



**Himalayan
Development
Foundation**
AUSTRALIA

**2017-2018
ANNUAL REPORT**



Our mission

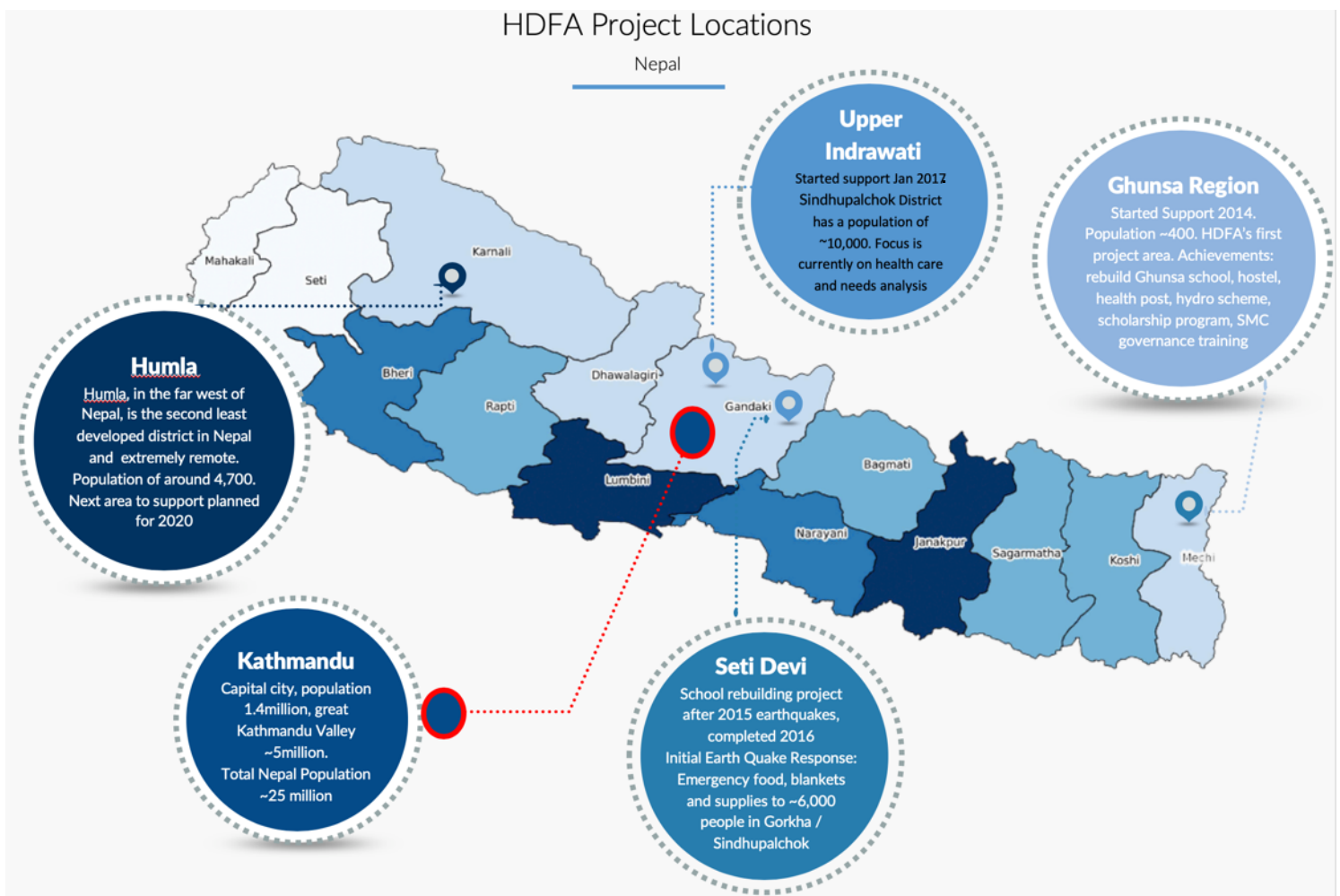
Through supporting **excellence in leadership and governance practices** in **rural community development** activities through the six key pillars: **health, education, child safety, economic development, infrastructure and environmental responsibility** — we aim to improve the lives of children and their families, so every child can grow to their full potential in a safe environment in Nepal.

Our vision

To secure a brighter future for Nepal's children and enable communities to lead their own way out of the poverty-illiteracy cycle.

Our History

We commenced working in Nepal in early 2014 to support remote education programs in the far eastern area of Nepal in the shadow of Mt Kanchenjunga, the 3rd highest peak on the planet. We soon realised that to effect true lasting impact, a more holistic approach was required – involving the whole community. We also observed an inverse relationship between poverty and good governance in Nepal; this was a fundamental issue that needed to be addressed. In 2015 we switched from an education-only focus to a holistic community development model focussing on rural communities, where we could achieve more impact per dollar, with each project area generally requiring a 10-year commitment.



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Ghunsa School, Kanchenjunga

SECTION 1

AN OVERVIEW OF HDFA.org

ABOUT US

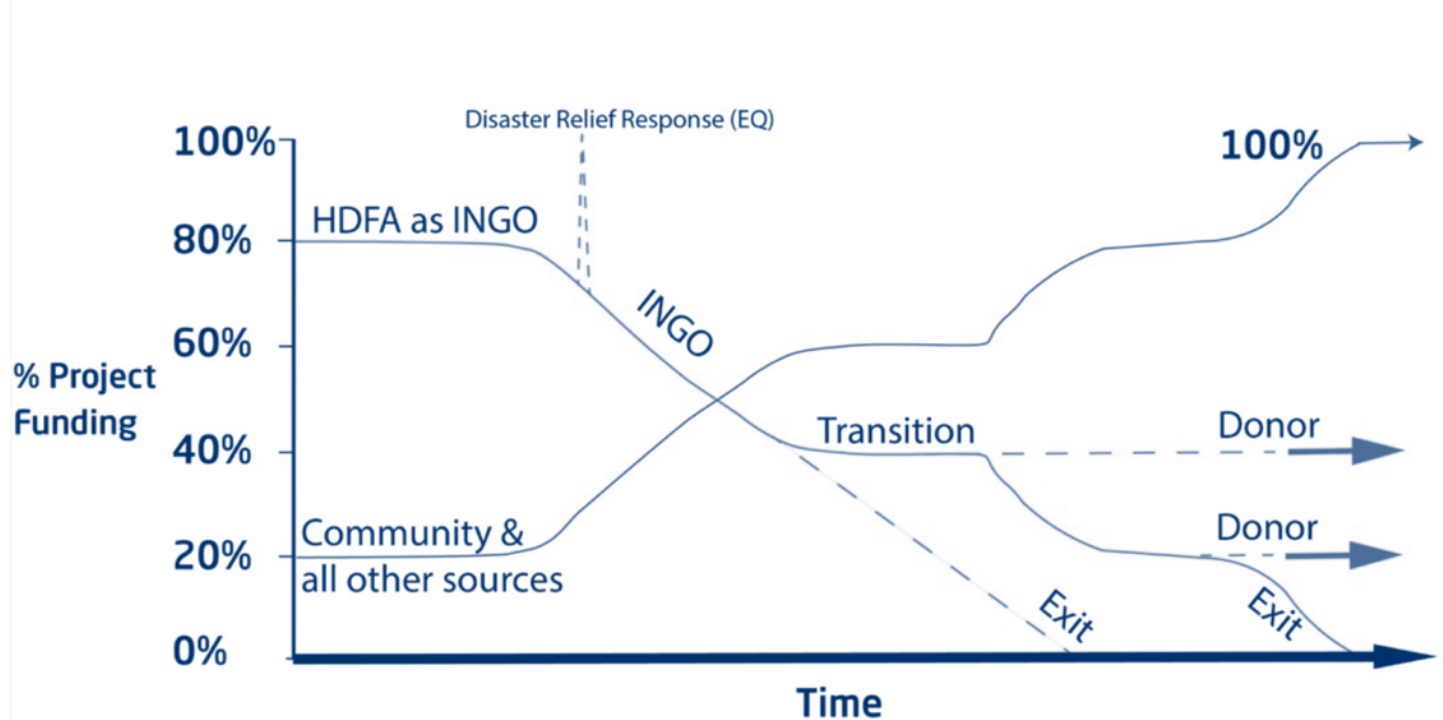
We believe sustainable development requires a balanced approach. We engage and consult with each community with an emphasis on six key pillars of development: Education, Child Safety, Healthcare, Economic Development, Infrastructure and Conservation. Where required, we strengthen corporate governance and empower communities to lead themselves rather than taking a paternalistic welfare type approach.

Our aim is to engage with a community for 5-15 years, after which we hope to have equipped a community to manage their own future.

Nepal is experiencing a flow of young people from villages to cities and overseas, many of them end up working in poor unskilled positions (or worse) due to a lack of education and a background of poverty. This puts huge pressure on the villages, the cities and the young people themselves. HDFA is addressing the challenge of stemming the flow through improving education and livelihood improvement for people to remain in or return to the remote areas and providing access to family planning via medical support to allow families to have a more sustainable number of children so a sustainable community can exist. We aim to develop skills and economic capacity within the communities, so they may take care of their own future with responsibility and a level of financial security.

A fundamental tool to achieving these goals is to strengthen governance at the local community level such as school management and health post committees and to encourage local communities to take on the ownership of their future.

Developing sustainable Communities



OUR PEOPLE**Voluntary Committee Members/Trustees during 2017-18**

Name	Position	Dates acted (if not for whole year)
Andrew Stace	Chairperson	
(Kathryn) Anne Skipper	Vice-Chairperson	
Joanne Arnold	Secretary	
Brian Gilbert	Board Member and Treasurer	Treasurer from 02/08/2017 - current
Tim McCormack	Treasurer	01/07/17 - 02/08/17
Melissa Westgate	Board Member	
Chris Miller	Board Member	

Employees

Name	Position	Dates acted (if not for whole year)
Duncan Chessell	CEO	01/07/17-30/08/17
Judith Weits	Marketing Co- ordinator	01/07/17-30/7/2017
Christine Garden	Grants Writing and Admin Support	01/07/17-30/07/2017
Mingma Dandu Sherpa	Nepal Co-ordinator (Kathmandu, Ghunsa)	

Volunteers

Name	Position	Dates acted (if not for whole year)
Doreen Ho	Accountant	
Duncan Chessell	CEO	01/09/2017-current
Various others	Grant writing, social media, marketing, fundraising	



Andrew Stace
Chairperson



Anne Skipper AM
Vice-Chairperson



Dr Jo Arnold
Secretary



Dr Brian Gilbert
Treasurer



Melissa Westgate
Board Member



Christopher Miller
Board Member



Tim McCormack
Treasurer (retired 02/08/17)



Duncan Chessell
CEO



Doreen Ho
Accountant



Indrawati Area, 50km North of Kathmandu

SECTION 2

GOVERNANCE

STRUCTURE & MANAGEMENT

The Himalayan Development Foundation Australia Inc (HDFA) is registered with the Australian Charities and Not-for-profits Commission (ACNC) and is an incorporated association in South Australia.

The management committee (board) consists of six board members with a variety of skills and experience in NFP work and boards, education, medical, accounting, business and fundraising, and the majority are 'responsible persons'.

Reporting to the board is our CEO, D Chessell (part time for two months July-Aug 2017 and volunteer basis from 01/09/2017 – current) who was a founding member of the organisation and is responsible for fundraising, a member of the Nepal operations committee and co-ordinating volunteers.

The Australian accounts are reported on by an external organisation (McCormack A&A) on a pro-bono basis directly to the board and annually independently audited by Oreon Partners – their report is included in this Annual Report. We conduct spot audits on our Nepalese supplier/partner organisations, regular monitoring and evaluation trips to the field and offices in Kathmandu, with annual independent audits conducted by local Nepalese firms. All bank accounts in Australia (HDFA) and Nepal (In Country Delivery Organisations: PHASE Nepal and KBSS) operate on a two-to-sign basis for all transactions. In line with AusAID and DFAT requirements, no board members receive board fees. Less than 20% of donations are allocated to administration and management fees, in line with industry best practice.

Since incorporation HDFA has partnered with World Relief Australia (WRA) to utilise their DGR (Deductible Gift Recipient) accredited Public Fund to raise tax-deductible donations, but this comes at a cost in both % fees and brand recognition – when asking donors to write cheques they are written to WRA. There is also a pool of grants and Private Ancillary Funds (PAFs) which only offer grants to DGR accredited organisations which we cannot currently access.

HDFA applied in late 2016 to DFAT (Department of Foreign affairs and Trade) for authorisation to operate an overseas public aid fund with deductible gift recipient status. This would enable the organisation to fundraise and issue tax deductible receipts to donors in its own right, and access a wider pool of funds from PAFs, corporates and government grants. The process requires 2 years of track record before application and is assessed by DFAT, ATO and Treasury and typically takes ~2 years to complete.

During 2017-18 HDFA has been less active in new fundraising whilst awaiting final DFAT approvals, however field operations have ramped up in the Indrawati area. No paid staff were employed in Australia from September 2017 for the rest of the financial year and this situation is still in place now. We plan to employ a suitable candidate as part time general manager / co-ordinator in 2019 to co-ordinate a voluntary workforce.

We are very pleased to announce that on the 7th of November 2018 the Federal Assistant Treasurer Mr Stuart Robert declared the Himalayan Development Foundation Australia Public Fund was declared under subsection 30-85(2) of the *Income Assessment Act 1997* as a developing country relief fund; and being an approved organisation declared by the then Minister for Foreign Affairs Julie Bishop (earlier in 2018), see following page.

This allows HDFA to issue tax deductible receipts directly to Australian resident donors and allows HDFA to apply for funds from a significantly wider and deeper pool of donors and greatly enhances the credibility of the organisation.



Commonwealth
of Australia

Gazette

Published by the Commonwealth of Australia

GOVERNMENT NOTICES

INCOME TAX ASSESSMENT ACT 1997

NOTICE UNDER SUBSECTION 30-85(2) and 30-85(4)

I, Stuart Robert, the Assistant Treasurer, being satisfied that the following funds:

- (a) have been established by an organisation declared by the Minister for Foreign Affairs to be an approved organisation; and
- (b) are solely for the relief of persons in a country or countries declared by the Minister for Foreign Affairs to be developing countries,

declare, under subsection 30-85(2) of the *Income Tax Assessment Act 1997*, that the following funds are developing country relief funds:

**HIMALAYAN DEVELOPMENT FOUNDATION AUSTRALIA PUBLIC FUND
MIT GROUP FOUNDATION OVERSEAS GIFT FUND
TIA AUSTRALIA FUND
TIMOR LESTE VISION DEVELOPMENT FUND
VNF VIETNAM RELIEF FUND
HEILALA FUND
MARY MACKILLOP TODAY INTERNATIONAL FUND AUSTRALIA**

and **revoke**, under subsection 30-85(4) of the *Income Tax Assessment Act 1997*, that the following funds are developing country relief funds:

**MARY MACKILLOP INTERNATIONAL MISSION FUND
TEACHERS ACROSS BORDER (AUST) GIFT FUND**

This notice takes effect on the date on which it is published in the *Gazette*.

Dated this 7th day of November 2018

Stuart Robert
Assistant Treasurer

Australian Activities and Field Visits

Our volunteer Board plans, monitors and manages our development activities overseas. We also help our members and supporters to organise events like dinners, quiz nights, a baking drive, and media coverage. In 2019 we will be recruiting for more volunteers to lend a hand, please contact us info@hdfa.org



One of the more exciting events of 2017/18 was our September **trek to Yangri Peak**. Our ten trekkers were Jackie, Aiden, Chris, Lauren, Maike, Anna, Melissa, (board member) Marcus, Jo (board member) and Zara. They raised funds to support HDFA's work in Nepal and paid for their own adventure to visit our Upper Indrawati project area. A series of winter walks around Adelaide built up strength and stamina (especially in our younger trekkers!) with the side benefit of regular refreshing time in the bush. The Nepal adventure was a wonderful active holiday with other good people, the chance to climb a Himalayan peak, and a valuable insight into a way of life far removed from our own. Our group built relationships with Sherpas and other Nepalis involved in the trek, and met people striving to improve lives for their families in the gorgeous but tough middle hills of Nepal. Seeing first-hand the work being done in our Upper Indrawati project is a great inspiration to continue the development work of Himalayan Development Foundation Australia.



CHAIRPERSON'S REPORT



Andrew Stace BA(IntlStud), BEd(Primid)

The Himalayas is a land of contrasts, where natural beauty and devastating poverty live side by side. This contrast is something that the Himalayan Development Foundation Australia is working to address through our community development projects.

Reflecting on the journey so far, I am really proud of what we have been able to achieve not only in the last year, but since we began working in Nepal in 2014. The positive impact on the people who have benefited from our projects is the reason we continue to work hard and engage in our holistic approach to development. You can see a summary of the impact we have had in Nepal later in this report.

Our partner organisations continue to support us to deliver our programs in the field. The Indrawati Project, through our partnership with PHASE Nepal continues to produce excellent results for the local communities. Receiving reports of healthy babies being born in the outreach health posts that we established early in 2017, and seeing the first crops producing food to be sold into the community through our livelihoods programs, have made the hard work worth it.

The ongoing support of Mingma Dandu Sherpa and the Kanchenjunga Buddhist Social Service who help us to manage our projects in Ghunsa has meant that the community is really reaping the rewards of better governance and community engagement in the projects that support the local villagers. The growth we have seen in the people of Ghunsa and the surrounding area has been nothing short of inspiring.

What we have been able to achieve during the year would not be possible without the support of a lot of people and organisations. To everyone who has supported us financially, or through pro bono services to work with the people of Nepal, thank you. We look forward to your ongoing support as we continue to try and help to improve the lives of the people impacted by immense challenges.

I look forward to continuing to work for the people of Nepal through my role on the board of HDFA and look forward to sharing the journey with you.



Andrew Stace

CEO'S REPORT

Duncan Chessell BSc, GAICD, MAusIMM

This year has been a one of well-planned and executed steady progress in our Indrawati project work in collaboration with our In-Country Development Organisation (ICDO) PHASE Nepal. Our first year (Jan-Dec 2017) was focussed on health care and an in-depth needs analysis whilst building communications and trust with local community and relevant stakeholders. During this year (Year 2: Jan 2018 – ongoing) we extended the health programs to include more outreach, roving patrols and home visits and trialled a livelihood improvement program using alternative crops and basic greenhouses to extend and enhance the seasons for 200 farmers. We are seeking funding to expand this important program in 2019 and beyond. As background the Indrawati region sees an almost 50% decline in student numbers at ~age 13, as many children drop out of school to return to farm work or are sent to work elsewhere in Nepal and India in often very difficult circumstances. They are typically unable to obtain more complete education. To attempt to shift the school dropout rates and eliminate human trafficking we are seeking to work on the socio-economic drivers of behaviour. This process is a long journey and we expect to be involved in a 10 year journey in this area.

Our Ghunsa Village project, which commenced in early 2014, has had some fantastic developments with the local community recently raising 100% of the funds themselves to build a larger and better-appointed health post/clinic. The extension to the hostel doubling the number of beds for children (to 40) was completed this year, building from a base of new school and hostel construction in 2015. This is great news but even more rewarding was the news in early 2018 that 100% of the children in the valley are now attending school – a first for the region, ever. Previously many families were unable to send their children to school as they live in extremely mountainous and remote valleys conducting farming and yak herding, but with the construction and safe operation of the hostel, families could send their children to school for the term time and the children can fairly easily return home to spend time with family. Our assistance with continuing leadership and governance training programs has enabled the local community to take on a strong leadership role with securing a sustainable future in this remote part of Nepal. The roll-out down valley of this highly effective leadership and governance training will be continued as funding becomes available.

Our goal is to create a lasting positive impact with each community we work with. We seek to build an effective template that can be used elsewhere in Nepal (by us or others) and to make ourselves redundant as the local community takes over leadership of their own future.

A handwritten signature in black ink that reads "Duncan Chessell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Duncan Chessell

OUR OBJECTIVES AND ACTIVITIES

In 2018 we aimed to continue the existing programs and add further livelihood improvements programs, such as introduction of alternative crops and use of greenhouses.

The below table summarises our activities.

Current Programs

Ghunsa

Ghunsa is a mainly Sherpa community in the Kangchenjunga Region of Eastern Nepal.

It is 5 days strenuous trek to the closest road head and airport at Taplejung.

1. Education
2. Health
3. Hydro electricity
4. Livelihood

Commenced 2014 – est 2024

~\$50 - 120K / year

Upper Indrawati

This project is based in Bhotang and Baruwa VDC's, in the Sindhupalchok District of central Nepal, which was hit hard in the 2015 earthquakes. It is ~ 7 hrs drive north of Kathmandu.

1. Health Post Operating
2. Baseline Study & Needs Analysis completed
3. Livelihood improvements underway
4. Education improvements 2019

Commenced Jan 2017 – est 2027

~\$150-300K / year

Future Programs

We are not expanding further activities until the DGR status is finalised by the Australian Government, at which time we will assess what and where to expand our scope of activities, with Humla in the far west deserving of attention when we can raise sufficient funds.

HDFA Statistics to 30 June 2018

Statistic Summary 2018

When & What	2014	2015	2016	2017	2018	Total
Builds						
Schools	-	1	1		-	2
Hostels	-	1		1 (extension)	-	1
Health Posts	-	1		2	-	3
Hydro - new	-	-	-	-	-	-
Hydro - repair	-	-	1	-	-	1
Operations						
Schools	1	1	1	1	1	1
- students	15	15	30	35	55	135
Hostels	-	1	1	1	1	1
- residents	-	15	25	40	40	120
Health Posts	-	1	1	3	3	3
- patients	-	Est 200	~350	5,800	Est 5,800	12,150
Livelihood improvements programs	-	-	-	-	1	1
- participants	-	-	-	-	200	200
SMC training	-	-	1	3	1	5
-participants	-	-	15	~75	30	120

SECTION 3

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

**Independent Audit Report****Report on the Financial Report**

We have audited the attached special purpose financial report, comprising the Balance Sheet as at 30 June 2018, Statement of Income & Expenditure and Notes to and forming part of the Financial Statements for the year ended on that date of Himalayan Development Foundation Australia Incorporated.

The Responsibility of the committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the trust.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In my opinion, the financial report presents fairly, in accordance with the accounting policies, the financial state of Himalayan Development Foundation Australia Incorporated as at 30 June 2018 and the results of its operations for the year then ended.

Ben Reynolds

Oreon Partners

Date: 07/11/2018



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FINANCIAL STATEMENTS

STATEMENT OF INCOME AND EXPENSES \$AUD			
		2018	2017
Income			
Donations (not to Public Fund), other		12,063	1,850
Events		-	20,638
Grants		-	10,000
Memberships		300	-
Total Income not to Public Fund		12,363	32,488
Donations to World Relief Australia's Public Fund, DGR		126,768	131,439
Total Revenue		139,131	163,927
Expenses - Overheads	% of Revenue	2018	2017
WRA: Public Fund Administration Charges	6%	(7,927)	(9,684)
Business Administration and Insurance	3%	(4,039)	(18,865)
Marketing & Fundraising	7%	(9,941)	(23,590)
Expenses – Program Delivery	75%		
WRA: Distributions to Nepal Programs from Public Fund		(86,128)	(140,622)
Project Management, Monitoring & Evaluation	4%	(5,162)	(27,970)
Nepal HDFA Staff	4%	(5,124)	(2,880)
Project Scoping & Development		(7,864)	(6,625)
Total Operating Expenses	91%	126,185	230,236
Surplus/(Deficit) for the year	9%	12,946	(66,308)

BALANCE SHEET for the YEAR ENDED 30 June 2018 \$AUD

	2018	2017
CURRENT ASSETS		
WRA Public Fund	124,982	81,958
Cheque Account Cash at Bank	3,926	34,933
TOTAL ASSETS	128,908	116,891
CURRENT LIABILITIES		
Accounts Payable	3,334	4,263
TOTAL LIABILITIES	3,334	4,263
MEMBERS' FUNDS		
Retained Surplus/(Deficit)	125,574	112,628

The full Audited Accounts are available on request info@hdfa.org

In FY2018 HDFA achieved industry best practice benchmarks for costs as % of revenue

- Fundraising & admin <20% (16% Actual)
- Project management & evaluation <15% (4% Actual)
- Monitoring visits @actual costs
- in country management fees <10% (10% Actual)
- Project scoping & development @actual costs



Artwork completed by students with volunteer art teacher Lynda Roberts at the Ghunsa School, Kanchenjunga in 2017

ACKNOWLEDGMENTS & THANK YOU

To all that have supported, donated, given time and effort – THANKYOU!

To our implementation partners KBSS, PHASE Nepal and Mingma Dandu Sherpa our Nepal coordinator for the Kanchenjunga/Ghunsa region, Mr Chhowang Sherpa KBSS (Founding President) and Mr Himali Sherpa President of the School Management Committee in Ghunsa, your leadership and daily tireless on the ground efforts has ensured a successful outcome for this area.

Donors

To the Anonymous top 6 donors who collectively supplied >80% of the funds – thank you for your support, without you – this great work would not be happening.

To the monthly donors who support some of the children at the Ghunsa School thank you. Your support is crucial and makes a difference in giving the children of Ghunsa the opportunity for a brighter future.

Grants and funding

No grants received in 2018

Corporate & community partners – pro-bono work

McCormack Accountants and Advisors – Accounting work (www.mccormackaa.com.au)

Oreon Partners - Ben Reynolds and Petar Tatic for conducting the annual audit (www.oreon.com.au)

Brighter – Creative communications - Ben Murray and the team (www.brighter.com.au)

Big Heart Adventures – Lisa Murphy for ongoing collaboration on treks in Nepal and fundraising activities. (www.bigheartadventures.com.au)

WRA – World Relief Australia; their public fund and project advice was both valuable and crucial.

Volunteers

Doreen Ho, (BComm, CPA) – Accountant

Valerie Harrold

Peter Stace

All Board Members

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