



UMN Support Trust

Report and accounts

For the Year Ended 17 September 2018

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 2018 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.


12th December 2018

S. Hardy
10 Harford Close
Chippenham Wiltshire
SN15 3PY

Report of the Directors and Trustees for year ending 17 September 2018

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 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 partner 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 2017-2018

All UMN projects are undertaken by UMN's local Nepali partner organisations under UMN's guidance and assistance, thereby benefitting communities and capacity building the partners with the aim of enabling them to become competent independent organisations working with and within their community to tackle the root causes of poverty.

Terai Flood Relief Project - £19,000 (in 2016-17 £29,500 was also granted)

After the heavy flooding in August 2017, UMN was able to reach 5,984 households with a package of relief assistance - half a month's food supply, tarpaulins, sleeping mats, hygiene kits, and more. Since then UMN have been working with 685 of the worst-off households to help them recover from their flood losses. Seventeen flood resilient houses have been built for the poorest families, the community has learnt how to construct homes that are elevated above flood levels. UMN has been equipping and training people in goat-rearing, pig-rearing, vegetable farming, and other locally appropriate earning opportunities.

Kimri Village Fire - £10,500

In May 2018 there was a fire that destroyed half of the village of Kimri leaving 90 of the 200 people without shelter or possessions. Kimri is a remote village in Mugu district and is only accessible by foot taking a day and a half's walk from the district headquarters at Gamghadi. The villagers are one of the most marginalised ethnic minorities and even before the fire, the villagers faced poor conditions in all aspects of their lives. UMN contributed warm clothes to the immediate relief package coordinated by the local government. The temporary shelters will see them through the winter. UMN will contribute the remainder of our Kimri funds to rebuilding homes—as long as they can confirm that the government-approved house design is earthquake-resilient and fits the cultural norms of Kimri's people. The local partner will carry out this work with the local government.

Ruplung School Improvement - £1,000

This school improvement is part of UMN's Earthquake Resistant Schools project in the district of Dhading where many schools were destroyed or badly damaged in the 2015 Nepal earthquakes. Ruplung school has 81 students and 3 teachers. Five of the classrooms collapsed in the earthquakes. The five classrooms are being rebuilt in two blocks to Earthquake Resistant standards.

Lapa School Upgrade Programme - £6,500

As part of the response to the April 2015 Earthquakes, UMN and its local partners undertook significant reconstruction and restoration of the infrastructure in Dhading. Whilst a lot of the projects have been completed there is still a major schools projects in process in the Lapa, a remote district in the Hill and High Himalaya region which borders Tibet. Plans are well underway to construct 14 school blocks in 8 schools with 39 rooms with full Water, Sanitation and Hygiene facilities (WASH). At the time of UMNST making the grant, £39,000 was still required to complete the project and UMN will source the £32,500 balance elsewhere.

School Improvement Programme - £25,000

In many rural districts the quality of education is far from ideal. This project will empower children and parents and build the capacity of teachers and school management committees in selected schools in the districts of Mugu and Nawalparasi. It is planned that over 1150 marginalised children and 200 adults will directly benefit. In addition to improving the quality of education and school management, school and community based child clubs will be strengthened

Disaster Management Preparedness - £5,000

This is a large five year programme enhancing the ability of vulnerable people in Rukum and Nawalparasi districts to obtain a life resilient to various climatic and non-climatic risks. Major areas of support education and implementation in year three include micro-irrigation, watermills, school disaster risk reduction, upgrading nurseries, improving pig sheds, training on environment and climate change adaptation, training on constructing earthquake resistant buildings, constructing wooden bridges and water points, establishing a goat rearing centre and seed bank, upgrading and supporting kitchen gardening and potato cultivation, training one animal health worker. The project cost for the third year of the programme is £90,500 with the majority of the funding provided by a major UK financial partner.

Integral Mission £6,500

Intern Training - £1,000

This project is in the third and final year with a budget for the year of £88,600, with one major financial supporting partner providing 50% and a number of smaller supports being provided by other organisations. The aim of the project is to equip, empower and motivate Nepali theological and church institutions to undertake the teaching and promotion of Integral Mission theology with the result that they and their communities will work together to address effectively the needs of the people living in poverty. The projects are undertaken with four UMN partners based in Rukum. Dhading and Nawalparasi districts and a national partner based in Kathmandu. In addition ten graduate interns spend one year working with and being trained by UMN so that they become fully equipped to work in alleviating poverty by taking a post-internship position with UMN or, more usually, by working within their church group or local community group in a significant role.

HIV & AIDS Project – £5,500

One UMN partner in Rupandehi district and one in Sunsari district are building on previous work with those living with HIV & AIDS and their families. The project aims to increase the knowledge of HIV & AIDS among adolescents, youths, religious and community leaders, including safer sexual practices; to increase the access to HIV counselling and testing services; to ensure that a full range of treatment, care and support services is available; assist individuals and families suffering from shame and/or exclusion by the community, to recognise their self-worth, to join self-help groups, to seek employment or to obtain 'seed' money to start a small income generation scheme.

Advocacy Project - £4,000

Year three of this five year project covering seven districts aims to empower and equip Nepali communities, especially the 'Poorest People Living in Poverty' (PPLP) so that they can enjoy their entitlements and benefits without discrimination. Through the project's initiatives the enriched capacity and increased community participation will contribute to the government's accountability, transparency and responsiveness towards its citizens. The PPLP will be able to influence decisions that impact their lives by increasing their effective participation in decision making processes of local development through civil education and active engagement in local development planning meetings. The total year three budget is £62,300 of which £51,400 is being provided by one UK lead financial supporting partner organisation.

Soil Improvement project - £1,100

Introduction and education in improving the quality of the agricultural land by improved irrigation, crop rotation and the use of appropriate natural and artificial fertilisers.

Livelihoods Project - £2,500

This is partial funding support for year three of a three year project to increase the income of 1400 marginalised and very low earning men and women in four localities (two in Bajhang and two in Morang districts) through commercial agriculture and vocational training. The three year budget was £338,800 of which £254,000 was provided by a leading UK financial supporting organisation, with the balance being raised from a number of smaller funding contributions. A number of initiatives have been planned to obtain sustainable benefits: 80 farmer groups, 4 co-operatives (these will become the focus of the value chain approach) and 4 social networks (support groups for access members' rights); improve skill and knowledge of 1200 farmers (720 are women): set up 8 marketing hubs for milk, milk products, fruit, vegetables and non-timber forest products: increased access to micro-credit loans and small capital loans with the four co-operatives starting savings and loan schemes; establish 8 service providers of technology, equipment, technical advice and access to finance to initiate businesses; local job opportunities and training for 200 unemployed, single women, landless people, people living with HIV, and people with disabilities.

Christmas Appeals - Two grants of £500

1. Improvements to rural Birthing Centres – many of which are inadequately equipped or have inadequate sanitary or placenta disposal facilities.
2. Baby baskets – which can be used as a crib for the baby. Each basket also contains a number of clothes and other practical items for the mother's use with the new baby. The baskets are given for the first child provided the mother attends pre-natal classes, gives birth in an agreed location (where possible) and promises to attend post-natal checks.

Tansen Mission Hospital - £27,065

Okhaldhunga Mission Hospital – £12,470

UMN's mission hospitals in the rural areas of Tansen and Okhaldhunga are reliant on charges made for medical treatments and hospital stays. The catchment areas contain a large percentage of the less wealthy in Nepal, so often it is necessary for the hospital to heavily subsidise the cost of treatment.

Tansen is the larger of the two hospitals with 400+ Nepali employees and 12 mission employees from 6 different countries. In addition to a full range of medical disciplines there is a dental clinic, physiotherapy, Neuro rehab, occupational therapy and a pharmacy. It is also a teaching hospital for nurses, doctors, surgeons and anaesthetists. There is an active Community Health Department that operates a town and satellite clinics, a child rehabilitation centre, safer motherhood and neonatal clinic, disability, gender and HIV education and support, a radio health programme and a health related schools programme.

Okhaldhunga is a 50 bed hospital. There is a Mothers Waiting Home for women from distant areas to be nearby before delivery, full operating facilities and a busy outpatients' facility. They are building additional ward and operating facilities and are in the process of equipping the new areas as they are completed.

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 the priority poverty areas within their community.
- ✓ UMNST has also benefitted from bequests from former supporters or expatriates who have previously worked for UMN or its hospitals

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 28 days' 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 2018-19

- ✓ UMNST will continue to publicise 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

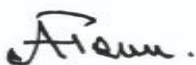
The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements meet the requirements 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 16th January 2019

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



16 January 2019

Alan Penn (Director and Company Secretary)

Statement of Financial Activities (including Income and Expenditure Account)
For the year (12 months) ending 17th September 2018

Operating Account

Incoming resources	Note	Unrestricted Funds	Restricted Funds	Total Funds	Previous Total
		2017/18	2017/18	2017/18	2016/17
Sales processed on behalf of UMN	1		941	941	653
Donations and grants		5,500	93,882	99,382	89,149
Investment Income	2		11,085	11,085	5,365
Income Tax recoverable (Gift Aid)		1,375	13,712	15,087	11,603
Total incoming resources		6,875	119,620	126,495	106,770
Resources expended – sales/grants					
Sales - remitted to UMN			941	941	653
UMN / Partner community projects	3	6,975	44,625	51,600	32,150
UMN Earthquake Restoration	4		7,500	7,500	8,100
Kimri Village Fire	4		10,500	10,500	
UMN Flood Relief and restoration	4		19,000	19,000	29,500
Tansen Hospital	5		27,065	27,065	19,500
Okhaldhunga Hospital	5		12,470	12,470	15,100
Total resources expended		6,975	122,101	129,076	105,003
Nett movement		-100	-2,481	-2,581	1,767
Operating Funds brought forward		255	3,027	3,282	1,515
Operating Funds carried forward		155	546	701	3,282

Investment account

Unrealised gains / (losses) on investments			43,051		72,386
Value of Investments			715,437		672,386
Value of Loan to be Repaid			600,000		600,000
Nett investment value carried forward			115,437	115,437	72,386

Total Funds

Total Funds carried forward		155	115,983	116,138	75,668
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Balance Sheet - For the year ending 17th September 2018

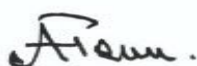
	2017/18	Notes	2016/17
Fixed Assets	0		0
Intangible Assets	0		0
Tangible Assets	0		0
Investments	0		0
Current Assets			
Stocks	0		0
Debtors	88	6	1,434
Value of Investments	715,437	7	672,386
Cash at bank and in hand	613		1,848
Current Liabilities			
Creditors – amounts falling due within one year	600,000	8	600,000
Total assets less current liabilities	116,138		75,668
Creditors– amounts falling due after more than one year	0		0
Nett Assets	116,138		75,668
Funds Balance Carried Forward	116,138		75,668
Designation of Balance			
Unrestricted funds – undesignated	155		255
Restricted funds, Earthquake Relief and Restoration			625
Restricted funds, Flood Relief and Restoration			821
Restricted funds, UMN community work	61		1,199
Restricted funds, Mission Hospitals	485		382
Restricted funds – Nett unrealised value of investments	115,437		72,386

For the year ending 17/9/2018 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 16th January 2019 and signed on their behalf by:



16th January 2019

Alan Penn (Director and Company Secretary)

Notes forming part of the Financial Statements for the year ended 17th September 2018

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 – 9 of this report.

Note 4 – Earthquake, Fire 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 2018

- COIF Charities Investment Fund Accumulation Units (£138,914)
- Schroder Charity Multi-Asset Fund (£125,233)
- Smith & Williamson Investment Services – managed portfolio (£451,290)

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