



**Himalayan
Development
Foundation**
AUSTRALIA

ANNUAL REPORT 2020-2021



Kanchenjunga Base Camp

Our purpose

Securing a brighter future for children in remote Himalayan communities.

Our mission

By 2030, ensure access to education for all children in the remote Kanchenjunga and Indrawati communities of Nepal.

Our drivers of change

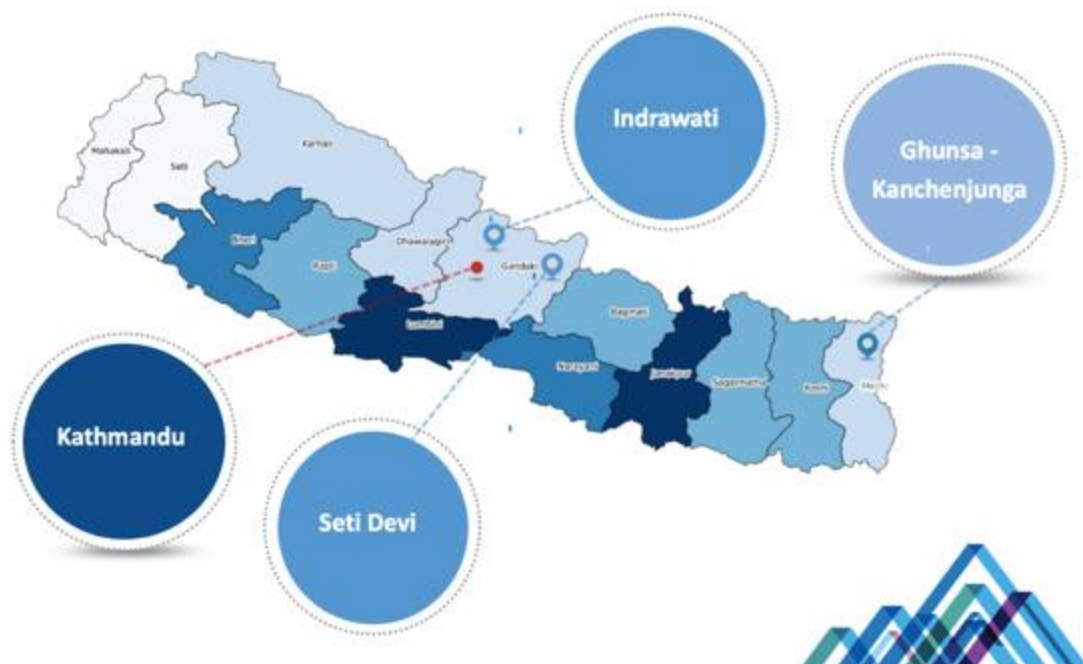
- Education
- Livelihood
- Healthcare

Our History

HDFA commenced working in Nepal in early 2014, co-founded by prominent South Australian mountaineer Duncan Chessell and Andrew Stace, an educator with international development experience and a passion for Nepal.

In 2013 Duncan first visited Ghunsa, the home village of the Sherpa mountain guides who had helped him on several expeditions. Located in the far eastern area of Nepal in the shadow of Mt Kanchenjunga, the 3rd highest peak on the planet, the journey took a one-hour flight from Kathmandu, followed by an 18-hour drive, and then three days of serious trekking. The extreme remoteness and poor living conditions were striking. Ghunsa was well off the tourist trail, overlooked by charities and barely receiving any government support. This is what motivated HDFA into being; a determination to help the people of Ghunsa and other very remote areas of Nepal give their children a better future.

We soon realised that to effect true lasting impact, a more holistic approach was required – involving the whole community in Education, Health and Livelihood programs. We also observed an inverse relationship between poverty and good governance in Nepal; this was a fundamental issue that needed to be addressed. In 2016 we started working in Indrawati, north of Kathmandu, a heavily earthquake-damaged region where human trafficking is rife. In 2017 we greatly enhanced health services to ~9,500 people through improved clinical outreach, family planning and awareness-raising. In 2018 we implemented an agricultural improvement program, equipping 200 of the poorest families with a year-round source of nutrition and income. From this strong base we are now moving into education work in Indrawati.



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SECTION 1

AN OVERVIEW OF HDFA.org

About us

The Himalayan Development Foundation Australia aims to secure a brighter future for children in remote Himalayan communities. By 2030, we are working to ensure access to education for all children in the remote Kanchenjunga and Indrawati communities of Nepal.

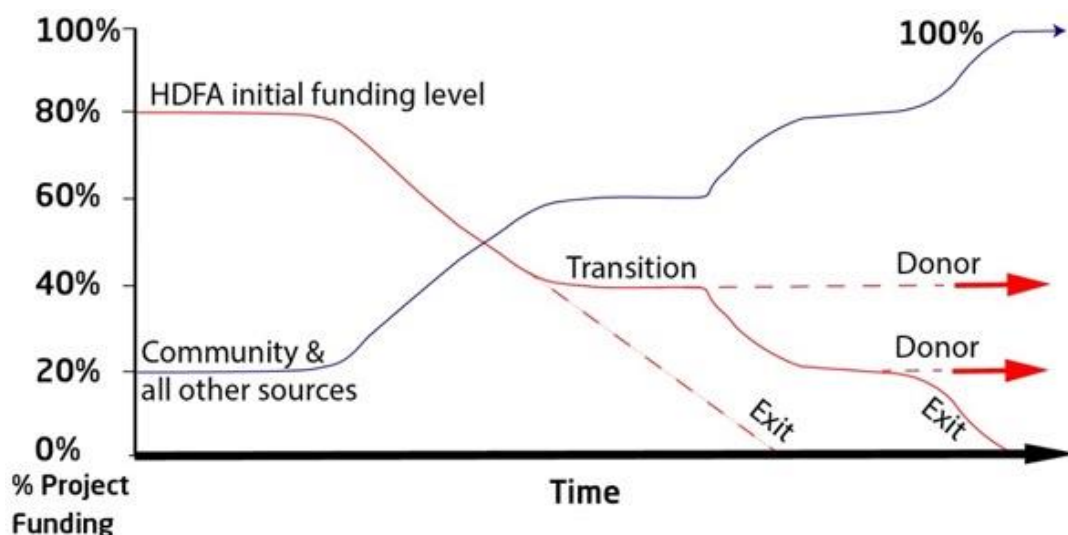
We believe giving children an education is the best way to break the illiteracy-poverty cycle and counter the risk of child trafficking. Our work also extends to health and livelihood improvement activities in order to give parents the capacity to send their children to school.

We are a small and passionate volunteer team, dedicated to working in very remote Himalayan areas that large-scale organisations overlook. 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 in a sustainable way.

Through holistic community development, we support communities in the areas of education, health and livelihood developments to assist them to reach higher. We believe in giving a hand up, not a handout, where the community are engaged in the projects from the start, providing their input, to assist their community. By providing opportunities within the community we aim to stem the flow of young people from villages moving to the cities and overseas where many of them end up working in poor unskilled positions (or worse) due to a lack of education and a background of poverty. 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. Health and livelihood developments are enablers within the communities we work with to allow children to go to school, gaining an education and a brighter future.

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 and remove the reliance on handouts from government and NGO's.

Developing sustainable communities



Our people

		
Andrew Stace – Chair Nepal programs – sub-committee	Anne Skipper – Vice Chair Fundraising sub-committee	Dr Jo Arnold – Board Member
		
Melissa Westgate – Board Member Fundraising sub-committee	Chris Miller – Board Member	Duncan Chessell – Board Member CEO (Voluntary) – all committees
		
Ed Parker – Treasurer Nepal programs – sub-committee	Ella Price - Secretary	Doreen Ho – Accountant (Voluntary)



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 eight board members with a variety of skills and experience in NFP work and boards, education, accounting, business, legal and fundraising, and the majority are 'responsible persons'.

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 and industry best practice, no board members receive board fees. Duncan Chessell is a volunteer CEO and receives no fees.

HDFA applied in late 2016 to the Department of Foreign affairs and Trade (DFAT) 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, corporate 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.

On the 7th of November 2018 the Federal Assistant Treasurer Mr Stuart Robert declared the Himalayan Development Foundation Australia Public Fund 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).

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.

Australian Activities

Our volunteer Board plans, monitors and manages our development activities overseas. We also help our members and supporters to organise events such as dinners, quiz night and media coverage.

In 2021/22 we will be recruiting for more volunteers to lend a hand, please contact us if you believe you can help.

info@hdfa.org



In 2020/2021 we have focussed on ensuring our projects in Nepal continue to operate, although under some restrictions due to COVID-19.

Ongoing difficulties with holding events due to COVID-19 meant that our Australian based fundraising events were put on hold for 2020/2021.

Chairperson's report



Andrew Stace BA(IntlStud), BEd, GCertEMS

Namaste!

The last financial year presented significant challenges due to COVID-19, not unlike the previous year. As a small but dedicated volunteer board, working with experienced and focused partners in Nepal, we have ensured that despite the difficulties, we have maintained our support for the communities that we work with, albeit in a modified form. A second major COVID-19 wave in Nepal earlier in the 2021 calendar year required an urgent response and support from HDFA to help our partners manage the crisis. Thanks to the financial support from our donors, we were able to procure emergency medical supplies for both the Indrawati and Kanchenjunga regions. Further to this, we used our position to advocate for further support of Nepal by the Australian Government.

Holistic, consultative community development that is sustainable is fundamental to the way we work. While we have not been able to visit the programs or make significant changes to the activities we have developed over the last couple of years, we have been able to continue to offer support and ongoing training across both the Kanchenjunga and Indrawati projects.

This year we have continued our support of the health services in the western part of the Indrawati region and we have further developed our livelihoods programs to include more people as well as new and exciting economic opportunities. We know that through this support, families are more likely to be able to send their children to school, access appropriate food and be able to seek medical support if and when it is needed.

Despite a reduction of group oriented formal activities, the Indrawati Project continued to provide its support to further strengthen health services and enhance livelihood support activities. The schools in the area were barely open for 4 months starting from January 2021 and closed again after the declaration of the 2nd COVID-19 wave. Therefore, the education sector has been affected heavily because of the pandemic and is a focus for HDFA and PHASE Nepal moving forward. Our Program Manager at PHASE Nepal, Bikash Koirala, leads a team of experts to ensure the communities of Bhotang and Balgoan in the Indrawati region gain the most from our relationship. I am grateful for his knowledge and support in the implementation of this important project.

Like the previous 12-month period, the Indrawati Project has focussed on helping to improve livelihoods through the 'Seeds of Hope' project. This has assisted people to develop their agriculture practices to include new crops. Our intention is to assist these communities to turn their learning into a sustainable business product within their communities and further afield, providing an income and a brighter future. Our commitment to healthcare in the region continues on the western side of the valley and has been very important to the local communities during the pandemic. They have now completed their new Health Post thanks to local funding, and we continue to provide some resources and technical support through the PHASE Nepal nurses. Now that children are returning to school throughout Nepal, we will turn more of our focus to education initiatives.

Section 2 An Overview of Himalayan Development Foundation Australia Inc

In the Kanchenjunga region, we have continued our transition towards a more sustainable community in the village of Ghunsa. We are proud that through previous funding, governance training and the willingness of the local community that less funding has been required by the community. While we still provide some funding for projects, we are now helping the community more and more to source local funding to support the community.

We are now turning our focus to another area of the Kanchenjunga region, the village of Hellok. We hope to be able to take what we have learnt through our work with the community of Ghunsa to provide sustainable development opportunities to the people that live there.

Our supporters, donors and volunteers are our greatest asset. Our achievements would not be possible without the amazing support of our donors, those who provide us with pro bono services and those who have given their time volunteering in a range of capacities. I, and the whole board are forever grateful for the support we receive which gives us the ability to have a deep and lasting impact, not just a short term, 'quick fix' approach to development.

The year ahead will come with more certainty than the previous two and we are in an excellent position to continue to make a real difference in Nepal. We look forward to continuing to share our journey with you as we work alongside remote communities in Nepal to Reach Higher.



Andrew Stace, Chair & Co-Founder

Our objectives and activities

In 2020/2021 we aimed to continue the existing programs which support the local communities. In both of the areas that we work, there has been an ongoing focus on health support to minimise the impact that COVID-19 would have on the area.

Indrawati

Since 2016 we have been working with communities in the Indrawati region, in the Bhotang and Baruwa areas of Sindhupalchok, which borders Tibet seven hours north of Kathmandu. This is a remote and poverty-stricken part of Nepal, hit very hard by the 2015 earthquakes. In 2016 we undertook a scoping study to work out what was needed for this community to rebuild itself and give their children hope for a brighter future. We commenced working to address urgent health and financial needs in the community so that families would become stronger, and ultimately strong enough to properly support their children's education.

Healthcare

HDFA in partnership with PHASE Nepal, provided basic primary healthcare and a 24 hour emergency and maternity service from the Bolgaun Clinic. This now operated from a new permanent building built with a fully functional birthing room and a general check-up room made possible by joint effort of PHASE Nepal and Local Government and HDFA.

During this reporting period a total of 2576 patients were seen as part of the outpatient's clinic while 22 women utilised the delivery services by trained health staff in the clinic. There is widespread appreciation for the health services provided as part of our programs.

As well as the services provided at the health clinic, we continued to ensure that the nurses visited the remote houses in the area as part of the door to door health education program. Other key health initiatives were focused on COVID-19, family planning, nutrition workshops and school education programs.

Livelihood improvement

2019/20 has seen the rollout and expansion of our livelihood initiative in Indrawati, Seeds of Hope, albeit in a modified way in the 2020 calendar year. This agricultural improvement initiative, which focuses on empowering women and the communities most needy, serves to fill the gap in daily nutrition for families, especially for young children and pregnant and post-partum mothers.

The project has continued its regular farmer support program, producing seasonal and off-seasonal vegetables for better nutrition and food security for their families. Another important element of the program which was intentional in its design is the development of lead farmers in planning a more commercial venture which we have now been able to start to achieve.

As well as the gardens which have focussed on providing supplies and training to improve yield and variety, this year we continued the development of our mushroom farms. The project supported 3 selected farmers for large-scale mushroom plots to produce oyster mushrooms. Each farmer

installed 30 mushroom bags each. A total of 250 kilos of mushroom were produced, consumed and sold by the farmers.

The 3 model kiwi plots in Baruwa and 3 in Bhotang (60 plants each) are well maintained and have started to fruit this year. PHASE Nepal staff have been supporting the farmers in managing the plants and harvesting the fruit which has been ample. The kiwi fruit will be ready to harvest from late October 2021. The vulnerable farmers will have a steady source of alternative income every year by selling these high value fruits locally and to hotels in the city. PHASE Nepal and HDFA have been the pioneer organization in the introduction of kiwi fruit in this region of Nepal. This year, we have also begun trialling lemon plots with 150 saplings currently being grown by 5 farmers in the region.

This year, we have introduced a goat project to the region. Each farmer is provided with 6 breeding goats (5 females, 1 male) each. The program requires them to return 6 female goats in the following 3 years, keeping the animals which they have bred in that time. They must also provide 2 female goats to another needy farmer within the community. We are really excited by this project as it has the potential to support the community in a number of significant ways. All the supported farmers are trained and the goats are insured to minimise the risk.

Education

Our work to date has focused on addressing the immediate health and financial needs of those most vulnerable in the Indrawati communities, so that families can regain strength in the wake of the earthquake and be in a position to properly support their children through school. This is an area of focus for HDFA as Nepal emerges from the pandemic to ensure that school children are not forgotten.

Not afraid of COVID-19

I am not afraid of Covid-19 when I see the project's sisters ready for us to provide services and suggestions. PHASE/HDFA project's presence in the village have helped us feel less panicked and more resilient during this time of pandemic crisis.

Ward Chairperson, Baruwa

Good Yield, Good Income

It's delighting to see those kiwi fruits growing in my own garden. It's very surreal though, I have worked and waited for 3 years.

Furwa, a kiwi plot owner, Baruwa

Goats

I remember 2 years ago, a team of HDFA members visited my place for tea. I am a young single woman. I lost my husband in the earthquake, the project has been a big support to me and my daughter. Thank you for selecting me to support goat farming. I plan to work hard and expand my farm and make a good business out of it.

A single women farmer, Bolgaun



Hellok /Kanchenjunga



Hellok primary school 2021

Hellok village is tucked off to the side of the main walking trail to Kanchenjunga BC and Ghunsa. It has been partly overlooked by government and has some of the same issues Ghunsa faced in 2013, but at a slightly larger scale. In 2022 HDFA will undertake further baseline studies and engagement with the Hellok community to determine the next steps to improve the education outcomes for the children, health for the wider community and understand the needs of the community and assess how HDFA can assist. More to come on this next big chapter for HDFA in 2022.

Ghunsa/Kanchenjunga

In remote Ghunsa we have been working with the community since 2014 to improve education for local children. The Ghunsa Village lies at 3,400m altitude in the remote Mechi Zone in the far East of Nepal in the Taplejung District, bordering India further to the East. Ghunsa is the highest permanent settlement in the valley, immediately to the north lies Tibet.

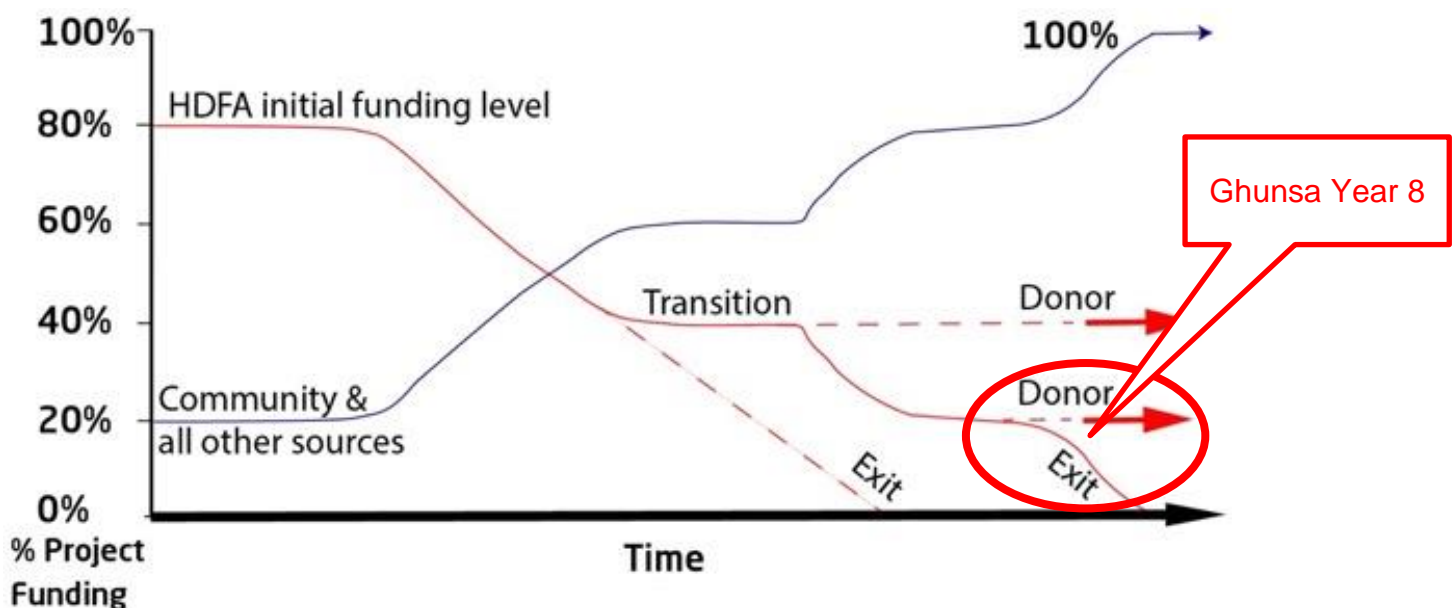
When we first visited Ghunsa in 2013, up to eight students lived on a concrete floor with only a piece of wood and a 5mm foam mat between them and the ground. School attendance for students in the valley was at only 25%. Back in 2015 we worked alongside the people of Ghunsa to rebuild and refit their school and hostel facilities, providing a safe and inviting place for students to both live and study.

A few years later school attendance was at 100%, and other sustainable sources of revenue to pay for the school, hostel and health post were secured by HDFA and the Ghunsa community working together.

Heading into 2022 HDFA will work with the community in a significantly reduced financial input as we shift focus to the village of Hellok to the south of Ghunsa. Our goal is work with communities and allow communities to take charge and responsibility of their own future. We also acknowledge for some families some level of support will be required over an extended period and thank the ongoing support of our donors to support impoverished families to give their children an education over an extended period.

In 2022 HDFA will be providing at Ghunsa

- Salary support for a Tibetan and English language teacher
- Partial financial support for children to attend school from impoverished families
- Scholarship program for students to continue high school down valley or in Kathmandu as the Ghunsa school only teaches to year 9 level



**Independent Audit Report – Himalayan Development Foundation Australia Inc****Report on the Financial Report**

We have audited the attached special purpose financial report, comprising the Balance Sheet as at 30 June 2021, 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 2021 and the results of its operations for the year then ended.

Ben Reynolds

Oreon Partners

Date: 29/09/2021



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Committee's report

The Members of the Committee of the Himalayan Development Foundation Australia Incorporated have determined the association is a non-reporting entity and the financial statements have been prepared in accordance with the accounting policies detailed in the Note 1 to the Financial Statements. In the opinion of the Committee:

- The financial statements present fairly the state of affairs of the Himalayan Development Foundation Australia Incorporated as at 30 June 2021 and its performance for the year ended on that date and are in accordance with the Australian Charities and Not-for-profits Commission Act 2012.
- Complying with the Australian Charities and Not-for-profits Commission Regulation 2013.
- At the date of this statement there are reasonable grounds to believe the association will be able to pay its debts as and when they fall due.
- No officer of the association has received directly or indirectly from the association any payment of pecuniary value other than disclosed in the Financial Statements

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



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Signed 16 November 2021

Duncan Chessell – (Volunteer) CEO, Board Member and Co-Founder

Himalayan Development Foundation Australia Incorporated - Financial Report 2021

Profit and Loss

Himalayan Development Foundation Australia Incorporated For the year ended 30 June 2021

	2021	2020
Trading Income		
Donation Income (not to Public Fund)	-	11,540.00
Events Income (Non DGR)	-	201.50
Interest Income	55.53	53.56
Membership Revenue	-	100.00
Other Revenue	10,003.02	10,864.95
Public Fund (HDFA) Donations	167,783.95	175,997.13
Total Trading Income	177,842.50	198,757.14
Gross Profit	177,842.50	198,757.14
Operating Expenses		
Audit Fees	-	1,540.00
Bank Fees	2.80	-
Computers, Software, email & hosting	475.28	1,159.03
Consultancy Fees	-	1,925.00
Distribution Nepal in Country Delivery Organisation ICDO	140,063.00	73,018.00
Events Expenses	-	380.00
Insurance - Business	1,829.38	1,753.66
Insurance - Workcover	-	890.85
Marketing & Fundraising (for Donations)	145.07	128.25
Monitoring Visits	-	958.16
Printing & Stationery	-	129.22
Project Management & Evaluation	-	3,916.20
Project Management Nepal Staff	-	5,178.00
Staff Training	-	5,623.70
Superannuation	-	3,134.97
Travel - National	-	89.72
Wages and Salaries	-	33,000.03
Total Operating Expenses	142,515.53	132,824.79
Net Profit	35,326.97	65,932.35

Himalayan Development Foundation Australia Incorporated - Financial Report 2021

Balance Sheet

Himalayan Development Foundation Australia Incorporated

As at 30 June 2021

	30 JUN 2021	30 JUN 2020
Assets		
Bank		
ANZ Business Advantage	17,978.88	9,805.24
ANZ Public Fund	192,282.94	164,509.26
HDFA Visa Debit Cheque Acc	367.80	988.15
Total Bank	210,629.62	175,302.65
Total Assets	210,629.62	175,302.65
Net Assets	210,629.62	175,302.65
Equity		
Current Year Earnings	35,326.97	65,932.35
Retained Earnings	175,302.65	109,370.30
Total Equity	210,629.62	175,302.65

Himalayan Development Foundation Australia Incorporated - Financial Report 2021

Notes to and forming part of the accounts for the year ended 30 June 2021

Note 1 – Summary of significant accounting policies

The financial report has been prepared as a special purpose financial report to satisfy the requirements of the constitution. The final report is prepared on the basis of historical costs and in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

No Australian Accounting Standards have been applied. The financial report shows the receipts and payments of the association and its bank balances at the year end.

Taxation

The association is exempt from the income tax on income derived from members.

Note 2 – Related party transactions

The following people held voluntary positions on the Association's Committee of Management during the year:

Andrew Stace	Chair
Anne Skipper	Vice-Chair
Ella Price	Secretary
Ed Parker	Treasurer
Duncan Chessell	Board Member, CEO
Melissa Westgate	Board Member
Christopher Miller	Board Member
Joanne Arnold	Board Member

Except where stated, transactions with related parties are on commercial terms and conditions.

Acknowledgments & thank you

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

To our implementation partners:

- KBSS and PHASE Nepal. A particular thank you to Mr Bikash Koirala, our Project Manager
- Mingma Dandu Sherpa our Nepal coordinator for the Kanchenjunga/Ghunsa region and Bikash Koirala, our program manager at PHASE Nepal.

Donors

To everyone who has supported us with donations in the past 12 months – Thank You! We are forever grateful to our donors; it is because of them that we can support the communities in Nepal that we do.

Without your support, we would not be able to complete the important and ongoing work that is needed to help secure a brighter future for children in remote Himalayan communities.

Corporate & Community Partners – pro-bono work

[McCormack Accountants and Advisors](#) | Accounting work

[Oreon Partners](#) | Ben Reynolds and Petar Tatic for conducting the annual audit

[Brighter](#) | Creative communications - Ben Murray and the team

[Piper Alderman](#) | for Legal Services

Volunteers

Doreen Ho

All HDFA Board Members

A big thanks to Ella Price, HDFA Company Secretary

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