as director responsible for Social Media.

Organisational structure

The number of trustees of the Nepal Trust is limited to twelve. Of this number a maximum of eight shall be Individual Trustees, a maximum of two shall be Organisational Trustees (trustees appointed by organisations, who are members of the Nepal Trust) and there shall be one Programme Director (Trustee), currently Jeroen van den Bergh, and one Administration Director (Trustee), position currently vacant.

The Board of Trustees holds conference call meetings and meets formally at least once a year to discuss the ongoing work of the Nepal Trust, to review the finances and to make any major decisions with respect to policy and strategy. It is responsible for approving the NT's forward field programme and associated budgetary commitments. The day to day running of administrative and financial matters is delegated to the Company Secretary, supported by the Board Members and the Programme Director.

Induction and training of new trustees

New trustees before joining are provided with a copy of the Nepal Trust's governing document (Memorandum and Articles of Association) and information about the aims and objectives of the Nepal Trust as well as its current activities and projects. The role and responsibilities of new trustees and the level of their commitment is clearly identified and agreed to at time of appointment. They are also provided with a copy of the OSCR's guidance for charity trustees.

Wider network

The Nepal Trust regularly works in collaboration with other organisations. This mostly takes the form of financial support or training programmes but can also involve the Nepal Trust acting as the 'local' delivery party for projects and/or programmes. When engaging in collaborative activities, NT policy is that a formal collaboration agreement is drawn up between the organisations to regulate the working arrangements and to define the responsibilities and liabilities of the parties.

Related parties

The Nepal Trust operates in Nepal as an International Non-Governmental Organisation ("INGO"). This status allows it to operate bank accounts and to enter into legal and other arrangements in its own name. The Trust's status as an INGO is subject to renewal every 5 years. A new five year General Agreement was signed between the Nepal Trust and the Social Welfare Committee of the Nepalese Government on 7th February 2014 and the related Project agreement on 18th July 2014.

For a significant number of its activities in Nepal, the regulations require that the delivery of its programmes be run through a local Non-Governmental Organisation ("NGO"). The Nepal Trust (Nepal), chaired by Nugal Vaidya, is The Nepal Trust's local delivery partner.

The activities of The Nepal Trust's guest house in Simikot are run through Hidden Himalaya Ranch & Resort Pvt Ltd, a wholly owned subsidiary of The Nepal Trust.

THE NEPAL TRUST

REPORT OF THE TRUSTEES for the year ended 31 December 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC224124 (Scotland)

Registered Charity number

SC022552

Registered office

The Nepal Trust
23 Norman Macleod Crescent
Bearsden
Glasgow
G62 3BF

Trustees

Dr M Love
Mr A L Sharpe
Dr D Hurman
Mr G E Williams
Mr J R van den Bergh
Mr R W Lowcock
Mr C Rae

Chair
Deputy chair
Medical director
Technical director
Programme director
Finance director
Commercial & legal
Director
Social Media

Appointed 28 November 2015

Miss A McPherson

Company Secretary

Mr C Rae

Independent examiner

John Fraser, CA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers

Bank of Scotland
102 High Street
Forres
Moray
IV36 1PA

Solicitors

R & R Urquhart
117 - 121 High Street
Forres
Moray
IV36 1AB

THE NEPAL TRUST

**REPORT OF THE TRUSTEES
for the year ended 31 December 2015**

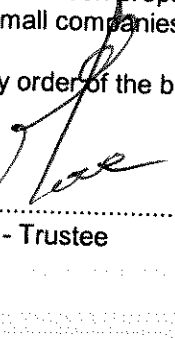
REFERENCE AND ADMINISTRATIVE DETAILS

Patrons

Mr D Scott
Sir C Bonington
Mr J Hart Dyke

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 7 September 2016 and signed on its behalf by:


.....
Dr M Loye - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE NEPAL TRUST**

I report on the accounts for the year ended 31 December 2015 set out on pages seven to seventeen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



John Fraser, CA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 14 SEPTEMBER 2016

THE NEPAL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 December 2015**

	Notes	Unrestricted fund £	Restricted funds £	2015 Total funds £	2014 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	60,478	117,458	177,936	141,581
Charitable activities	4	-	125,978	125,978	43,286
Investment income	3	298	-	298	77
Total		60,776	243,436	304,212	184,944
EXPENDITURE ON					
Raising funds		3,913	-	3,913	2,459
Charitable activities	5	46,043	167,363	213,406	124,151
Other	7	5,974	-	5,974	4,361
Total		55,930	167,363	223,293	130,971
NET INCOME		4,846	76,073	80,919	53,973
Transfers between funds	15	1,856	(1,856)	-	-
Net movement in funds		6,702	74,217	80,919	53,973
RECONCILIATION OF FUNDS					
Total funds brought forward		101,993	67,209	169,202	115,229
TOTAL FUNDS CARRIED FORWARD		108,695	141,426	250,121	169,202

The notes form part of these financial statements

THE NEPAL TRUST

BALANCE SHEET
At 31 December 2015

	Notes	Unrestricted fund £	Restricted funds £	Total 2015 funds £	Total 2014 funds £
FIXED ASSETS					
Tangible assets	13	10,042	-	10,042	10,042
CURRENT ASSETS					
Cash at bank		101,053	141,426	242,479	161,560
CREDITORS					
Amounts falling due within one year	14	(2,400)	-	(2,400)	(2,400)
NET CURRENT ASSETS		<u>98,653</u>	<u>141,426</u>	<u>240,079</u>	<u>159,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>108,695</u>	<u>141,426</u>	<u>250,121</u>	<u>169,202</u>
NET ASSETS		<u>108,695</u>	<u>141,426</u>	<u>250,121</u>	<u>169,202</u>
FUNDS	15				
Unrestricted funds				108,695	101,993
Restricted funds				<u>141,426</u>	<u>67,209</u>
TOTAL FUNDS				<u>250,121</u>	<u>169,202</u>

The notes form part of these financial statements

THE NEPAL TRUST

BALANCE SHEET - CONTINUED
At 31 December 2015

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2015.


The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2015 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 7 September 2016 and were signed on its behalf by:



Mr R W Lowcock -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £200 are not capitalised. Depreciation is provided at the following annual rates calculated to write off the cost of each asset over its expected useful life.

Land	Not provided
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Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Income in currencies other than pounds sterling is incorporated in these accounts at the actual rates realised on conversion to sterling. Expenditure in currencies other than pounds sterling is incorporated at the actual cost in sterling of purchasing the currency. Monetary assets held in foreign currencies at the year end are converted to sterling at the year end exchange rate, and any gains or losses thereon are dealt with in the Statement of Financial Activities.

2. DONATIONS AND LEGACIES

	2015	2014
	£	£
Gift aid	2,134	10,203
Subscriptions	10,987	10,479
Donations - general	44,880	80,923
Donations from Rotary	99,823	25,588
Donations from trusts	5,600	3,500
Volunteers contributions	14,512	10,888
	<u>177,936</u>	<u>141,581</u>

3. INVESTMENT INCOME

	2015	2014
	£	£
Bank interest received	<u>298</u>	<u>77</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2015	2014
		£	£
Grants	Health and education projects	2,565	43,286
Grants	Water and sanitation projects	36,608	-
Grants	Agriculture development	2,000	-
Grants	Earthquake relief and recovery	84,805	-
		<u>125,978</u>	<u>43,286</u>

Grants received, included in the above, are as follows:

	2015	2014
	£	£
Other grants	<u>125,978</u>	<u>43,286</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Health and education projects	67,081	31,843	98,924
Simikot Service Centre	3,998	-	3,998
Tourism development	313	-	313
Volunteer and trekking projects	13,194	-	13,194
Water and sanitation projects	41,175	-	41,175
Agriculture development	1,414	-	1,414
Earthquake relief and recovery	54,388	-	54,388
	<u>181,563</u>	<u>31,843</u>	<u>213,406</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2015

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2015	2014
	£	£
Trustees' remuneration etc	2,000	-
Volunteers expenses	13,194	10,588
General project running costs	<u>166,369</u>	<u>87,481</u>
	<u>181,563</u>	<u>98,069</u>

7. SUPPORT COSTS

	Management	Finance	Human resources	Governance costs	Totals
	£	£	£	£	£
Other resources expended	-	-	-	5,974	5,974
Health and education projects	<u>12,015</u>	<u>(1,172)</u>	<u>21,000</u>	-	<u>31,843</u>
	<u>12,015</u>	<u>(1,172)</u>	<u>21,000</u>	<u>5,974</u>	<u>37,817</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2015	2014
	£	£
Independent examiner's fees	2,340	2,340
Foreign currency exchange (gain)/loss	<u>(1,666)</u>	<u>(4,114)</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

	2015	2014
	£	£
Trustees' salaries	<u>23,000</u>	<u>18,000</u>

Included above are £23,000 (2014 - £18,000) for salaries paid to one trustee based in Nepal. His salary was paid for his services as an employee, not for his services as a trustee.

Trustees' expenses

During the year 4 trustees received reimbursement of out of pocket expenses totalling £4,139 (2014 - 3 trustees for £3,494).

10. STAFF COSTS

The average monthly number of employees during the year was as follows:

Administration staff	2015	2014
	<u>1</u>	<u>1</u>

Included in the above are amounts totalling £23,000 (2014 - £18,000) of salary costs paid to non-UK residents based in Nepal.

During the years ending 31 December 2015 and 31 December 2014 there were no employees with emoluments above £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	110,556	31,025	141,581
Charitable activities			
Health and education projects	-	43,286	43,286
Investment income	<u>77</u>	<u>-</u>	<u>77</u>
Total	110,633	74,311	184,944
EXPENDITURE ON			
Raising funds	2,459	-	2,459
Charitable activities			
Health and education projects	26,082	64,921	91,003
Renewable energy projects	-	7,563	7,563
Simikot Service Centre	-	4,409	4,409
Volunteer and trekking projects	10,588	-	10,588
Water and sanitation projects	-	10,588	10,588
Other	<u>4,361</u>	<u>-</u>	<u>4,361</u>
Total	43,490	87,481	130,971
NET INCOME	67,143	(13,170)	53,973
Transfers between funds	<u>18,283</u>	<u>(18,283)</u>	<u>-</u>
Net movement in funds	85,426	(31,453)	53,973
RECONCILIATION OF FUNDS			
Total funds brought forward	16,567	98,662	115,229
TOTAL FUNDS CARRIED FORWARD	<u>101,993</u>	<u>67,209</u>	<u>169,202</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2015

12. TANGIBLE FIXED ASSETS

	Land £
COST	
At 1 January 2015 and 31 December 2015	<u>10,042</u>
NET BOOK VALUE	
At 31 December 2015	<u>10,042</u>
At 31 December 2014	<u>10,042</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Other creditors	<u>2,400</u>	<u>2,400</u>

14. MOVEMENT IN FUNDS

	At 1.1.15 £	Net movement in funds £	Transfers between funds £	At 31.12.15 £
Unrestricted funds				
General fund	101,993	4,846	1,856	108,695
Restricted funds				
Core Health program	12,953	(1,334)	(11,057)	562
"Little Doctors" courses for children	2,967	2,072	490	5,529
Bargaun Birthing Centre	3,233	(3,146)	(87)	-
Sarkegard Birthing Centre	4,826	(3,376)	(100)	1,350
Yari Birthing Centre	8,316	(12,097)	9,904	6,123
Kailash Humla Children's Home	1,691	(2,004)	320	7
Schools & Literacy	13,562	(12,833)	(723)	6
Simikot Service Centre	10,408	(3,998)	67	6,477
Water, sanitation & hygiene projects	9,253	(4,566)	(144)	4,543
Earthquake relief and recovery	-	116,769	(440)	116,329
Agriculture fund	-	586	(86)	500
	<u>67,209</u>	<u>76,073</u>	<u>(1,856)</u>	<u>141,426</u>
TOTAL FUNDS	<u>169,202</u>	<u>80,919</u>	<u>-</u>	<u>250,121</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2015

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	60,776	(55,930)	4,846
Restricted funds			
Core Health program	660	(1,994)	(1,334)
"Little Doctors" courses for children	4,628	(2,556)	2,072
Bargaun Birthing Centre	-	(3,146)	(3,146)
Sarkegard Birthing Centre	6,172	(9,548)	(3,376)
Yari Birthing Centre	13,146	(25,243)	(12,097)
Kailash Humla Children's Home	6,500	(8,504)	(2,004)
Schools & Literacy	2,564	(15,397)	(12,833)
Water, sanitation & hygiene projects	36,609	(41,175)	(4,566)
Earthquake relief and recovery	171,157	(54,388)	116,769
Agriculture fund	2,000	(1,414)	586
Simikot Service Centre	-	(3,998)	(3,998)
	<u>243,436</u>	<u>(167,363)</u>	<u>76,073</u>
TOTAL FUNDS	<u><u>304,212</u></u>	<u><u>(223,293)</u></u>	<u><u>80,919</u></u>

14. MOVEMENT IN FUNDS - continued

Unrestricted Fund:

This fund represents the free reserves of the charitable company arising from past operating results. During the year, there was a surplus of income over expenditure of £4,846 and a balance of £108,695 at the year end.

Restricted Funds:

For each of the funds the balance at the year end represents the unspent amount which is expected to be used in future periods.

Restricted funds - Health projects:

The Nepal Trust carries out a number of health projects and receives funding specified for use in each project or area. During the year funds have been received specifically for or expended on the following projects:

The core health programme in Humla:

This fund contributes to the running costs of our health centres in Humla.

Little Doctors' health education programme:

Three courses were held in the year, and donations received from CIME Belgium, Bathgate Rotary Club & Elgin Rotary Club are carried forward to fund four courses in 2016.

Bargaun Health Post birthing centre:

Equipping the birthing centre was completed in the year using funds available from 2014.

Sarkegard birthing centre:

A further donation of £6,172 was received from Sturminster Newton Rotary Club used for completing the building works, and in financing the costs of health staff and purchasing medical supplies in order to begin operating the birthing centre. This project will be completed in 2016.

Yari Health Post birthing centre:

A further donation of £11,316 was received in the year from the Misbourne Matins Rotary Club enabling a start to be made on construction of the birthing centre, and the Rozelle Trust donated £3,000. The construction of the main building was completed in the year. The building will be fitted out with furniture and equipment in 2016, and staff engaged.

Restricted Funds - Education projects:

Kailash Humla Children's Home:

This project provides accommodation & education for 40 children. Donations of £6,500 were received in the year to help fund running costs.

Thehe Primary School:

A further grant of £2,564 was received from the Dutch charity, Stichting Nepal, during the year, and the project completed and fully operational.

Restricted Funds - Water, Sanitation & Hygiene projects:

Kaski Water Project

Stichting Waterproject Nepal continued to fund this project with a further £36,609 in the year. The project provides drinking water and sanitation to the inhabitants of the Kaski region. Work on the distribution line commenced, with our part of the remaining work constructing collection chambers and connecting local pipelines to the distribution line scheduled to finish in 2016. We have also provided water systems in local schools and health posts, together with appropriate educational murals.

14. MOVEMENT IN FUNDS - continued

Restricted Funds - Earthquake Relief & Recovery

A total of £171,157 was received in the year specifically for Earthquake Relief & Recovery work. £54,388 has been spent in the year on providing immediate relief supplies & temporary accommodation and in supporting local communities recover their livelihoods in the devastated district of Sindhupalchowk to the north of Kathmandu.

Restricted Funds - Agricultural Projects

The Princes Trust provided a grant of £2,000 for sanitation work at the training centre for the agricultural project. This grant will also provide materials and equipment for local farmers.

Restricted Funds - Renewable Energy projects:

Simikot Service Centre

A concerted effort is being made in 2016 to raise funds to equip the service centre in order to bring it into operation.

15. RELATED PARTY DISCLOSURES

Debbie Rae, the mother of the trustee Chris Rae, received remuneration of £3,000 (2014 - £2,000) for services provided to the charity.

16. ULTIMATE CONTROLLING PARTY

The Nepal trust is a charitable company limited by guarantee and therefore the ultimate controlling party is considered to be the Board of Trustees.

THE NEPAL TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
for the year ended 31 December 2015

	2015 £	2014 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid		
Subscriptions	2,134	10,203
Donations - general	10,987	10,479
Donations from Rotary	44,880	80,923
Donations from trusts	99,823	25,588
Volunteers contributions	5,600	3,500
	<u>14,512</u>	<u>10,888</u>
	177,936	141,581
Investment income		
Bank interest received	298	77
Charitable activities		
Grants	<u>125,978</u>	<u>43,286</u>
Total incoming resources	304,212	184,944
EXPENDITURE		
Raising donations and legacies		
Trustees' expenses	2,325	1,984
Web & Agency fees	69	69
Fundraising expenses	436	406
Magazine costs	895	-
Presentations and exhibitions	188	-
	<u>3,913</u>	<u>2,459</u>
Charitable activities		
Trustees' salaries	2,000	-
Volunteers expenses	13,194	10,588
General project running costs	<u>166,369</u>	<u>87,481</u>
	181,563	98,069
Support costs		
Management		
Trustees' expenses	1,270	1,384
Nepal running costs	<u>10,745</u>	<u>10,525</u>
	12,015	11,909
Finance		
Bank charges	494	287
Foreign currency (gain) / loss	<u>(1,666)</u>	<u>(4,114)</u>
	(1,172)	(3,827)

This page does not form part of the statutory financial statements

THE NEPAL TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2015**

	2015 £	2014 £
Human resources		
Trustees' salaries		
Governance costs	21,000	18,000
Independent examiners fees		
Legal fees	2,340	2,340
Trustees meeting expenses	3,090	1,580
	<u>544</u>	<u>441</u>
	<u>5,974</u>	<u>4,361</u>
Total resources expended	223,293	130,971
	<u>80,919</u>	<u>53,973</u>
Net income	<u><u>80,919</u></u>	<u><u>53,973</u></u>

This page does not form part of the statutory financial statements