

Mercy Mission Welfare Society

Trustees Report and Accounts for the year ending 31st March 2020

Reference and Administrative Information

Name of Charity: Mercy Mission Welfare Society

Charity Registration Number: 1088750

Principal Address: 46, Malthouse Lane, Earlswood, Solihull, West Midlands, B94 5RY

Charity Trustees: Stephen Collett, Treasurer 2020 onwards
Jonathan Hibbs,
Andrew Raine (Secretary),
Pamela Raine,
Andrew Simpkins Chair

Treasurer: Anthony Lancaster to end 2019

Independent Examiner: Ian English

Structure, Governance and Management

The Mission is governed by the Trust Deed dated 26th February 2001. Trustees are appointed by a resolution of trustees passed at a special meeting called for this purpose. There shall be at least 3 trustees, and the trustees shall hold at least 2 ordinary meetings every year.

Trustees are encouraged to be familiar with the range of activities associated with Mercy Mission Welfare Society (MMWS). All the current trustees have visited the MMWS campus in, Vizianagaram, Andhra Pradesh and have first-hand experience of the work in India.

There is an awareness of additional support networks for Mercy Mission Welfare Society based in USA and in New Zealand.

The trustees have adopted basic policies to ensure good practise governance and management in the principal areas of the charity.

Objectives and Activities

The objectives of the Mercy Mission Welfare Society are as follows:

- To propagate the Christian faith, knowledge, practise and understanding in the designated area of Andhra Pradesh, India.
- To relieve poverty, sickness, distress by the provision of food, shelter, clothing and medical care.
- To advance education of the public, particularly children.
- To support the organisational base in India in its aim to become self-sufficient.

The Trustees have had regard to the guidance issued by the Charity Commission on a range of issues particularly: public benefit, safeguarding duties and Due Diligence, Monitoring and Verification of End Use of Charitable Funds. Public benefit is clearly demonstrated in the range of services provided by Mercy Mission Welfare Society, especially in the provision of a home for orphaned or neglected children and the provision of education to these and other children. Regular visits to the Indian campus by Trustees and examination of the Indian charity's annual accounts provide a level of monitoring and due diligence for the use of charitable funds.

Achievements and Performance from funds donated through the UK charity

An additional 2.1 acre rice field were acquired during year and are now in production with plans for three harvests per year. Funding was raised in the UK specifically for this project. This increases sustainability to the mission and protects it from risks of dependence on foreign funding, exchange rate fluctuation and price inflation.

Until the outbreak of Corona Virus at year end the mission continued to flourish in both the Vizianagaram and Mendangi campuses with sustained levels of children in the hostels and attendance in the school and bible college. The Mendangi site in the mountainous tribal area, recently set up, is developing satisfactorily.

A visit to India by a group from one of the UK supporting churches reported back to the Trustees on the status of the mission. However, the group were met with considerable restrictions on their movements and came under increased scrutiny and restrictions by local police as the region is not a designated tourist area and government is clamping down on foreign input to non-Hindu charities.

Through regular contact with the India director, the trustees are satisfied the charitable funds provided have been well spent for public benefit and that due diligence has been exercised in monitoring and verification of their end use.

Risks

There is a continuing risk to the work of MMWS in India due to the central government's crackdown on foreign funded charities. In the Vizianagaram region only a few charities have received government approval to receive foreign funding, of which MMWS India is one. However, it could still face increasing pressure in this area. The paddy fields project now in place is a good mitigation.

Travel restrictions in the mission area have meant planned trustee visit to India have been cancelled and present a risk to future visits to review and report of the work India if they persist.

As the financial year ended, unknown risks are being encountered due to Covid 19 restrictions in India and UK. The Campuses in India are closed and children and pupils have been sent home by government order. This is likely to cause significant loss of local income from school fees and the impact on the mission will depend upon the length of the lockdown. Impact of the virus on the UK economy in 2020/21 could well affect our income. To mitigate this risk and protect the future of the charity and trustees have reallocated some designated funds to provide additional support to help sustain the mission through virus period. This will go towards salary payments and support to needs local to the main campus.

This support is enabling contact to be maintained with those hostel & school children, currently back with family in homes/villages, via phone and providing educational materials online (where possible) and physically where not. This mitigates some of the serious disruption to their education and potentially to their well-being and long-term life opportunities, in line with meeting the charity's objective of relieving poverty & education.

These arrangements remain under regular review as the situation develops and is being formalised with a risk policy assessment.

Progress in India funded independently

Mercy Mission English Medium School performed well up to the virus outbreak. In normal times it is self-financing and provides education for the hostel children and provides a small profit to support other areas of the mission. Pupil numbers are increasing and facilities are fully utilised. Other sources of direct funding to India are from New Zealand and USA.

Financial Review

Principal sources of income to Mercy Mission UK are through sponsorship of the children in the Mission home and donations to the general work of Mercy Mission in India, most of which is donated on a regular basis together with specific appeals where appropriate. This year the charity has received a legacy of £45,000 (unrestricted) from one of its previous supporters which has been designated across a number of causes and projects where some lasting benefit would result. General donations have decreased to £42,000 however we have been able to maintain the general level of support to the Indian main campus at the same level as last year. As well as individual support we now have 3 churches making regular financial contributions. In addition, a significant amount has raised towards the purchase of another paddy field for which £27,500 was sent. This was successfully completed during the year and brought into production. Regular support has also been provided for the Mendangi campus, which was established last year, with a view to it becoming more self-sufficient in the future. This has allowed village children and residential tribal children to receive education where virtually no suitable state facilities exist.

At year end a review of the finances required a reassessment of the allocation of the legacy money reflecting the reality of income and funding sent to India during the year. The legacy has helped fund the acquisition of the new Paddy field, the ongoing support to the Mendangi campus and the fees of hostel children progressing to further education. In addition, funds have been allocated to provide the additional support towards the Covid-19 crisis.

The charity continues to use a more cost-effective route using a Money Services Business for transferring funds to India and uses on-line banking with appropriate security.

Safeguarding

MMWS UK does not work directly with vulnerable children and young adults. When visits by trustees or groups sponsored by the charity are made to the Indian campus, contact with vulnerable children and young adults is overseen by local staff. Our visits policy covers the safeguarding aspects of these visits. The Charity funds MMWS India which clearly does work with vulnerable children and young adults. The trustees are aware of MMWS India's safeguarding measures which are in line with national requirements.

Signed: A Simpkins Chair of Trustees



Independent examiner's report on the accounts

Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Charity Name

Mercy Mission Welfare Society

**On accounts for the year
ended**

31 March 2020

**Charity no
(if any)**

1088750

Set out on pages

5- 6

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

**Basis of independent
examiner's statement**

My examination was carried out in accordance with 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 accounts 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 accounts present a 'true and fair' view and the report is limited to those matters set out in the statement 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 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 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.

Signed:

Ian English

Date:

8th July 2020

Name:

Ian English

**Relevant professional
qualification(s) or body):**

Address:

38 Sambourne Road, Solihull, B91 2SA



CHARITY COMMISSION
FOR ENGLAND AND WALES

Charity Name			No (if any)		CC16a
Mercy Mission Welfare Society			1088750		
Receipts and payments accounts					
For the period from	Period start date	To	Period end date		
	01/04/2019		31/03/2020		

Section A Receipts and payments

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last year
	to the nearest £	to the nearest £	to the nearest £	to the nearest £	to the nearest £
A1 Receipts					
Sponsorship & Donations	36,781	500	-00	37,281	45,117
Gift Aid	5,655	2,588	-00	8,243	6,961
Paddyfield Appeal	-	14,456	-00	14,456	1,317
Village school Appeal	-	2,294	-00	2,294	15,000
Legacy	45,000	-	-00	45,000	-00
	-	-	-00	-00	-00
	-	-	-00	-00	-00
	-	-00	-00	-00	-00
Sub total (Gross income for AR)	87,436	19,838	-00	107,274	68,395
A2 Asset and investment sales, (see table).					
	-	-	-	-00	-
	-	-	-	-00	-
Sub total	-	-	-	-00	-
Total receipts	87,436	19,838	-	107,274	68,395
A3 Payments					
Funding sent to MMWS India	54,409	500	-00	54,909	56,720
Paddy Field Funding to India	7,396	20,104	-00	27,500	-00
Village school Funding to India	14,019	2,481	-00	16,500	15,000
Banks Charges	542	-	-00	542	587
Website expenses	127	-00	-00	127	295
Other expenses	4,500	-	-00	4,500	70
	-	-00	-00	-00	-00
	-	-00	-00	-00	-00
	-	-00	-00	-00	-00
Sub total	80,993	23,085	-00	104,078	72,672
A4 Asset and investment purchases, (see table)					
	-	-	-	-00	-
	-	-	-	-00	-
Sub total	-	-	-	-00	-
Total payments	80,993	23,085	-	104,078	72,672
Net of receipts/(payments)	6,443	-3,247	-00	3,196	-42,580
A5 Transfers between funds	-	-00	-00	-00	-00
A6 Cash funds last year end	2,480	3,247	-00	5,727	52,585
Cash funds this year end	8,923	-00	-00	8,923	10,005

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Bank a/c no. 1	5,242	-00	-00
	Bank a/c no. 2	680		-00
	Bank a/c no.3	3,001	-00	-00
	Total cash funds		8,923	-00
	(agree balances with receipts and payments account(s))	OK	OK	OK
		Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B2 Other monetary assets		-00	-00	-00
		-00	-00	-00
		-00	-00	-00
		-00	-00	-00
		-00	-00	-00
		-00	-00	-00
		-00	-00	-00
	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B3 Investment assets			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B4 Assets retained for the charity's own use			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
			-00	-00
	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
B5 Liabilities			-00	
			-00	
			-00	
			-00	
			-00	
Signed by one or two trustees on behalf of all the trustees	Signature	Print Name	Date of approval	
	signed	A Simpkins	20/07/2020	
		Chair of Trustees		