



UMN Support Trust

Report and accounts

For the Year Ended 17 September 2019

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
David Andrew Rodgers
(appointed 7th August 2019)**

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 2019 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.

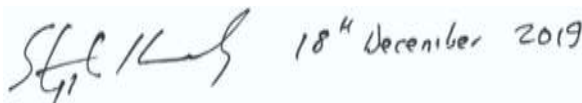
Independent Examiner's Statement

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

Report of the Directors and Trustees for year ending 17 September 2019

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, Richard Hugh Sykes and David Andrew Rodgers). **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 and David Andrew Rodgers are the only current Trustees 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 preferably some 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. D. A. Rodgers lives in the UK and is a board member of UMN, C.M. Galpin was the previous E.D. of UMN and R. H. Sykes was a UMN Board member until May 2019.

A. Penn, the UMNST Administrator, was the Funding Management Coordinator for UMN in Kathmandu for nearly six years. 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 65 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 2018-2019

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. All of the projects have major donors. UMNST's contribution is often a necessary addition to enable projects to be fully funded.

Terai Floods Restoration Continuation - £4,000.

£48,500 had previously been granted by UMNST to UMN for immediate relief for 5,954 households and follow up assistance to 685 households to help them recover following the heavy flooding of August 2017. UMN and its local partner organisations showed and assisted the community to construct homes that are elevated above flood levels. Families were equipped and trained in goat-rearing, pig-rearing, vegetable farming, and other locally appropriate earning opportunities.

Kimri Village Fire Restoration Continuation- £100

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. UMNST granted £10,500 in 2017-18 and this £100 was a late donation.

Food INFOSEM - £1,300

The original \$49,500 USD project was undertaken in two rural communities (one in Dhading district and one in Rukum district) where the food security had declined to severe malnutrition status. The Dhading community was suffering from severe water shortages because of earthquake damage to irrigation systems and reliance on monsoon water which has become unreliable due to climate change. Only 13% of the land was irrigated. In Rukum only 10% of the land was irrigated as the water source was 300 metres below the village and the water uplift facility was poor. The project addressed the water collection, storage, distribution and irrigation systems, together with improved solar powered water uplifts and storage pond relocations in Rukum. Training was also given to improve and increase the production of existing crops which include coffee, organic potatoes and fruit, together with animal rearing and kitchen gardens. Collection centres and marketing systems were also established. There was a small \$2,400 programme extension to give further training on post-harvest handling and marketing, together with seed and material support to selected farmers.

Project Coordination - Sunsari District - £13,900

Grant for the Sunsari Cluster Office support and coordination to enable the development work to be undertaken in the Sunsari, Morang and Itahari districts. The UMN support team were guiding, monitoring and capacity building their local Nepali partner organisations as they worked on community development projects. The projects and their 2018-19 costs were in the thematic areas of Advocacy - £6.1k, HIV and AIDS - £21k, Interfaith Peace - £9.7k, Children at Risk - £30k, Community Centered Child Development covering a range of thematic areas - £134.2k, Food Security - £6k, Community Health - £37k, Integrated Peace - £44.1k, Integrated Organisational Development - £9.8k, Local Peace Building - £15.8k, Flood Recovery £21k.

These Projects bring considerable benefits to many in the community. The Nepali partner organisations gain invaluable benefit from UMN's guidance with the result that they are becoming experienced in all aspects of tackling the root causes of poverty. These range from problem prioritising by the community, all aspects of planning, proposing, implementing and reporting.

Needs assessment and Project Design – Bajhang District £3,000

This is a 'Bottoms Up' approach whereby UMN staff are training partner organisations and community leaders to identify the priority areas of need within their community and to design practical solutions that they are capable of undertaking. These steps are the first stage in project planning, leading to a detailed proposal that can be submitted for full funding and implementation.

School Improvement Programme - £2,000

In 2017-18 UMNST granted £25,000 to improve the quality of education in some rural areas of Mugu and Nawalparasi districts. The aim of this project is to empower children and parents, and build the capacity of teachers and school management committees in selected schools. More than 1150 marginalised children and 200 adults directly benefitted. In addition, the quality of education, school management, and school and community based child clubs were strengthened. The £2000 was needed as the programme was slightly extended past the end of the year

Child Friendly Education – Rukum District £8,000

In East Rukum all of the teaching and teaching materials were in the Nepali language. The first language of over half of the local population is Kham Magar, the language of those who are ethnically Magar. The Magar children, therefore, have great difficulty at school especially in the important early years. UMN's Mother Language Programme provides the writing and publication of bilingual textbooks. These will be produced for the Magar children for year 1, 2 and 3. In addition, classrooms will be made more child-friendly by providing carpets for sitting on the floor and low tables. Teachers are trained to teach the early years using fun methods rather than the traditional 'rote' learning. Classroom walls are also painted with the addition of wall displays.

Intern Development Training - £500

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.

Christmas Appeal – Feet Correction - £2,000

Children in rural districts who are born with club feet or other foot deformities rarely receive medical correction. This is mainly because of poor access to medical staff locally, or because the cost of treatment or the cost of travel to an appropriate medical centre is too expensive for many living in rural locations. The project, based in Rukum district, has enabled appropriate footwear to be provided or for travel and corrective surgery to be undertaken.

SEAATT - £23,180 (First Payment of two)

This is a one year £49,862 Sustainable Livelihoods Project based in Doti District. It is funded by the local community £3,714 and the balance of £46,148 from UMNST with the payments being made across two UMNST financial years. In order to finance the project, The Island of Guernsey Development Fund has granted £39,937 to UMNST leaving UMNST to provide the balance of £6,211 from its other supporter-provided funds. The project enhances the quality and quantity of turmeric production and processing improving the income of 1200 households. 700 farmers will be trained to improve production techniques, harvesting, post-harvesting and processing at the local level. A new irrigation canal will be constructed, a grinding mill machine will be purchased, and the producers will be linked into improved marketing and distribution outlets.

Advocacy - £13,500

The five year project is being undertaken in six districts. It 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 UMNST grant is for year four and year five. The lead financial supporting organisation for this project is Tearfund UK.

Child Centred Community Development Project – Sunsari District - £3,500

This is a well established project now entering its ninth year. It covers a wide range of thematic areas including child education, child and maternal health, income generation, child protection and child skills development including advocacy. All of the improvement measurements are based on their effects on children. 59 child clubs (some school-based) have been established and are networked in nine groups and three Municipal groups. All of the groups are active in awareness training and in undertaking, and contributing to, suggestions relating to a wide range of initiatives to be undertaken to improve many elements that make up the higher-level objectives. For example child health has many contributory elements i.e. personal hygiene, community sanitation, nutrition management, response to basic illnesses, safe child delivery, child marriage, child abuse, adolescent sexual health training etc.. There is a considerable increase in child knowledge of what is required to improve poorer rural communities and many children have increased their skill and confidence as a result of taking leadership roles within their child group.

Livelihoods – Kapilvastu District - £4,000

This three year project was started in July 2018 and is aimed at improving the Livelihoods in three rural Wards where there is a high proportion of impoverished and marginalised families. The project covers three areas for improvement – Social (gender equality, child protection, disability, Dalit inclusion, health, hygiene and sanitation), Environment (climate change, disaster risk reduction and pond preservation) and Economic (business and financial literacy, and farming and off-farming income improvement techniques). There has been a high community involvement in all three areas.

Tansen Mission Hospital - £24,000 and Okhaldhunga Mission Hospital - £10,750

UMN's mission hospitals in the rural areas of Tansen and Okhaldhunga are reliant on charges made for medical treatments and hospital stays (bed capacity is 169). The catchment areas contain a large percentage of the less wealthy, so it is often necessary for the hospital to heavily subsidise the treatment charge.

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 clinic and several satellite clinics, a child rehabilitation centre, safer motherhood and neonatal clinic, disability, gender and HIV education and support programmes, 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 outpatient 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 £840,000 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 2019-20

- 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 6th January 2020

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



6 January 2020

Alan Penn (Director and Company Secretary)

Statement of Financial Activities (including Income and Expenditure Account)
For the year (12 months) ending 17th September 2019

Operating Account

Incoming resources	Note	Unrestricted	Restricted	Total	Previous
		Funds	Funds	Funds	Total
		2018/19	2018/19	2018/19	2017/18
Sales processed on behalf of UMN	1		801	801	941
Donations and grants		5,500	88,478	93,978	99,382
Investment Income	2		13,159	13,159	11,085
Income Tax recoverable (Gift Aid)		1,375	7,718	9,093	15,087
Total incoming resources		6,875	110,156	117,031	126,495
Resources expended – sales/grants					
Sales - remitted to UMN			752	752	941
Sales – due to UMN			49	49	
UMN / Partner community projects	3	6,775	68,105	74,880	51,600
UMN Earthquake Restoration	4		0	0	7,500
Kimri Village Fire	4		100	100	10,500
UMN Flood Relief and restoration	4		4,000	4,000	19,000
Tansen Hospital	5		24,000	24,000	27,065
Okhaldhunga Hospital	5		10,750	10,750	12,470
Total resources expended		6,775	107,756	114,531	129,076
Nett movement		100	2,400	2,500	-2,581
Operating Funds brought forward		155	546	701	3,282
Operating Funds carried forward		255	2,946	3,201	701

Investment account

Unrealised gains / (losses) on investments				46,796	43,051
Value of Investments				1,002,233	715,437
Value of Loan to be Repaid				840,000	600,000
Nett investment value carried forward			162,233	162,233	115,437

Total Funds

Total Funds carried forward		255	165,179	165,434	116,138
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Balance Sheet - For the year ending 17th September 2019

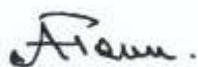
	2018/19	Notes	2017/18
Fixed Assets	0		0
Intangible Assets	0		0
Tangible Assets	0		0
Investments	0		0
Current Assets			
Stocks	0		0
Debtors	157	6	88
Value of Investments	1,002,233	7	715,437
Cash at bank and in hand	3,093		613
Current Liabilities			
Creditors – loans falling due within one year	840,000	8	600,000
Other, UMN sales	49	8	
Total assets less current liabilities	165,434		116,138
Creditors– amounts falling due after more than one year			0
Nett Assets	165,434		116,138
Funds Balance Carried Forward	165,434		116,138
Designation of Balance			
Unrestricted funds – undesignated	255		155
Restricted funds, Earthquake Relief and Restoration			
Restricted funds, Flood Relief and Restoration			
Restricted funds, UMN community work	2,927		61
Restricted funds, Mission Hospitals	19		485
Restricted funds – Nett unrealised value of investments	162,233		115,437

For the year ending 17/9/2019 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 6th January 2020 and signed on their behalf by:



6th January 2020

Alan Penn (Director and Company Secretary)

Notes forming part of the Financial Statements for the year ended 17th September 2019

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 of this report 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 disaster 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 of this report.

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 2019

- COIF Charities Investment Fund Accumulation Units (£154,624)
- Schroder Charity Multi-Asset Fund (£130,683)
- Smith & Williamson Investment Services – managed portfolio (£458,969)
- Link Solutions – Trojan Fund 'S' Accumulation Units (£257,957)
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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 £840,000.

Amount due to be paid to UMN for sales made in September 2019.

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