



UMN Support Trust

Report and accounts

For the Year Ended 17 September 2017

Report and Accounts Contents

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Legal and Administrative Information

**Members of the Company all of whom
are appointed as Directors and Trustees**

**Alan Penn
Christopher Mark Galpin
Richard Hugh Sykes
Joel Andrew Hafvenstein**

Secretary

Alan Penn

Registered Office

**97 Eastern Avenue
Chippenham
Wiltshire
SN15 3SF**

Coordinating Trustee and main contact

Alan Penn

Bankers

**Lloyds Bank
PO Box 1000
BX1 1LT**

**Date of Incorporation
Company Number**

**18 September 2012
8219609**

**Date entered onto Register of Charities
Registration number**

**30 April 2013
1151842**

Website

www.UMNSupporttrust.org

Independent Examiner

**Mr S Hardy
10 Harford Close
Chippenham
Wiltshire
SN15 3PY**

Independent examiner's report to the Trustees of UMN Support Trust

I report on the financial statements of the UMN Support Trust for the year ended 17 September 2017 as set out on pages 11 to 14.

Respective Responsibilities of Trustees and Examiner

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of the Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent Examiner's Statement

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

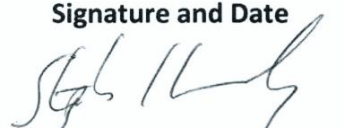
1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with Section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of their Statement of Recommended Practice: Accounting and Reporting by Charities;

have not been met or

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

S Hardy
10 Harford Close
Chippenham
Wiltshire SN15 3PY

Signature and Date



7th February 2018

Report of the Directors and Trustees for year ending 17 September 2017

The Directors who are also the Trustees of the charity have pleasure in submitting their report for the year. The Directors all of whom served as Trustees are listed on page 3 and this together with the other statutory information forms part of this report.

Structure, Governance and Management

UMN Support Trust ('UMNST') was incorporated on 18 September 2012 and is governed by the Articles and Memorandum of Association that were put in place at the time of incorporation and there have been no changes since incorporation.

A minimum of two and up to five Trustees can be appointed by the members (currently Alan Penn, Christopher Mark Galpin, Joel Andrew Hafvenstein and Richard Hugh Sykes). **United Mission to Nepal ("UMN")** can nominate UMNST Trustees provided that the nominated Trustees do not form a majority and the total number of Trustees does not exceed ten or be less than three. Joel Andrew Hafvenstein is the only current Trustee nominated by UMN. New Trustees would be expected to have some experience in the operation of charities, development work to alleviate the root causes of poverty and an understanding of Nepal and the needs of the poorer and poorest communities.

J. A Hafvenstein is seconded by Church of Scotland, a UK charity, to be the current Executive Director (E.D.) of UMN based in Kathmandu. R.H. Sykes lives in the UK and is, inter alia, a board member of UMN and C.M. Galpin was the previous E.D. of UMN.

The day to day administration is carried out by Mr. Alan Penn who has funding management experience having been seconded in that function for nearly six years to UMN in Kathmandu. He returned to UK in October 2012.

Objects, Activities and Public Benefit

UMNST is an independent Christian charity focusing on addressing poverty primarily in Nepal by in particular, but not solely, promoting the charitable purposes of UMN, an International Non-Government Organisation that has worked only in Nepal for over 60 years to alleviate poverty.

Support will be given to specific community based poverty alleviation programmes being undertaken by UMN's 45+ Nepali partner organisations, by publicising, promoting and financially supporting those programmes. UMN's contribution of advising and field monitoring of the projects and simultaneously capacity building the organisations will also be included in the budget of the programmes that UMNST is supporting. Support may also be given to the education or development training of locally selected children and young people where it can be shown that finance is not otherwise available for the activity to take place.

All programmes must be agreed by UMN and UMNST before being supported.

In addition UMNST will publicise and promote the work of UMN's two rural mission hospitals at Tansen and Okhaldhunga.

Specific Projects Supported in 2016-2017

Major Earthquake in Nepal – Third Year Grant - £8,100

On 25th April 2015 Nepal suffered an earthquake measuring 7.8 magnitude and a second major quake of 6.8 magnitude struck on 12th May with over 400 aftershocks of magnitude 4.0 or greater over the following year. Over 9,000 people were killed, 500,700 homes were completely destroyed and 270,000 sustained serious damage.

Dhading district, where UMN continues to be heavily involved, was badly affected with much of the rural infrastructure destroyed, together with livestock, seeds and earning capacity.

In the past two years UMNST had granted £236,500 for this work being approximately 11% of UMN's earthquake relief and restoration income.

As expected, there is much restoration and reconstruction work still needing to be done. This £8,100 grant included £2,875 for school refurbishments.

Terai Flood Relief Project - £29,500

Between 10th and 13th August 2017, the heaviest rain for 60 years brought flash floods and landslides to 32 out of 75 districts in Nepal. Over 75,000 families were directly affected, 461,000 were displaced, 65,000 homes and 383 schools were destroyed. 69,600 livestock and 170 people were killed.

Among the eight worst affected districts were Sunsari and Morang both of which are districts where UMN works with local partner organisations.

UMN and four of its local Nepali partner organisations after consultation with government and local community representatives were able to mobilise 483 volunteers to distribute 15-day food supplies, hygiene kits and shelters for 5,984 flood affected households in four districts.

Child to Child Development - £5,000

Mugu is the one of the poorest districts in Nepal. UMN and its local Nepali partner Gramin Samudayik Sanstha (GSS) have been undertaking a three year project developing children through children's clubs. Currently they are focusing on 316 children in 19 clubs. The children are trained and encouraged to be change agents and peer educators in such areas as improving self-worth, health and hygiene issues, child marriage, school enrolment, use of kitchen gardening and consumption of nutritious food, toilet construction and use, adolescent sexual health, community improvement etc.. The young people learn how to run their child club, organise meetings and share their knowledge and experience with the younger members. They gain self-confidence, learn to accept others of different castes and how to improve the community welfare and income. For this twelve months of the project the total budget is 2.0m NPR (£23,700). UMN will source the balance.

HIV & AIDS Project – £7,500

This is a continuation of work by two of UMN's local Christian partner organisations. It includes raising the knowledge of HIV and AIDS and safer sexual practices; increasing access to HIV counselling and testing services; increasing the access of people living with HIV and their families to care and support services; encouraging local authorities to be more supportive; and strengthening the knowledge, capacity and capability of UMN, its local partners and local churches in identifying, supporting and encouraging HIV affected families to overcome prejudice and shame and to seek medical help and employment. The one year programme total cost is 2.52m NPR (£18,700)

Birthing Centre Upgrades - £3,750

Home deliveries in rural locations, usually with the presence of perhaps only a partially trained birth attendant have been a significant causal factor in determining child and maternal mortality. Since the turn of the century birthing centres have been established in primary health care centres and health posts with 1621 being set up by 2014/15. However adding a new room and assigning a nurse is not enough to provide quality care if there are only basic facilities, two or three beds, and a lack of essential drugs, medical equipment and a team of fully trained health personnel who can give 24 hour cover

UMN and its local Nepali partners selected six basic birthing centres to upgrade by adding Placenta pits (3 centres), renovation of birthing floor (1), lighting for a birthing centre (1), renovation of Water, Sanitation and Hygiene facilities (1) and installation of electricity (1). Total cost £4,190

UMN Peace Project - £5,000

This is a supplementary project to a larger three year, 2018-20, Local Capacity for Peace Project that is being undertaken in one municipality in Morang District. The religious composition includes 55% Hindu, 25% Islam, 10% Buddhist, 5% Christian and 5% Kirat. The project seeks to overcome the discrimination, oppression and political, social and economic controls suffered by the minority religious and other smaller groups.

The aim is to increase the understanding and internalisation of individual and cultural rights by bringing together religious leaders and youths from different faiths in various trainings, workshops and exposure visits, with an aim of each group being more tolerant of the other groups and advocating collectively to ensure the rights of all cultural groups and communities.

UMN Livelihoods Project - £5,000

The project aims to reduce rurally based poverty in Bajhang and Sunsari districts by undertaking a three year project to improve the community earning potential. This concentrates mainly on improving the income of small farmers by strengthening farming groups and cooperatives to share knowledge, production and processing methods, and marketing of produce. This covers vegetables and grain seed selection growing techniques, high value products, introducing and marketing milk and dairy products, animal husbandry and insurance. It links farmers' groups to a cooperative micro-credit programme, establishes a revolving fund to create access with the Agricultural Bank and promotes micro credit for non-farming enterprises, giving training to ensure funds are effectively used. It also selects single women, people with disabilities, girls and youths who are victimised, discriminated or abused or families in extreme poverty, to be trained and linked to employment opportunities, or trained and given material support to establish their own business. Total budget for year 3 is £45,000

UMN Organisational Development Project - £4,700

UMN trains their local Nepali partner organisations to improve their efficiency, techniques, skills and effectiveness in a number of areas. These include improving and identifying community needs, effective delivery, auditing and accountability, engaging community groups in the local development process, empowering disadvantage groups and strengthening and promoting child-friendly governance. Total Year 1 cost is £24,600

Christmas Appeal 2016 – Baby Boxes - £700

In Doti region, only 21% of mothers attend antenatal clinics and only 36% have an institutional delivery. The Baby Box will include various essential items for the baby and mothers. It will be provided free if the mother-to-be completes at least four antenatal check-ups and delivers in a health facility. The box will include baby clothes, cloth diapers, a set of clothes for the mother, personal care items for the baby and postpartum mother, a toy, a mattress and mosquito net, among other things. The box is made of strong cardboard and can also be used as a crib for the baby which will help if the baby needs to be put down and there is a danger of rolling into an open fire.

UMN Scholarship Fund - £500

The UMN scholarship fund is an on-going fund which is drawn upon to provide assistance with on-going schooling costs for a limited number of children. Occasionally it is possible to add a new child to the list of those supported. Children are selected initially by local Nepali partner organisations on the basis of child's ability and the poverty of the family. The children continue on the programme provided their results and attendance are acceptable. It is likely that without this financial assistance the selected children would not be able to attend school or would come under great parental pressure to leave school at a very early age because the cost would be unbearable for the family.

United Mission Hospital at Tansen - £19,500

Tansen is one of UMN's two non-government Mission hospitals both of which are reliant on donations to balance the organisation's costs as the income that is received from charging patients is not sufficient. The grant was split £15,710 for general and equipment costs, £3,240 to subsidise the treatment costs for poorer patients and £550 for the new rehabilitation centre.

Okhaldhunga Hospital - £15,100

The grant was split between general medical and equipment expenses £13,890, subsidy for treatment cost £1,090, and pre-natal assistance £120.

Sources of Income

Income is received from individuals, small organisations, church groups and UK trusts

- that are known to the UMNST Trustees or who know or learn of the work of UMN and its two hospitals
- or who know or learn of and understand the significant physical, financial and resource needs of a large portion of the population of Nepal
- or who wish to encourage and support the practical experience that small Nepali organisations are gaining by working with UMN's experienced staff on projects to address some of priority poverty areas within their community. The aim is for them to become fully competent organisations that require no or a minimum amount of support

UMNST's PayPal account offers the ability to receive eleven different currencies and publicity of this has facilitated some overseas financial support.

UMNST is holding £600,000 of UMN's reserves in a loan account which is repayable to UMN on one month notice. Income from the investment of these funds forms part of UMNST's income.

Outgoings

UMNST will keep its own costs to a minimum.

- All of the Trustees provide their services on a voluntary basis. One of the Trustees is based in Kathmandu and another visits Nepal at least twice a year for other purposes. They are able to monitor some of the work in Nepal at negligible personal cost.
- No administration costs were charged to UMNST in this current year.
- The Trustees have no desire to build significant reserves but may smooth out a large inflow of funds or carry over funds received late in the financial year.
- The Trustees are not able to consider unsolicited requests for funding as all of the current Trustees are already familiar with a great number of charitable needs and organisations that are addressing poverty in Nepal.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, planning activities, setting the grant making policy and monitoring the funds usage.

Projects for 2017-18

- UMNST will continue to promote and support any natural disaster in Nepal which UMN or its Nepali partner organisations can respond to.
- UMN will identify community projects that require funding assistance for UMNST to consider for promotion.
- UMN's Mission hospitals at Tansen and Okhaldhunga will continue to receive support.
- Some supporters will undoubtedly favour specific areas of the work of UMN and its hospitals. UMNST will ensure it makes grants to and monitors appropriate projects to ensure that funds granted were used effectively in line with the supporters' wishes.

The Trustees are unlikely, at this time, to widen their area of support within Nepal.

Risk Management

The Directors are confident that they have sufficient involvement and controls to mitigate the risks. They will continue to monitor at the same level in the coming year.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with the applicable law and regulations. Company law and the Charity Commission require the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with the charity's 'Statement of Recommended Practice (revised 2005)' and in accordance with the requirements of annual Corporate reporting and taking into account the fact that the company is a 'small' company. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period and its charitable status. In preparing these financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on an on-going basis unless it is inappropriate to presume that the company will continue to operate

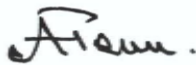
The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements meet the requirements of the Companies Acts and the Charity Commission. They are also responsible for safeguarding the assets of the company, ensuring that the funds are used properly and transparently for the benefit of those suffering from personal, community or institutional poverty in accordance with the objectives of the charity, and for the prevention and detection of fraud and other irregularities.

Directors' Interests

No director has had any beneficial interest in any contract or arrangement of a material nature with the company during the period under review.

Report approved by the Directors (who are also the Trustees) on 22nd February 2018

The company has taken advantage of the small companies' exemption in preparing the Directors' report.



23 February 2018

Alan Penn (Director and Company Secretary)

Statement of Financial Activities (including Income and Expenditure Account)
For the year (12 months) ending 17th September 2017

Operating Account

Incoming resources	Note	Unrestricted	Restricted	Total	Previous
		Funds	Funds	Funds	Total
		2016/17	2016/17	2016/17	2015/16
Sales processed on behalf of UMN	1		653.13	653.13	338.57
Donations and grants		5,500.00	83,648.68	89,148.68	56,303.54
Investment Income	2		5,364.71	5,364.71	
Income Tax recoverable (Gift Aid)		1,375.00	10,228.39	11,603.39	5,487.50
Total incoming resources		6,875.00	99,894.91	106,769.91	62,129.61
Resources expended – sales/grants					
Sales - remitted to UMN			653.13	653.13	338.57
UMN / Partner community projects	3	6,900.00	25,250.00	32,150.00	20,750.00
UMN Earthquake Relief and restoration	4		8,100.00	8,100.00	31,500.00
UMN Flood Relief and restoration	4		29,500.00	29,500.00	
Tansen Hospital	5		19,500.00	19,500.00	10,285.00
Okhaldhunga Hospital	5		15,100.00	15,100.00	2,923.00
Total resources expended		6,900.00	98,103.13	105,003.13	65,796.57
Nett movement		-25.00	1,791.78	1,766.78	-3,666.96
Operating Funds brought forward		279.90	1,235.15	1,515.05	5,182.01
Operating Funds carried forward		254.90	3,026.93	3,281.83	1,515.05

Investment account

Nett unrealised gains / (losses) on investments			72,386.00	72,386.00	0.00
Value of Investments			672,386.00	672,386.00	600,000.00
Value of Loan to be Repaid			600,000.00	600,000.00	600,000.00
Nett investment value carried forward			72,386.00	72,386.00	0.00

Total Funds

Total Funds carried forward		254.90	75,412.93	75,667.83	0.00

Balance Sheet - For the year ending 17th September 2017

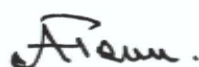
	2016/17	Notes	2015/16
Fixed Assets	0.00		0.00
Intangible Assets	0.00		0.00
Tangible Assets	0.00		0.00
Investments	0.00		0.00
Current Assets			
Stocks	0.00		0.00
Debtors	1,433.75	6	0.00
Value of Investments	672,386.00	7	600,000.00
Cash at bank and in hand	1,848.08		1,515.05
Current Liabilities			
Creditors – amounts falling due within one year	600,000.00	8	600,000.00
Total assets less current liabilities	75,667.83		1,515.05
Creditors– amounts falling due after more than one year	0.00		0.00
Nett Assets	75,667.83		1,515.05
Funds Balance Carried Forward	75,667.83		1,515.05
Designation of Balance			
Unrestricted funds – undesignated	254.90		279.91
Restricted funds, Earthquake Relief and Restoration	625.00		212.11
Restricted funds, Flood Relief and Restoration	821.41		
Restricted funds, UMN community work	1,198.71		1,010.01
Restricted funds, Mission Hospitals	381.81		13.02
Restricted funds – Nett value of investments	72,286.00		

For the year ending 17/9/2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006 relating to small companies.
- the Directors acknowledge their responsibilities for complying with the requirements of the 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.

Accounts were approved by the Directors who are also the Trustees on 22nd February 2018 and signed on their behalf by:



23rd February 2018

Alan Penn (Director and Company Secretary)

Notes forming part of the Financial Statements for the year ended 17th September 2017

Accounting Policies

The principal accounting policies are summarised below.

Basis of accounting

The accrual accounts and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and in accordance with the special provisions applicable to companies subject to the small companies' regime.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of a funding appeal for specific projects.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy.

The following policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities and the value of services provided by volunteers have not been included in these accounts.

Investment income is included when received.

Incoming resources from charitable trading activity are accounted for when earned.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Loans Received

UMNST has received loans from related organisations. The funds from the loans have been invested either in established charitable investment funds or through an established financial firm which manages a portfolio of investments on behalf of UMNST. The loans have no fixed maturity date and are interest free. They are subject to repayment upon 28 days' notice, at the lower of the realisable value of the related investments and the principal amount of the loan. Therefore no loss will be incurred by UMNST.

Any interest, or dividends received or realised gains will be used by UMNST for charitable grants in line with UMNST's aims and in line with any acceptable restriction by the lender.

Note 1. – Sales.

UMNST allowed UMN to use UMNST's PayPal facility on the UMN web site to sell calendars, Christmas cards and a commemorative book. UMNST passed 100% of the proceeds to UMN and therefore incurred no profit or loss.

Note 2 – Investment Income

As described on page 14 under loans received

Note 3 – Grants made to UMN and partners.

For the community projects as described in Page 6 – 8 of this report.

Note 4 – Earthquake or Flood related grants made to UMN.

For earthquake related works as described in Page 6 of this report.

Note 5 – Grants to Tansen and Okhaldhunga Mission Hospital

Grants for the general running cost, medical assistance costs for poor patients and equipment as described on page 8.

Note 6 – Debtors

HM Revenue and Customs for Income Tax refunds made under the UK Gift Aid scheme.

Note 7 – Investments held as Current Assets

The underlying investments are valued at market value at 17 September 2017

- COIF Charities Investment Fund Accumulation Units (£125,672)
- Schroder Charity Multi-Asset Fund (£119,436)
- Smith & Williamson Investment Services – managed portfolio (£427,278)

Note 8 – Creditors – amount falling due in less than one year

Loan from UMN subject to 28 days' notice of repayment and valued at the lower of the market value of the related investments or original loan amount of £600,000.

Note re Taxation

As a charitable company UMNST is exempt from tax for the income of the charity under sections 466 to 493 of the Corporation Tax Act 2010