

NEPAL LEPROSY TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
31st December, 2020
CHARITY NUMBER 1081952
COMPANY NUMBER 4046961

NEPAL LEPROSY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

I. Beech
M. Davies
M. Ghimire
E. Jordan
J. Lowther
S. Wells
M. Wetherall

Company Secretary

J. Lowther (unpaid)

General Manager

M. Houghton

Office

The Principal Office of the Charity is at 10A The Vineyard, Richmond, Surrey, TW10 6AQ. This is also the Registered Office.

Independent Examiner

M I Lucas FCA DChA , Menzies LLP, Centrum House, 36 Station Road, Egham, Surrey, TW20 9LR.

Principal Bankers

Barclays Bank PLC, 8 George Street, Richmond, Surrey TW9 1JU.

Solicitors

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES.

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT

The Trustees, who are also the Directors of the Charity for purposes of the Companies Act, submit their report and the unaudited financial statements for the year ended 31st December, 2020.

Structure, Governance and Management

Status and Governing Document

Nepal Leprosy Trust is a charitable company limited by guarantee number 4046961 and a registered charity number 1081952. The Charity is governed by a Memorandum and Articles of Association dated 18th July, 2000. It is exempt from the requirement to use the word “limited” in its name. The company is registered in England and Wales. Its incorporation date was 3rd August 2000.

Charity and Company Law

The accounts comply with the Charities Act 2011 and the Companies Act 2006. The Trustees have adopted the provisions of the Charities SORP (FRS 102) in preparing the annual report and accounts.

Governance and Internal Control

The day-to-day business of the Charity is monitored by a Trustee, James Lowther, who has a base in the UK office. He has visited the projects in Nepal on many occasions and is in contact with colleagues in Nepal many times each week. The Board of Trustees meets quarterly; in between meetings, they are kept informed and consulted on important events and matters arising. The Charity works closely with Nepal Leprosy Trust (Nepal) which is a Nepal-based leprosy organisation with its own Nepali Executive Board. The Charity provides grants for Nepal Leprosy Trust (Nepal). A UK office staff member or a Trustee meets with the Nepal Executive Board at least once a year. Occasionally, a Nepal Executive Board member comes to the UK to meet with the Trustees.

The UK staff comprises unpaid volunteers with the exception of two part-time staff.

New Trustees are appointed by the existing Trustees. Unanimity is sought concerning such appointments and this has always been achieved. New Trustees are given written and verbal information on the Charity and their legal and practical responsibilities.

Trustees' Responsibilities in relation to the Unaudited Financial Statements

The Trustees are responsible for preparing the Trustees' Report and the unaudited financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Trustees to prepare unaudited financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

In preparing these unaudited financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the unaudited financial statements; and
- prepare the unaudited financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the unaudited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence to take reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included in the Charity's website.

Trustee Induction and Training

New Trustees are made aware of the seriousness of their responsibilities and obligations under charity and company law. They are encouraged to understand these obligations by reading relevant Charity Commission publications. Trustees are made aware of training courses and conferences and encouraged to extend their knowledge of matters pertaining to their role in the Charity.

Organisation

The Board of Trustees, which can have up to 12 members, administers the Charity. The Board meets quarterly and one trustee, a Chartered Accountant, also acts as treasurer and book-keeper. The General Manager is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operations, the General Manager has delegated authority, with terms of delegation agreed by the Trustees. The General Manager meets the Trustee/Treasurer once or twice a week and keeps him abreast of important issues at these meetings and by telephone and email communication. The General Manager also sends out emails to the Trustees from time to time with updates and information on matters arising in the life of the Charity.

Related Parties and cooperation with other organisations

The Trustees are unpaid and receive no benefit from their work with the Charity. There is no relationship between any trustee and employees or suppliers.

The Charity has good working relationships with organisations with a similar vision, in particular The Leprosy Mission and American Leprosy Missions.

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

Pay policy for senior staff

The Trustees consider that the board of directors, who are the Trust's trustees, and the General Manager comprise the key management personnel of the Charity in charge of directing, controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in a note to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with inflation and performance. Salaries reflect the pay levels in other organisations of a similar size run on a voluntary basis.

Objectives and Activities for the public benefit

Objects

The principal object of the Charity is the provision of relief and aid for those affected by leprosy in Nepal. Assistance is also provided for the poor of Nepal.

The elimination of stigma has become a focus for the work and is at the heart of the Trust's vision, as stigma continues to be the main problem in the field of leprosy.

Objectives

The main objectives for the year were to:

1. Secure adequate funding to continue and develop the activities in Nepal.
2. Develop the capacity of the Nepali workers and Executive Board members.
3. Continue to support the work in Nepal both in the hospital setting and especially in the key area of activities in the community setting.
4. Encourage ownership by the Nepal Leprosy Trust (Nepal) Executive Board and staff of the vision of the Trustees.

Activities

The Charity has built a long-standing relationship with its sister organisation, Nepal Leprosy Trust (Nepal), a Nepal-registered organisation with similar objects. There is regular contact between the two organisations, their Boards and staff. The Charity achieves its aims by providing financial and technical support for the leprosy work in Nepal, according to agreed plans and budgets, consistent with the rules and regulations of the Government of Nepal.

The Charity continued to develop its existing projects in the year in the light of its desire to follow a holistic approach to care.

The Charity funds income-generation and social welfare projects in Kathmandu. Projects include workshops for leather, fabric and felt. All the workers in Kathmandu are Nepalis.

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

The Trust's major project is supporting Lalgadh Leprosy Hospital and Services Centre (LLHSC). LLHSC's combination of community awareness activities and responsible diagnostic and treatment services continues to be effective. The Trust remains committed to innovative ideas to develop LLHSC's programmes.

During the year, the Charity had 2 part-time paid employees and an average of two workers on the field. Nepal Leprosy Trust (Nepal) employs approximately 125 people.

The Charity enjoys links with a number of organisations in the UK, Nepal and elsewhere who have similar objects.

Public Benefit

The trustees have considered the guidance of the Charity Commission on public benefit. These have been borne in mind when reviewing the Trust's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The provision of public benefit is given at no charge and is made available without discrimination, to people affected by leprosy or other disability and to those on low incomes.

Volunteers

The Trustees are grateful for the unpaid volunteers who serve the Trust in such an excellent way. In particular, thanks are due to Mildred Howes and Naomi Lowther, who assist with administrative and promotional work.

Nepal Leprosy Trust (Ireland)

The Charity has a close working relationship with Nepal Leprosy Trust (Ireland), a charitable organisation registered in Ireland with similar objectives.

Grant-making Policies

The Trustees allocate grants to supported projects in Nepal in line with the objects of the Charity and plans agreed by Nepal Leprosy Trust (Nepal) and the Government of Nepal.

How the Charity's Grants Achieved Public Benefit: a Review of Achievements and Performance

The Charity exists to provide relief and aid for those affected by leprosy and others in Nepal. It works through its sister organisation Nepal Leprosy Trust (Nepal) and has been successful in playing a key role by:

1. Raising funds and acting as a channel for funds.
2. Providing accountability for Nepal Leprosy Trust (Nepal) in the eyes of donors.
3. Providing necessary expatriate specialists (doctors, consultants etc.) for Nepal Leprosy Trust (Nepal).
4. Providing vision and valued advisory support to Nepal Leprosy Trust (Nepal).

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

In Kathmandu, handicraft export orders continue to be secured. Employment is provided for 47 people (2019 - 51) and 118 needy individuals (2019 - 125) have benefited from social support schemes.

In 2020, LLHSC received 55,027 out-patient visits (106,193 in the previous year) and identified 606 new cases of leprosy (1,067 in the previous year). The decrease in these numbers reflects the restrictions caused by COVID19. LLHSC is one of the busiest leprosy centres in the world. The work was led by Nepalis, with input and monitoring from the UK and advice from expatriate specialists.

The work at LLHSC has generated considerable interest in the field of leprosy, and articles on its approaches to the challenge of leprosy have appeared in a number of international journals.

In relation to the year's objectives as set out above:

1. Funding: the Charity achieved an unrestricted fund surplus. The 2021 income is expected to be comparable to recent years.
2. Capacity: LLHSC has been operating successfully for over ten years under Nepali leadership; and the current five-year agreement with the Nepali Government (December 2019 to December 2024) is now the primary responsibility of the Executive Board in Nepal.
3. Focus: continue to support the development of Nepal Leprosy Trust (Nepal) and key work areas, especially in the community work programme.
4. Ownership of the vision: this has been achieved for some Nepali staff and Executive Board members but others will take more time to own the vision.

Financial Review

Income Generation

The Charity's income decreased from £562,514 to £317,596. This 44% reduction resulted mainly from lower trust giving. The principal funding sources are American Leprosy Missions and Chartsand Limited.

Legacy Fund

The Trustees have designated gifts from legacies to a separate legacy fund, which will be used for specific purposes as approved by the Trustees.

Reserves

The Charity has grown considerably over the past 20 years. Although substantial unrestricted reserves have not been accumulated, the Charity has consistently been able to fund and develop the projects it supports and add new ones. The Charity exists to support projects in Nepal, so the majority of its income is transferred to Nepal, with the result that the Charity has not built up large reserves, but has also never moved into deficit. The Trustees consider that the unrestricted fund reserves at the year-end

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

of £29,586 (2019 - £28,236) were adequate. In 2007, The Trustees decided that in order to provide working capital and a buffer against unexpected expenses, the level of unrestricted reserves should be increased in stages to reach at least 5% of annual income (£16,654 based on 2007 income). As at 31st December 2020 the Charity had achieved unrestricted reserves of £29,586, which exceeds the original target of £16,654 and gives a level of 9% of total current income.

	2020	2019
	£	£
Total reserves	212,617	241,299
Less: restricted reserves	(171,038)	(203,032)
Less: designated reserves, legacy fund	(11,993)	(10,031)
	<hr/>	<hr/>
	£29,586	£28,236
	<hr/>	<hr/>
Targeted unrestricted reserves	£16,654	£16,654
	<hr/>	<hr/>

Risk Assessment

The major risks to which the Charity has been exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

The previously unsettled political situation in Nepal has improved in recent years following the signing of the new Constitution in 2015. This has encouraged stability for the activities of Nepal Leprosy Trust (Nepal) and the work has been able to continue as normal. There is a much reduced need for expatriate staff, since the Nepali senior management teams have grown in confidence as more responsibility has been given to them. This is reducing the risks caused by the need for expatriate visas and the health problems that can arise and the trustees do not envisage employing expatriates beyond 2022. The Charity has been funding activities in Nepal for over 40 years and has acquired extensive experience of the kind of difficulties that generally arise there. The Trustees believe that the operations of Nepal Leprosy Trust (Nepal) will be able to continue.

Going Concern

Taking into account reserves and anticipated recurring income and having considered the impact of the COVID 19 pandemic, the Trustees are confident that the Charity remains a going concern for at least twelve months from the date of approval of these accounts.

Financial Control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

NEPAL LEPROSY TRUST

TRUSTEES' ANNUAL REPORT (continued)

1. The day-to-day availability of the expertise of a Chartered Accountant, who is the Charity's treasurer;
2. An annual budget;
3. Regular consideration by the Trustees of financial results and activities;
4. Delegation of authority and, where possible, segregation of duties; and
5. Identification and management of risks.

COVID19

The Charity and its sister organisation in Nepal have been affected by the Pandemic but a surplus on unrestricted funds has been achieved by the Charity in the year and the Trustees are satisfied by the way in which COVID19 is being navigated.

Small Company Provisions

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

Plans for the Future

The Trustees are committed to supporting the work of Nepal Leprosy Trust (Nepal) with financial and advisory support. They also want to continue to build the capacity of the Nepali Executive Board and Staff.

The Report was approved by the Trustees on 24 April 2021.

J. Lowther

Company Secretary

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020 on pages 12 to 26.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF NEPAL LEPROSY TRUST (continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Malcolm Lucas FCA DChA
Independent Examiner

Menzies LLP

Centrum House
36 Station Road
Egham
Surrey
TW20 9LR

30 April 2021

NEPAL LEPROSY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
YEAR ENDED 31st DECEMBER, 2020

		<u>Unrestricted Funds</u>		<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
	Note	General	Legacy	Funds	2020	2019
		£	£	£	£	£
INCOME AND ENDOWMENTS						
From:						
Donations	2	57,794	-	252,701	310,495	554,412
Legacies	2	-	4,637	-	4,637	6,142
Investment income - Interest	2	2,464	-	-	2,464	1,960
Total Income		60,258	4,637	252,701	317,596	562,514
EXPENDITURE ON:						
Costs of raising funds		9,901	-	-	9,901	10,699
Charitable activities	4	49,007	2,675	284,695	336,377	496,266
Total Expenditure		58,908	2,675	284,695	346,278	506,965
NET INCOME/ (EXPENDITURE)		1,350	1,962	(31,994)	(28,682)	55,549
RECONCILIATION OF FUNDS						
TOTAL FUNDS BROUGHT FORWARD		28,236	10,031	203,032	241,299	185,750
TOTAL FUNDS CARRIED FORWARD	11	£29,586	£11,993	£171,038	£212,617	£241,299

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The results for the year for Companies Act purposes is the same as that presented above.

The notes on pages 16 to 26 form part of these unaudited financial statements.

NEPAL LEPROSY TRUST

BALANCE SHEET 31st DECEMBER, 2020

CHARITY NUMBER 1081952 COMPANY NUMBER 4046961

	Note	2020	2019
		£	£
<u>CURRENT ASSETS</u>			
Debtors	9	11,811	11,498
Cash at bank and in hand		218,381	245,137
		<hr/>	<hr/>
		230,192	256,635
<u>CREDITORS: Amounts falling due within one year</u>			
Accruals and deferred income	10	(17,575)	(15,336)
		<hr/>	<hr/>
<u>NET ASSETS</u>		£212,617	£241,299
		<hr/>	<hr/>
<u>FUNDS</u>			
	11		
Unrestricted funds - General		29,586	28,236
- Legacy Fund		11,993	10,031
Restricted funds		171,038	203,032
		<hr/>	<hr/>
<u>TOTAL CHARITY FUNDS</u>		£212,617	£241,299
		<hr/>	<hr/>

The notes on pages 16 to 26 form part of these unaudited financial statements.

NEPAL LEPROSY TRUST**BALANCE SHEET AT 31st DECEMBER, 2020****CHARITY NUMBER 1081952 COMPANY NUMBER 4046961 (Continued)**

For the year ended 31st December, 2020, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to smaller companies.

Responsibilities of Directors/Trustees:

a) The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act - however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner whose report forms part of this document.

b) The Directors/Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the Directors/Trustees and authorised for issue on 24 April 2021 and signed on their behalf by:

J. Lowther

The notes on pages 16 to 26 form part of these unaudited financial statements.

NEPAL LEPROSY TRUST**STATEMENT OF CASH FLOWS****YEAR ENDED 31st DECEMBER, 2020**

	2020 £	2019 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(28,682)	55,549
Interest income shown in investing activities	(2,464)	(1,960)
Increase in debtors	(313)	(253)
Increase in creditors	2,239	7,552
	<hr/>	<hr/>
Net cash generated from (used by) operating activities	(29,220)	60,888
<i>Cash flows from investing activities</i>		
Interest Received	2,464	1,960
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents in the year	(29,756)	62,848
Cash and cash equivalents brought forward	245,137	182,289
	<hr/>	<hr/>
Cash and cash equivalents carried forward	£218,381	£245,137
	<hr/>	<hr/>

The notes on pages 16 to 26 form part of these unaudited financial statements.

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS

31st DECEMBER, 2020

1. Accounting Policies

(a) Basis of Preparation

Nepal Leprosy Trust is a charitable company limited by guarantee incorporated in England and Wales. Details of its activities and Registered Office are disclosed in the Legal and Administrative information and Trustees' Annual Report on pages 2 to 9.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the Charity and rounded to the nearest £.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charity has availed itself of the Companies Act 2006 and adopted the Companies Act format to reflect the special nature of the Charity's activities. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies - see note 1(k).

Having considered the ongoing impact of the COVID 19 pandemic, the Trustees have no concerns about the ability of the Charity to continue as a going concern for at least the next 12 months. The accounts are accordingly prepared on the Going Concern basis.

A summary of the most important accounting policies, which have been applied consistently, are set out below.

(b) Company Status

The Charity is a company limited by guarantee. The Members of the Company are the Trustees named on Page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

(c) Funds Structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

During 2008, the Charity received a legacy from the estate of a long-standing supporter, Miss Muriel Western. The Trustees designated this gift in a separate legacy fund, which will be used for specific purposes as approved by the Trustees. Other legacies have been added to this fund, including £52,000 in 2012 from Ron Roberts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The aim and use of each restricted fund is set out in the notes to the unaudited financial statements.

(d) Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(e) Income

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Grant income is recognised in the unaudited financial statements once grants have been formally notified in writing and once the amount receivable is certain and any preconditions concerning the grant have been fulfilled. Grant income relating to future periods is carried forward in creditors as deferred income. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Gifts in kind, with the exception of time given by volunteers, are included at valuation and recognised as income when they are distributed to the projects. No amounts have been included in the unaudited financial statements for gifts in kind or for services donated by volunteers.

(f) Transactions in Foreign Currencies

Transactions in foreign currencies are translated at current exchange rates. Assets and liabilities denominated in foreign currencies at the financial year-end are translated at current rates unless there is a relevant contracted rate. The exchange losses in the year totalled £93 (2019 – losses of £22).

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

(g) Expenditure

All expenditure, which includes irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources, using time spent on each activity as a guide.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the Charity's activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management costs. Governance costs are those incurred in connection with the strategic management of the Charity and compliance with constitutional and statutory requirements.

(h) Basis of Recognition of Liabilities and Grants Payable

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings aggregating the costs relating to each category.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

(i) Pension Scheme

The Charity operates a funded, money purchase pension scheme. Pension costs are charged to the SOFA in the financial period in which they are incurred. The employer contribution is 5% of gross pay.

(j) Intangible Income

Christian Fellowship in Richmond, a UK Registered Charity provides administrative and other support by employees and the use of its facilities to the Charity. It is not practical to quantify this support in financial terms and it is not significant relative to the facilities used and roles and responsibilities of the individuals concerned.

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

(k) Estimates and Judgements

In the opinion of the Trustees there are no accounting estimates or significant judgments that have a material impact on the financial statements.

2. Income

	2020	2019
	£	£
Individuals	102,330	102,737
Legacies	4,637	6,142
Charitable foundations	120,279	386,195
Corporate donors	87,161	65,480
Interest	2,464	1,960
Coronavirus Job Retention Scheme	725	-
	<hr/>	<hr/>
	£317,596	£562,514
	<hr/>	<hr/>

Income includes amounts received from overseas of £102,093 (2019 - £299,692) and amounts received from related parties of £10,784 (2019 - £10,398).

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

3. SOFA with full comparatives

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
INCOME AND ENDOWMENTS						
From:						
Donations	57,794	252,701	310,495	61,507	492,905	554,412
Legacies	4,637	-	4,637	6,142	-	6,142
Investment income -						
Interest	2,464	-	2,464	1,960	-	1,960
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	64,895	252,701	317,596	69,609	492,905	562,514
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE ON:						
Costs of raising funds	9,901	-	9,901	10,699	-	10,699
Charitable activities	51,682	284,695	336,377	49,882	446,384	496,266
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	61,583	284,695	346,278	60,581	446,384	506,965
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/ (EXPENDITURE)	3,312	(31,994)	(28,682)	9,028	46,521	55,549
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS						
TOTAL FUNDS BROUGHT FORWARD	38,267	203,032	241,299	29,239	156,511	185,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	£41,579	£171,038	£212,617	£38,267	£203,032	£241,299
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

4. Charitable Expenditure

		Unrestricted Funds	Restricted Funds	Total Funds 2020 £	Total Funds 2019 £
Grants payable	Note 5	12,675	284,695	297,370	458,084
Support costs	Note 6	39,007	-	39,007	38,182
		<hr/>	<hr/>	<hr/>	<hr/>
Total Charitable Expenditure		£51,682	£284,695	£336,377	£496,266

5. Grants Payable

		Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
The grants payable in the year comprise					
4 payments (2019 - 14) to Nepal					
Leprosy Trust (Nepal) for leprosy and					
stigma elimination work in Nepal		£12,675	£284,695	£297,370	£458,084
		<hr/>	<hr/>	<hr/>	<hr/>
				2020 £	2019 £

6. Support Costs

Salaries, pension contributions and national insurance		31,588	30,967
Other costs		5,739	5,475
Governance costs	Note 7	1,680	1,740
		<hr/>	<hr/>
		£39,007	£38,182
		<hr/>	<hr/>

Note: The above support costs relate to grant-making activities and exclude the proportion of salaries that relate to fund-raising.

7. Governance costs

Independent Examiner's fees		1,680	1,740
Trustees' travel		-	-
		<hr/>	<hr/>
		£1,680	£1,740
		<hr/>	<hr/>

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

8. Trustees and Employees

	2020	2019
	£	£
Salaries	33,926	33,260
Social Security costs	-	-
Pension contributions	1,170	1,147
Allowances and expenses of those working in Nepal	7,132	4,848
	<hr/>	<hr/>
	£42,228	£39,255
	<hr/>	<hr/>

The average number of employees was four (2019 – four). No employee was paid in excess of £60,000 per annum. No remuneration was paid to any of the Trustees nor any person connected with them in 2019 or 2020. Necessary trustees' travel expenses of £nil (2019 - £nil) were paid by the Charity for relevant charitable activities. The key management personnel compensation is nil, as the unpaid trustees are the key management personnel.

9. Debtors

	2020	2019
	£	£
Tax refundable	11,727	11,293
Prepayments and accrued income	-	-
Other debtors	84	205
	<hr/>	<hr/>
	£11,811	£11,498
	<hr/>	<hr/>

10. Creditors

	2020	2019
	£	£
Other creditors	15,895	13,656
Accruals and deferred income	1,680	1,680
	<hr/>	<hr/>
	£17,575	£15,336
	<hr/>	<hr/>

Creditors includes £12,513 (2019 - £9,874) due to Nepal Leprosy Trust (Ireland).

Deferred income comprises income received specifically to be used in future periods.

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

11. Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

During 2008, the Charity received a legacy from the estate of a long-standing supporter, Miss Muriel Western. The Trustees designated this gift in a separate legacy fund, which will be used for specific purposes as approved by the Trustees. Other legacies have been added to this fund, including £52,000 in 2012 from Ron Roberts.

Unrestricted funds:

	Balance at 1st January, 2020 £	Movements in Resources		Balance at 31st December, 2020 £
		Income £	Expenditure £	
General	28,236	60,258	(58,908)	29,586
Legacies	10,031	4,637	(2,675)	11,993
	<hr/>	<hr/>	<hr/>	<hr/>
	£38,267	£64,895	(£61,583)	£41,579
	<hr/>	<hr/>	<hr/>	<hr/>

Unrestricted funds:

	Balance at 1st January, 2019 £	Movements in Resources		Balance at 31st December, 2019 £
		Income £	Expenditure £	
General	13,650	63,467	(48,881)	28,236
Legacies	15,589	6,142	(11,700)	10,031
	<hr/>	<hr/>	<hr/>	<hr/>
	£29,239	£69,609	(£60,581)	£38,267
	<hr/>	<hr/>	<hr/>	<hr/>

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

11. Funds (continued)

Restricted funds are funds which have been given for particular purposes and projects.

Restricted funds:

	Balance at 1st January, 2020 £	Movements in Resources		Balance at 31st December, 2020 £
		Income £	Expenditure £	
Lalgadh Leprosy Hospital & Services Centre	178,063	201,972	(240,512)	139,523
Child Sponsorship	10,462	14,378	(14,067)	10,773
Women's Projects	-	27,359	(26,071)	1,288
Maya Leprosy Fund	12,204	-	(2,151)	10,053
Other	2,303	8,992	(1,894)	9,401
	<hr/>	<hr/>	<hr/>	<hr/>
	£203,032	£252,701	(£284,695)	£171,038
	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds (comparative figures for 2019)

	Balance at 1st January, 2018 £	Movements in Resources		Balance at 31st December, 2018 £
		Income £	Expenditure £	
Lalgadh Leprosy Hospital & Services Centre	119,788	461,948	(403,673)	178,063
Child Sponsorship	6,451	12,309	(8,298)	10,462
Women's Projects	14,078	3,813	(17,891)	-
Maya Leprosy Fund	12,528	-	(324)	12,204
Other	3,666	14,835	(16,198)	2,303
	<hr/>	<hr/>	<hr/>	<hr/>
	£156,511	£492,905	(£446,384)	£203,032
	<hr/>	<hr/>	<hr/>	<hr/>

Lalgadh Leprosy Services Centre is a project founded and supported by Nepal Leprosy Trust, situated in South-east Nepal.

Under the Child Sponsorship Scheme, donors make contributions of £15 per month, which are used for the support of needy children.

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

11. Funds (continued)

The Charity sponsors a number of support projects for destitute and disadvantaged women in Nepal.

The Charity has been actively involved in relief work following the earthquakes in 2015, the flooding in 2017 and the pandemic in 2020.

A grant has been received from a registered charity called “Maya Leprosy Fund”, to be used for specified charitable projects in Nepal.

12. Analysis of Net Assets Between Funds

As at 31 December, 2020

	Current Assets	Current Liabilities	Net Assets
	£	£	£
Unrestricted Funds	47,161	(17,575)	29,586
Legacy Fund	11,993	-	11,993
Restricted Funds	171,038	-	171,038
	<hr/>	<hr/>	<hr/>
	£230,192	£(17,575)	£212,617
	<hr/>	<hr/>	<hr/>

As at 31 December, 2019

	£	£	£
Unrestricted Funds	43,572	(15,336)	28,236
Legacy Fund	10,031	-	10,031
Restricted Funds	203,032	-	203,032
	<hr/>	<hr/>	<hr/>
	£256,635	£(15,336)	£241,299
	<hr/>	<hr/>	<hr/>

NEPAL LEPROSY TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st DECEMBER, 2020

13. Recognised Gains

The Charity had no recognised gains or losses in 2019 or 2020, other than the Net Income. All assets are stated at historical cost. Therefore, no adjustments are required to the reported results, which are stated on an unmodified historical cost basis.

14. Analysis of Changes in Debt

	Balance at 1st January, 2020 £	Cash flows £	Other non-cash changes £	Balance at 31st December, 2020 £
Cash	83	-	-	83
Cash equivalents	245,054	(26,756)	-	218,298
	<hr/>	<hr/>	<hr/>	<hr/>
	£245,137	(26,756)	-	£218,381
	<hr/>	<hr/>	<hr/>	<hr/>