



UMN Support Trust

Report and accounts

For the Year Ended 17 September 2016

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
(Appointed on 24 May 2016)**

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 2016 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 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


18th January 2017

Report of the Directors and Trustees for year ending 17 September 2016

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 50+ 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 2015-2016

Major Earthquake in Nepal – Second Year Grant - £31,500

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 and over 400 aftershocks of magnitude 4.0 or greater have been felt up to 17th September 2016. Some of the devastation in Nepal of the earthquakes included:

Over 9,000 people killed; 500,700 homes were completely destroyed and 270,000 sustained serious damage; 32,145 classrooms were either destroyed or heavily damaged; immediate chaotic food situation in the remote areas with an estimated 1.4 million people requiring continuing food assistance while 1 million people needed support to protect and restore their agri-based livelihoods; there was a high loss of seeds in the worst affected districts which also suffered severe damage to 70% of the irrigation systems;

Dhading district where UMN was and continues to be heavily involved, was one of the worst affected districts with 81,313 houses totally damaged, 30,094 partly damaged and 681 killed. 318 schools had been affected with 3094 rooms collapsed, 49 Health Posts and 51 government office buildings collapsed. It is also estimated that 22,292 livestock and 11,939,000 kilograms of food were lost during the earthquake.

UMN's expenses for Phase 1 relief was \$1.253m USD. In the year ending 17 September 2015 UMNST made grants to UMN of £205,000, to UMN Hospitals Tansen £3, 876, and Okhaldhunga £4,240 for earthquake Immediate and Phase 2 response.

For a number of external reasons the completion date for the phase 2 project has been extended to June 2019. UMN has been working with local partners in five village areas in Dhading district. Actions taken include: - farmers restocked with seed; livestock and tools so that they can restart farming; trails and bridges repaired; temporary learning centres constructed; hydropower systems repaired; water and irrigation systems restored; psychosocial / trauma healing activities; female exploitation protection and gender violence programmes undertaken; future disaster reduction and preparedness programmes.

Government restrictions have prevented INGO's from assisting with house reconstruction as they have their own five year assistance programme that is proving slow to start. UMN and its partners have been encouraged to undertake significant schools and water projects in their allotted regions, together with further rebuilding of lives and livelihoods.

The revised budget is \$7.7m USD. There is currently a \$1.3m USD potential shortfall assuming all of the expected receipts materialise.

UMNST will continue to promote this project. The interest in financially supporting the recovery from an earthquake which happened in April 2015 has significantly diminished even though the recovery programme is not due to be completed until June 2019.

The following development grants were made to UMN

• **Sunsari District - Resettlement of Koshi Flood Victims - £7,500**

In August 2008, the Koshi River flooded settlements and agricultural land for several days. 47,000 people were displaced and 6,000 hectares of farmland was inundated with sand up to six feet. The livestock loss was more than 100,000. After some months some of the survivors returned to begin repairing their flood-hit houses and are gradually reviving their normal life. However, Musahar- one of the most marginalised and disadvantaged communities in Nepal- were particularly badly hit by the flood and are still struggling to revitalise the lost livelihood options. With the sands remaining there is little agricultural work for the men and women, and many men have to go out of the area in search of work.

This eighteen month programme's aim is to improve their daily life by enhancing livelihood opportunities and wellbeing that were previously destroyed by the flood. About 90 households and more than 400 people will benefit by the intervention through social mobilisation, skills development and non-farm based income generating programmes. The total 18 month programme cost is 3.005m NPR (£22,269).

• **Mugu District – Child to Child Development - £5,000**

Mugu is the one of the poorest districts in Nepal. During the last three years UMN and its local Nepali partner GSS have been undertaking a three year project developing children through children's clubs. There are currently 500 children in 29 children's clubs. Children aged 15 plus are selected and trained to be club facilitators and are trained to be able to lead and teach their club members in developing and educating them in such areas as: awareness on health and hygiene issues as well as social concerns such as child marriage, school enrolment, use of kitchen gardening and consumption of nutritious food, toilet construction and use, adolescent sexual health, community improvement etc.. With GSS guidance the young people learn how to run their child club, organise evenings 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, The cost of assisting, strengthening and expanding the number of child clubs in this coming year is 3.2m NPR (£23,700)

• **Sunsari and Rupandehi Districts - HIV & AIDS Project – £5,000**

Two Local Christian organisations are continuing their work. 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 program cost is £2.52m NPR (£18,700)

- **UMN Intern Programme - £3,250**

UMN's internship program offers ten young Nepali Christian graduates the opportunity to engage with development. The internship lasts for 12 months and is designed to develop their professional skills in specific technical areas, and equip them with leadership skills to prepare them for effective roles in whatever profession they feel called to. The program so far has trained 66 young people from over 22 districts in Nepal. Of the total 36 were female, 34 came from the ethnic communities; 5 were Dalits and 3 were from the marginalized Madhesi communities.

In their twelve months they learn analytical, planning, presentational and general office skills by working alongside UMN professionals and by receiving formal training. Some of the time is spent together in UMN's Kathmandu office, and at least four months is spent in one of seven UMN remote rural local offices. Here they start to understand poverty and some of the many causes and effects. They work alongside UMN's technical specialised staff and are exposed to all aspects of the work being undertaken by UMN and its local Nepali organisations as they prioritise, plan, implement and report on actions to partially alleviate aspects of community and individual poverty.

At the end of the twelve months only a few will fill a limited of UMN vacancies, but all will have received a highly regarded intern training which will equip them well and which will assist them in obtaining and performing well in their next job. Total cost 2.23m NPR (£16,500)

- **United Mission Hospital at Tansen - £10,285**

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 paid by patients is not sufficient. The grant was split £6,470 for general and equipment costs, £3,185 to subsidise the treatment costs for poorer patients, £505 for the new rehabilitation centre and £125 for Psychiatric care.

- **Okhaldhunga Hospital - £2,923**

The grant was split between general medical and equipment expenses £570, subsidy for treatment cost £1,530, pre-natal assistance £362, equipment for hospital extension £155 and earthquake repairs £306.

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.

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 costs.
- 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 2016-17

- The continuation of UMN's Phase 2 Earthquake Project is a high priority.
- 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 Director's Responsibilities

The Directors are responsible for preparing the Report of the Director's 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

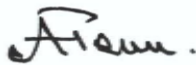
The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements meet the requirements 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.

Director's 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 30th January 2017

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



7th February 2017

Alan Penn (Director and Company Secretary)

Statement of Financial Activities (including Income and Expenditure Account)
For the year (12 months) ending 17th September 2016

Incoming resources	Note	Unrestricted	Restricted	Total	Previous
		Funds	Funds	Funds	Total
		2015/16	2015/16	2015/16	2014/15
Sales processed on behalf of UMN	1		338.57	338.57	560.68
Donations received for Earthquake			28,652.59	28,652.59	204,606.02
Donations received for Hospitals			11,348.81	11,348.81	20,382.23
Donations received – other		5,098.34	11,203.80	16,302.14	13,350.13
Income Tax recoverable (Gift Aid)		1,251.25	4,236.25	5,487.50	14,826.75
Total incoming resources		6,349.59	55,780.02	62,129.61	253,725.81
Resources expended – sales/grants					
Sales - remitted to UMN			338.57	338.57	560.68
UMN / Partner community projects	2	6,400.00	14,350.00	20,750.00	14,090.00
UMN Earthquake Relief and restoration	3		31,500.00	31,500.00	205,000.00
Tansen Hospital	4		10,285.00	10,285.00	13,141.00
Okhaldhunga Hospital	4		2,923.00	2,923.00	17,779.00
Total resources expended		6,400.00	59,396.57	65,796.57	250,570.68
Nett movement in Funds		-50.41	-3,616.55	-3,666.96	3,155.13
Total Funds brought forward		330.31	4,851.70	5,182.01	2,026.88
Total Funds carried forward		279.90	1,235.15	1,515.05	5,182.01

Balance Sheet - For the year ending 17th September 2016


	2015/16	Notes	2014/15
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	0.00	5	77.50
Investments at cost	600,000.00	6	0.00
Cash at bank and in hand	1,515.05		5,122.19
Current Liabilities			
Creditors – amounts falling due within one year	600,000.00	7	17.68
Total assets less current liabilities	1,515.05		5,182.01
Creditors – amounts falling due after more than one year	0.00		0.00
Nett Assets	1,515.05		5,182.01
Funds Balance Carried Forward	1,515.05		5,182.01
Designation of Balance			
Unrestricted funds – undesignated	279.91		330.31
Restricted funds, Earthquake Relief and Restoration	212.11		2,293.02
Restricted funds, UMN community work	1,010.01		2,376.22
Restricted funds, Mission Hospitals	13.02		182.46

For the year ending 17/9/2016 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 30th January 2017 and signed on their behalf by:



7th February 2017

Alan Penn (Director and Company Secretary)

Notes forming part of the Financial Statements for the year ended 17th September 2016

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

The trustees have agreed to receive loans from related organisations. The funds from the loans will be invested in mix of investments that met the trustee's definition of 'ethical investments'. The trustees will invest in established charitable investment funds or through an established financial firm who will build and manage a portfolio of investments that meet the trustee's investment aims. The loans and investments will be aggregated by lender, have no fixed maturity date, and will be interest free. They will be subject to repayment upon 28 days' notice, at the lower of the realisable value of the 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.

The marketable value of the investments will be shown in the notes. Realised investment gains and income will show in the income statement together with any resulting grants made.

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 – Grants made to UMN and partners

For the community projects as described in Page 7 – 8 of this report.

Note 3 – Earthquake related grants made to United Mission

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

Note 4 – Grants to Tansen and Okhaldhunga Mission Hospital

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

Note 5 – Debtors - nil

HM Revenue and Customs for Income Tax refunds were fully claimed and received on donations made under the UK Gift Aid scheme.

Note 6 – Investments held as Current Assets

Resulting from a loan from UMN's Reserves and valued at the lower of cost and market value.

The underlying investments are valued at (cost price and market value at 17 September 2016)

- COIF Charities Investment Fund Accumulation Units (£100,000, £109,140)
- Schroder Charity Multi-Asset Fund (£100,000, £109,741)
- Smith & Williamson Investment Services – managed portfolio (£400,000, £400,000)

Note 7 – 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 relating 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