

Quality Education Nepal Incorporated

Registration no. A0054301J ABN: 79 892 132 355
29 Blue Mount Road, Trentham, Victoria 3458

Notice of Annual General Meeting

to be held at 4:00pm on November 29 2020 at 29 Blue Mount Road Trentham

AGENDA

1. Attendance
2. Apologies
3. Adoption of Minutes of the Annual General Meeting held on 3rd November 2019
4. President's Report
5. Treasurer's Report
To receive, consider and adopt financial statements for year ended 30 June 2020
6. Appointment of an auditor
7. Election of Directors (minimum 3, maximum 12). Nominations will be received prior to the meeting or verbally at the meeting. All current Directors offer themselves for re-election. The Board appoints Directors to their respective roles.
8. Any other matter which may be lawfully brought forward

**Minutes of the Eighth Annual General Meeting
of Quality Education Nepal Incorporated
(formerly Nepali Village Initiatives Association Inc.)**
held at 4:00pm, Sunday 3 November 2019 at
29 Blue Mount Road, Trentham, Victoria

Membership at date of meeting (donors of \$20+ this calendar year):

Individuals and families: Peter & Adele Allard; Anonymous; Sid & Felicity Bloch; Win Callister; Lindsay Clark; Simon Cowen; Michael & Robyn Dillon; Bob Edgar, John & Helen Findlay; Peter & Wendy Fishley; Peter & Ronda Hall; Shirley Harrington; George Hillary; Richard & Angela Kirsner; David & Margot Kotzman; Alicia Martin; Carolyn Mason; Margaret McDonald; Harshal Nandurkar; Jan Pengelly; Chris Roe & Heather Mitchell; Luigi Soccio; Roger & Maxeme Tall; Cate Taylor; David Wymond

Clubs and associations: Daylesford RSL; RC Belconnen

Total:32, contributing \$624,171.

Present in person: Simon Cowen; Bob Edgar; Peter Hall; Ronda Hall; Luigi Soccio

Apologies from members: Michael and Robyn Dillon; Peter & Wendy Fishley; George Hillary

Apologies from non-members: Isabel Armer; Allan and Shirley Cann; Chris Durie; Hans Eisen; Marg and Warwick Hutchins; Graeme Kent; Ruth Martinez; John McLaren; Linda Morrell; Gordon Nightingale; Mani Seneviratne; Ula and Ken Sheather; Julie Sloan; Tony van Rensburg; Bom Yonzon

Quorum: There being more than the minimum of 3 members present in person or by proxy a quorum was declared.

Adoption of Minutes: Minutes of the Seventh Annual General Meeting held on 11th November 2018 were adopted unanimously (moved Simon, seconded Ronda)

President's Report: The President's report was accepted (moved Simon, seconded Ronda)

Treasurer's Report: Financial statements for the year ended 30 June 2019 were received and accepted (moved Simon, seconded Luigi)

Appointment of an auditor:

Having annual revenue of less than \$250,000 the Association is not required by Consumer Affairs Victoria nor by the Australian Charities and Not-for-Profit Commission to have its accounts audited. Rather than appointing an auditor it was agreed that the Board should arrange for the accounts to be reviewed by a Certified Practising Accountant. This met the requirements of a grant application to the Department of Foreign Affairs and Trade.

Election of Directors: Simon Cowen; Michael Dillon, Peter Hall; Ronda Hall; George Hillary; Gordon Nightingale and Luigi Soccio were re-elected as Directors (moved Luigi, seconded Ronda).

Other matters: No other matters were brought to the meeting which closed at 4:25pm.

President's Report for Quality Education Nepal Inc. for 2019-2020

The start of the financial year was a high point for QEN:

- LEARN, the NGO we initiated in Nepal in 2014 to deliver training, was well established with four full-time staff led by Krishna Pun
- We had just received a substantial donation, increasing our capital fund to \$1.5 million and thus providing income security for our future
- Our first Rotary Foundation Global Grant project, initiated in 2017, was approaching successful completion.
- Our strategy to expand our teacher training programs in Nepal through further Global Grant Projects was poised to take effect:
 - An application had just been submitted to the Rotary Foundation for a grant for a project to train 80 teachers of the Rakhu cluster of schools in Rakhugunga Municipality over three years. Sponsored by the Rotary Club of Woodstock Oxford, the project was to be funded entirely by Canadian Rotary clubs, matched \$ for \$ by the Canadian government
 - Another application was ready to follow, to be sponsored by an Australian club and funded by 50 clubs across eight countries. Combined value of the two projects was US\$250,000.
 - Prospects were good for attracting funding from further such projects, drawing on clubs internationally. A prospective sponsor was the Rotary Club of Calgary, one of the oldest in the world (chartered 1914) with membership around 220.

Disappointments with The Rotary Foundation

However, any feelings of elation were not to last. The first bad news was the Rotary Foundation's rejection of the Global Grant application. When the three reasons given were queried, no explanations were forthcoming. Eventually emails elicited from the Foundation Director Grants gave some explanation:

- *"I believe that one of the issues with the latest application was the appearance that QEN was running the project, not the sponsor clubs".* This ignored the fact that the two sponsor clubs had signed an MoU accepting full responsibility.
- *"The overarching point we keep making is that global grants are to fund projects initiated and controlled by the Rotary clubs that sponsor them. Unfortunately, the application we declined gave every indication of the clubs simply seeking funding for another (Rotary) organization's work."* She implied that The Rotary Foundation would not support a project initiated by QEN as manager of a Rotary Australia World Community Service project.

This led us to email correspondence with five Trustees of The Rotary Foundation including four Past Presidents of Rotary International, but to no avail. Given the rejection there was no point in pursuing the second application that we had prepared.

This was not the end of the Foundation saga. In August 2019 they foreshadowed a random audit of our current Global Grant project. It did not eventuate until February, but I managed to schedule a visit to Nepal to coincide, and to be present when the auditors visited LEARN.

The auditors proceeded on the assumption that the project would accord with normal Foundation practice for projects to be conducted on a cost-recovery basis. This over-looked the fact that the responsible Rotary clubs (Portland in Australia and Baglung in Nepal) had agreed by MoU to LEARN delivering its services at the costs specified in the budget – i.e. a fixed price contract.

I actively disputed the auditor's stance, but we were forced to leave the meeting with us agreeing to disagree.

The auditor's report was delayed another four months, but when it appeared it claimed the refund by LEARN of payments in excess of costs incurred. There were two faults with this argument:

- The service contract was for fixed-price, not cost-reimbursement
- The costs that had been supplied by LEARN were incomplete, as they did not include an allocation of staff time devoted to service delivery, as LEARN did not have the necessary time-recording system. This was a major cost component.

The International Sponsor club, which had not been invited to participate in the audit in any way, immediately lodged lengthy objections. Their receipt was acknowledged, but a promised response was never forthcoming.

The Rotary Foundation applied pressure tactics to secure a refund from LEARN, leaving a debt that remains outstanding. LEARN chose not to pursue this through the courts, but I did seek adjudication of the matter by the new District Governor in Nepal whom I had met on a couple of occasions. He responded: "*As I am very occupied with my responsibilities as DG I will not be able to attend every matter on this*". In other words, his mundane duties as DG outweighed allegations of illegality on the part of the Rotary Foundation.

This left our growth strategy in disarray, meaning we must look to other sources of funding. One of these that is showing considerable promise is the sharing of costs with relevant Municipal councils in Nepal. One council signed and MoU to this effect, but it will have to be renegotiated after the disruption caused by the pandemic.

The pandemic

I returned from Nepal in March, just ahead of the pandemic lockdown. Compared with India in particular, Nepal has fared reasonably with Covid 19. They had very few cases until June, but since then numbers have continued to rise, now exceeding 190,000 and over 1,000 deaths.

The country went into lockdown for a lengthy period, putting a stop to our training activities. While restrictions have been eased our staff remain concerned, particularly in respect of travel on crowded public transport. It is likely to be a while yet before we are able to resume normal training activities, though in the meantime our staff are endeavoring to support schools through their abnormal circumstances.

Continuing progress

We have taken advantage of the interruption of our training activities to develop our capabilities and preparedness for the future. Achievements during the financial year and subsequently have included:

- LEARN staff developing a three-year plan incorporating a very detailed three-year budget for submission to the Social Welfare Council and relevant municipal Councils
- Likewise further development of training courses
- Meanwhile I have developed an Excel-based accounting system for LEARN which will for the first time allow us to readily compare actual expenditures with budget. It will also provide very flexible expenditure analysis.

Thanks

I wish to thank Simon Cowen, Michael Dillon, Ronda Hall, George Hillary, Gordon Nightingale and Luigi Soccio as directors of QEN. We have not met often of late, but it has been good to have their continuing support.

We welcomed Luigi as a director at a Board meeting on 29 August 2019 as a then member of the Rotary Club of Daylesford. He and I subsequently transferred our Rotary membership to the Melbourne Passport club when it was chartered in November. Luigi recently resigned as a director of QEN to commit himself to his role of Foundation Chair of the Passport club. I thank him for his contribution.

I thank the Board of LEARN and particularly staff – Krishna Pun, Meen Shahi, Gopal Dhungel and Urmila Shreesh for maintaining the development and delivery of our programs. Without them, we would have achieved nothing.

A handwritten signature in black ink, appearing to read 'Peter Hall', written in a cursive style.

Peter Hall, President
8 November 2020

Treasurer's Report for Quality Education Nepal Inc. for 2019-2020

Quality Education Nepal Incorporated

Association formed 20/3/10, incorporated 25/3/10

Financial Report, Year ended 30/6/2020

Profit & Loss		Year to 30/6/19	Year to 30/6/20
Income			
Direct donations	1	624,417	55,481
Volunteer travel contributions		2,000	
Capital gains	2	24,829	-38,928
Portfolio Income		55,258	69,047
Bank interest		62	22
Total Income		706,566	85,622
Expenditure			
QEN expense, LEARN income		60,000	52,000
Other Aid expenditure			480
Admin. Expenses		552	383
Investment management		201	11,489
Total Expenditure		60,753	64,352
Net surplus over expenses		645,812	21,270

Balance Sheet

Current assets	30/6/19	30/6/20
Investments (capital fund)	1,526,291	1,528,041
Bank accounts, cash	23,304	27,009
Debtrs (ATO tax refunds)	6,104	9,825
Total current assets	1,555,698	1,564,875
Total assets	1,555,698	1,564,875
Less liabilities		
Rotary entities	1	0
Net assets	\$1,543,605	\$1,564,875

Funds statement

	Year to 30/6/19	Year to 30/6/20
Opening balance	897,793	1,543,605
Net income	645,812	21,270
Closing balance	\$1,543,605	\$1,564,875

Notes to accounts:

- 1 \$12,093 received from Rotary Clubs for transfer to Rotary Foundation projects was converted to Direct Donations to QEN when Foundation funding was denied .
- 2 Capital losses exceeding \$165,000 in Q1 2020 had been largely recovered by year end.

AUDIT STATEMENT

These accounts give a true and fair view of the Quality Education Nepal Incorporated financial Position as at 30th June 2020

Clement F Mooney, Certified Practicing Accountant

Confirmation of the report by Clement Mooney is awaited..