

Mission Direct Limited  
(Known as Mission Direct)

Report and financial statements  
For the year ended 31 December 2019

Mission Direct Limited  
Report and financial statements  
For the year ended 31 December 2019

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# Mission Direct Limited

## Legal and Administrative Information

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### Constitution

Mission Direct is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Charity number: 1107824. Company number: 5289161. The maximum contribution required by members of the company is an amount not exceeding £1 in the event of the company being wound up. Under the Memorandum and Articles of Association, any surplus of assets over liabilities on winding-up cannot, under any circumstances, be distributed to the Trustees, but shall be given or transferred to some other charity or charities with similar objects to those of Mission Direct.

### Directors and Trustees

The Directors of the charitable company (hereafter referred to as 'the charity') are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end were as follows:

Peter Wright (Resigned 24 December 2019)  
Felicity Cooper  
Jane Gray (Resigned 1 November 2019)  
Ian Richardson (Resigned 19 January 2019)  
Paul Holbrook (Deputy Chair)  
Chris Knight  
Tim Martindale (Chair)  
Mark Vickers

Peter Wright, who had been Chair of the board for the last six years, died just before Christmas. Peter had been a Trustee of Mission Direct since 2008. He was a great friend to all of the staff and volunteers with whom he served. He was an inspiration through his deeply rooted faith and wisdom and he will be dearly missed.

New Trustees are appointed by a majority ballot of the existing Trustees. One third of the Trustees retire from office by rotation at each AGM and may seek re-appointment. The induction and training programme for new Trustees comprises a detailed discussion and orientation by the Chief Executive and 2 other board members. Each new Trustee confirms their agreement with the founding charity documents and agrees what contribution they expect to make. Trustees usually join a team or visit one or more of the charity's overseas programmes.

<b>Chief Executive and Company Secretary:</b>	Alan McCormick (Retired 17 March 2019) Wilhelm Horwood (Appointed 18 March 2019)
<b>Registered office:</b>	Mission Direct, 27 Bury Mead Road, Hitchin, Herts, SG5 1RT
<b>Principal Bankers:</b>	Barclays Bank, George Street, Luton, LU1 2AE
<b>Auditor:</b>	Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF.

# Mission Direct Limited

## Report of the Trustees

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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2019. The financial statements comply with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015). They also comply with the Financial Reporting Standard 102 (effective 2015) and the charity's Memorandum and Articles of Association. The accounts have been prepared in accordance with the accounting policies on pages 16 to 18.

### **Objectives and Activities**

#### **Vision**

To demonstrate Christian faith through service to the materially poor and those in need around the world.

#### **Mission**

To take volunteers across the world, working in partnership with local communities, bringing practical help, hope and change to the poor.

#### **Values**

Mission Direct values are based on Psalm 15 and they shape our culture, ethos and impact every activity.

Walk straight

Act right

Tell the truth

#### **Ethos**

Mission Direct's ethos of operation is the Starfish Principle. Recognising that we cannot solve everything we work to make a difference 'one by one'.

The Starfish Principle is captured by the story of the little boy who saw thousands of dying starfish on a beach. He started to pick them up and throw them back in the sea. "What are you doing?" his mother asked - "How can you hope to make any difference here?" Picking up the starfish and throwing them back into the sea the boy looked in his mother's eyes and said "Well, I made a difference to that one and that one."

# Mission Direct Limited

## Report of the Trustees

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### **Charity's Objects**

Mission Direct's objects are:

- a) The relief of poverty, sickness and distress throughout the world;
- b) The advancement of the Christian religion throughout the world in accordance with its core values and beliefs; and
- c) Other such charitable purposes worldwide as the Trustees may determine.

The Trustees understand (b) as ensuring Mission Direct is a catalyst enabling volunteers and mobilising resources to help the world's materially poor, in keeping with our Christian ethos and articles of faith.

### **Public Benefit**

The Trustees are aware of the Charity Commission's guidance on public benefit and, in particular, the specific guidance offered to charities with these objects. As explained in the Achievements and Performance section set out below, the charity has addressed a range of such public benefit and the Trustees confirm that the charity's activities fall within these objects.

### **Principal Areas of Work**

The volunteer model has enabled a few thousand volunteers to work in partnership with the world's materially poor. In going, each person makes a significant personal impact, directly engaging supporters and leaving a legacy of enduring relationships and projects. During 2018, Mission Direct brought help and hope in 12 countries: Brazil, Cambodia, The Dominican Republic, India, Kenya, Malawi, Moldova, Sierra Leone, Uganda, UK, Zambia, and Zimbabwe.

### **Principal Funding Sources**

Mission Direct's achievements are built on a foundation of mobilising people to raise funds for the building projects on which they have volunteered to work on. Their fundraising efforts continue to be the prime source by which the charity is funded. They are supported by their friends, churches, companies, trusts and other networks. 100% of the funds raised by the volunteers for a building project goes directly to the project the person is supporting.

In 2019, we continued our fund raising, with emphasis on individual donors, major donors, and trusts. We proactively care for our donors, provide them with information about the positive impact the work is having and express our gratitude. Direct Mail remains an effective means to raise awareness of the work and develop a long-term income stream.

### **Safeguarding Statement**

Mission Direct acknowledges the duty of care to safeguard and promote the welfare of children, young people and vulnerable adults and is committed to ensuring safeguarding practice reflects statutory responsibilities, government guidance and compliance with Charities Commission best practice. Trustees receive training in safeguarding, as do all staff. Systems are in place to monitor safeguarding effectiveness and to respond quickly to any concerns.

# Mission Direct Limited

## Report of the Trustees

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### **Achievements and Performance**

In 2019 – 278 volunteers, supported by 31 self-funding overseas staff, served on 34 mission trips in 11 of the world's poorest countries and 37 volunteers, supported by 5 self-funding staff, served on 4 mission trips in the UK.

The impact the teams continue to make is truly remarkable as each person gave of themselves and performed countless acts of kindness.

Volunteers, Trustees and staff represented our work at exhibitions and conferences and played a key part in letting people know of the opportunities to help that Mission Direct offers and the impact achieved.

Taking a bottom up approach, working with the poor and seeing the money spent directly by the overseas staff means money raised is leveraged and used in a focused, well controlled and cost-effective manner.

Below are a few highlights from each country.

#### **Brazil**

We took 18 volunteers on 3 teams and worked on completing houses 5 - 8 with our principal partner, the local 'Open Hands' charity in Campo Largo. The houses will be used to re-home families escaping from life in favelas or those escaping conflict from their own country. We continued our work at the CADI building which is used as a community centre. In Rio with our partner CADI to teach children from the favelas a trade as an alternative to a life of crime.

#### **Cambodia**

We took 45 volunteers on 5 teams including a Medical training team and a Teachers team. We continued to work with our partner, Serve Cambodia, and built 2 houses at Tarsha's Legacy Centre, Happy Village in the suburbs of Phnom Penh. In addition, work was completed at Light of Hope School in Makak Village, with the school being officially opened in October.

#### **The Dominican Republic**

We took 26 volunteers on 3 team and worked with Go MAD to build 2 classrooms in Mozovi and a further 3 classrooms in Severet. Our work in the Dominican Republic is helping children access full day education.

#### **Gambia**

We took 3 volunteers on 1 teams to help to build dormitories at this training centre, which belongs to the Evangelical Church of The Gambia (ECG).

#### **Kenya**

We took 21 volunteers on 3 teams. The teams in Narok built a girls' dormitory at Nkapilli School, as well as built a house for the staff at ACK Clinic at Ntukumeti, Narok. Our partner for this project was The Anglican Church of Kenya (ACK).

We also worked in Nairobi at Emmaus School, which is situated in a slum next to one of the world's largest rubbish tips. We continued our work from 2018 to complete the lower classroom, as well as to assist with the building of a further classroom on the upper level.

#### **Malawi**

We took 8 volunteers on 1 team and, working alongside new partner Starfish Malawi, started building a new primary school in the village of Moyo. We also refurbished the village nursery.

# Mission Direct Limited

## Report of the Trustees

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### **Moldova**

We took 21 volunteers on 2 teams and worked with Ancora Salvării to help renovate a centre near Bălți for children with special needs and their carers.

### **Sierra Leone**

We took 5 volunteers on 1 team who worked at SAIO School building a secured fencing around the school so that the children are protected from the busyness of the road.

### **Uganda - Kumi**

We took 37 volunteers on 4 teams and built three classrooms at Kumi Bazaar school and installed a 5,000 litre water harvesting system. We also built 3 village homes and replaced 2 roofs. Funds were given to purchase fencing at COHAD, as well as for the flooring and roof for the dormitory block at Akubui PAG Primary School.

### **Uganda - Rukungiri**

We took 18 volunteers on 3 teams and built at Rushararazi Primary School which is in a poor area of Rukungiri District. We built 1 block of five toilet pit latrines, 1 block of five bathing areas, 1 x 35,000 litre Water Harvesting System for the school, 1 x 45,000 litre Water Harvesting System for the local community.

### **UK Mission Trips**

We took 36 Volunteers on 4 teams, working with Phoenix Community Care in London, Hope Nottingham and Serve Our Community in Preston. We renovated 2 gardens and refurbished 2 houses for unaccompanied migrants, built an outdoor classroom structure in a community garden allotment and worked on 5 local community projects.

### **Zambia**

We took 55 volunteers on 5 teams, including a Medical training team and an IT specialist team. We completed construction 2 classrooms and fitting out with desks at Good Shepherd School. We also painted the 4 classrooms built in 2018 at Kumbaya School. At Crown of Life School we also painted the exterior of 2 classroom blocks (10 classrooms) and school hall. Interior painting of classroom built in 2018 was also completed. Renovation of male toilets and fitting of urinals was also completed.

### **Zimbabwe**

We took 17 volunteers on 2 team and continued to work with our partner, the United Baptist Church of Zimbabwe. We built 2 classrooms that will enable a further 100 children to start school in January.

Included in the above summary of activities are the following specialist trips.

### **Teacher Training Trips**

We took 2 volunteers on 1 team and continued to work with our partners.

### **Medical Missions**

We ran 2 Medical training teams with 7 volunteers in Cambodia and Zambia.

### **IT Specialist Missions**

We ran 1 IT specialist team with 4 volunteers in Zambia and installed 48 computers.

# Mission Direct Limited

## Report of the Trustees

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### Financial Review

The Trustees consider the financial performance to be acceptable, particular as there was no increase in the number of people volunteering for the overseas mission trips. They are grateful to all the staff who helped make this possible. The Trustees have key financial policies in place and undertake appropriate risk assessments. Monthly accounts and KPIs ensure appropriate timely management information is available.

Income for 2019 were £32,296 (2.2%) more than in 2018 on all funds mainly as a result of increase donations from volunteers going overseas in the year. Expenditure on unrestricted funds continued to be well controlled and resulted in £69,995 (7.1%) more than 2018 mainly due to the increase in staff costs. Expenditure was marginally down on restricted project funds mainly because of the timing of some of our projects.

### Plans for Future Periods

The three strategic initiatives for 2020 are:

1. Invest in our excellent team
2. Build sustainable volunteer experiences
3. Increase our financial resources

The Trustees having considered the potential impact of BREXIT on the charity believe that, as Mission Direct operate internationally outside of Europe, it won't be affected to any substantial degree.

### Structure Governance and Management

Mission Direct Trustees bring core strategic, governance and tactical competencies to the organisation.

The governance and key policies are considered appropriate for Mission Direct's current size and purpose. The strategy and plans are clear. The organisation structure is focused on securing the volunteers and maximising the value they add during their time on mission.

Management responsibilities are clearly defined and the Trustee group operates based on the Carver Model.

### Fundraising

Mission Direct undertake fundraising internally and does not use a third party to assist with this. It raises 87% of its funds from those that have participated on a mission. The balance is raised from donations from individual donors, church donors, corporate donors, grants and direct mail appeals. Fundraising is reviewed as part of the monthly business cycle. Mission Direct is a member of The Fundraising Preference Service. In 2019 no fundraising complaints were received. One of the principles that Mission Direct holds close is "do no harm". This applies to everything we do. In terms of fundraising we invite people to be part of the work but if they indicate they don't wish to be contacted by us we remove them from the database. If they wish to understand more about the work they will be invited to visit the charity or have a telephone conversation if that is more appropriate.

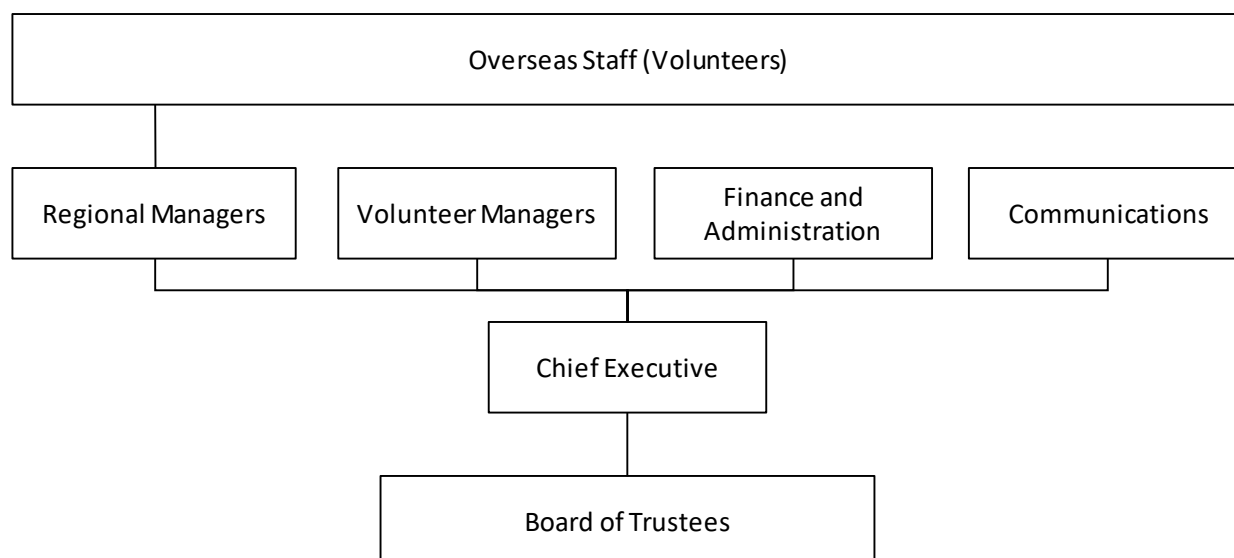


# Mission Direct Limited

## Report of the Trustees

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### Mission Direct's organisation chart is:



Remuneration of staff is set with regards to market rates and the relevant experience of the staff member and reviewed on an annual basis to ensure that pay levels are fair.

### Principal risks and uncertainties

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The two risks that would have the highest impact to the model of operation that the charity has are a) the cost of flights suddenly increasing beyond that economically acceptable to volunteers, and b) data loss from charity systems failing or being attacked.

### Covid-19

At this point in time it is not possible to fully consider the impacts arising from Covid-19, however the trustees have considered the possible risks and have put in place measures to maintain income during the period of uncertainty through targeted fundraising and maintaining contact with existing supporters. Furthermore, constraints have been placed upon general expenditure and the trustees have taken advantage of the government's job retention financial support package and are constantly reviewing other measures to manage cash flow during this period. Trustees are keeping the position under constant review and will take necessary steps to ensure the charity continues as a going concern.

### Reserves Policy

It is the policy of the charity to maintain a minimum of unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months' unrestricted expenditure. This level is currently £80,000 and provides sufficient funds to cover management, administrative and support costs and to cover such unexpected costs as arise from time to time. The Trustees are happy with the current level of unrestricted reserves held at the year-end of £178,217 but will continue to monitor this in the future.

# Mission Direct Limited

## Report of the Trustees

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### **Investment Policy**

Mission Direct will maintain its legal responsibility to optimise the return on investments, with regard to appropriate risk factors. This has been encompassed, together with its Reserves Policy, within the charity's Investment Policy which is reviewed on an annual basis. The Policy ensures that there are sufficient funds within short term bank deposits to facilitate Mission Direct's day to day cash requirements and with additional funds placed to gain a return commensurate with the risk.

### **Post Balance Sheet Event**

As a result of the travel restrictions implemented due to the Covid-19 pandemic the charity has, unfortunately, had to cancel all remaining trips planned for 2020. The trustees have taken significant steps to ensure that other sources of income are being maintained.

The charity is already taking bookings and enquiries for 2021 and are reviewing the business model to ensure it is well placed to move forward as restrictions are lifted.

### **Going Concern**

The trustees have reviewed detailed cash flow projections and have agreed detailed budgets for the year ended 31 December 2020, and cash flow forecasts up to the end of 2021. All are being regularly revisited as situations change and actions taken as necessary to ensure that the charity can continue in these uncertain times. As a result of this the trustees are satisfied that it is appropriate to prepare the accounts as a going concern.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the Directors of Mission Direct Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in that Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Mission Direct Limited

## Report of the Trustees

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### **Statement as to Disclosure of Information to Auditor**

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

### **Auditor**

The auditor, Mazars LLP, were appointed in the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 5 June 2020 and signed on its behalf by:

Tim Martindale  
Chair of Trustees

# Mission Direct Limited

## Independent auditor's report to the members of Mission Direct Limited

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### Opinion

We have audited the financial statements of Mission Direct Limited (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Charity's financial statements, which is not modified, we draw your attention to the Trustees' view on the impact of COVID-19 as disclosed on page 7, the consideration given in the going concern basis of preparation on page 16 and non-adjusting post balance sheet events on page 25.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the impact of which became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Charity's operations, customers and the wider economy.

# Mission Direct Limited

## Independent auditor's report to the members of Mission Direct Limited

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

# Mission Direct Limited

## Independent auditor's report to the members of Mission Direct Limited

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### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Vincent Marke (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date: 15 July 2020

# Mission Direct Limited

## Statement of Financial Activities

### For the year ended 31 December 2019

		Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
	Notes						
<b>Income and endowments</b>							
Donations and legacies							
- Donations		1,022,350	459,763	1,482,113	981,359	463,384	1,444,743
- Legacies		10,163	-	10,163	14,520	-	14,520
Investment income		2,954	-	2,954	3,671	-	3,671
<b>Total Income</b>	<b>2</b>	<b>1,035,467</b>	<b>459,763</b>	<b>1,495,230</b>	<b>999,550</b>	<b>463,384</b>	<b>1,462,934</b>
<b>Expenditure</b>							
Costs of Raising Funds		22,302	-	22,302	20,549	-	20,549
Charitable activity							
- Charitable activity costs		940,054	437,680	1,377,734	880,364	465,914	1,346,278
- Support activity		91,354	-	91,354	82,802	-	82,802
<b>Total Expenditure</b>	<b>3</b>	<b>1,053,710</b>	<b>437,680</b>	<b>1,491,390</b>	<b>983,715</b>	<b>465,914</b>	<b>1,449,629</b>
<b>Net income/(expenditure)</b>	<b>4</b>	<b>(18,243)</b>	<b>22,083</b>	<b>3,840</b>	<b>15,835</b>	<b>(2,530)</b>	<b>13,305</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(18,243)</b>	<b>22,083</b>	<b>3,840</b>	<b>15,835</b>	<b>(2,530)</b>	<b>13,305</b>
<b>Total funds 1 January</b>		<b>196,460</b>	<b>341,131</b>	<b>537,591</b>	<b>180,625</b>	<b>343,661</b>	<b>524,286</b>
<b>Total funds 31 December</b>		<b>178,217</b>	<b>363,214</b>	<b>541,431</b>	<b>196,460</b>	<b>341,131</b>	<b>537,591</b>

The charity's income and expenditure all relate to continuing operations.

The charity has no recognised gains or losses other than those included above.

The information presented within the Statement of Financial Activities for the year ended 31 December 2019 is equivalent to that which would have to be disclosed in an income and expenditure account and accordingly a separate income and expenditure account has not been presented, as permitted by Companies Act 2006.

The notes to the financial statements on pages 16 to 25 form part of these financial statements.

Mission Direct Limited  
Balance Sheet  
As at 31 December 2019

Company number: 5289161

	Notes	2019 £	2019 £	2018 £	2018 £
Tangible fixed assets	7		23,539		26,920
Current assets					
Debtors	8	88,128		100,804	
Cash and cash equivalents	9	568,773		639,816	
		656,901		740,620	
Creditors: amounts falling due within one year	10	(139,009)		(229,949)	
Net current assets			517,892		510,671
			541,431		537,591
Funds of the Charity					
Unrestricted funds	11		178,217		196,460
Restricted funds	11		363,214		341,131
			541,431		537,591

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 5 June 2020 and were signed on its behalf by:

Tim Martindale  
Chair of Trustees

The notes on pages 16 to 25 form part of these financial statements.



Mission Direct Limited  
Statement of Cash Flows  
For Year ended December 2019

Company number: 5289161

	2019 £	2018 £
<b>Cash flows from operating activities:</b>		
Net income	3,840	13,305
Depreciation	13,327	11,831
Interest received	(2,954)	(3,671)
(Increase)/Decrease in debtors	12,676	(32,711)
Increase/(Decrease) in creditors	(90,940)	44,503
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(64,051)</b>	<b>33,257</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(9,946)	(2,751)
Interest received	2,954	3,671
<b>Net increase in cash &amp; cash equivalents</b>	<b>(71,043)</b>	<b>34,177</b>
Opening cash and cash equivalents	639,816	605,639
Movement in the year	(71,043)	34,177
<b>Closing cash and cash equivalents</b>	<b>568,773</b>	<b>639,816</b>

The notes on pages 16 to 25 form part of these financial statements.

# Mission Direct Limited

## Notes to the financial statements

### For the year 31 December 2019

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#### **1. Principal accounting policies**

##### **a) General information**

Mission Direct is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the Legal and Administrative information on page 1.

The principal activity of the charity is to demonstrate the Christian faith through service to the materially poor and those in need around the world.

The financial statements are presented in Sterling and this is the functional currency of the charity. The financial statements are rounded to the nearest whole pound.

##### **b) Basis of preparation**

The financial statements have been prepared under the historical cost convention on a going concern basis, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

The trustees have reviewed detailed cash flow projections and have agreed detailed budgets for the year ended 31 December 2020, and cash flow forecasts up to the end of 2021. All are being regularly revisited as situations change and actions taken as necessary to ensure that the charity can continue in these uncertain times. As a result the use of the going concern basis of accounting is appropriate.

##### **c) Income**

Income from donations and grants is included in incoming resources when receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When sponsorship or donations are given in respect of a trip arising in a future accounting period.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from legacies is recognised when the three criteria of entitlement, measurability and probability are met.

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2019

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**d) Expenditure**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT, which cannot be recovered as the charity is not VAT-registered.

Certain expenditure is directly attributable to specific activities and is included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories according to the nature of the cost.

**e) Classification of expenditure**

Costs of generating voluntary income are costs incurred with third parties in the UK who promote fundraising, including events.

Charitable activity costs are costs in furtherance of the charity's objects all of which is expenditure directly relating to the objects of the charity.

**f) Support activity**

Support activity represents those costs incurred by UK and overseas based staff, directly providing support for the international programme, including management, policy and advocacy work, programme supervision and technical support. They also include costs incurred in managing the charity, its organisational administration and compliance with constitutional and statutory requirements.

**g) Tangible fixed assets**

Assets intended for continuing use by the charity are capitalised at cost. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:

Leasehold Improvements	- Lease Duration
Computers	- 3 years
Office Equipment	- 5 years
Furniture	- 10 years
Program Assets	- 3 years

**h) Fund accounting**

Funds held by the charity are either;

- Unrestricted funds: These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds: These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions can arise when specified by the donor or when funds are raised for particular restricted purposes.

**i) Foreign currencies**

Transactions in foreign currencies are translated at rates prevailing at the date of transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the year end.

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2019

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**j) Operating leases**

Rentals applicable to operating leases where substantially all the benefits of ownership and risk remain with the lessor are charged to the SOFA as stated.

**k) Investments**

The company has limited funds to invest and as such, makes an appropriate use of resources by placing them on medium and short term deposits with banks.

**l) Cash and Cash equivalents**

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of 100 days or less from the date of acquisition or opening of the deposit or similar account.

**m) Financial instruments**

The charity only has financial asset and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

**n) Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the charitable company's accounting policies, the directors may be required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions should be based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions should be reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Due to the nature of the charitable company's activities and financial statements, the Directors do not consider there to be any significant judgements or sources of estimation uncertainty which could influence the reader's understanding of the financial statements.

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2019

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**2. Income**

Income is attributable to the principal activities set out in the Charity's vision, mission and values. See the Report of the Trustees for more details.

**3. Expenditure**

	Staff costs £	Other Costs £	Total 2019 £	Total 2018 £
Cost of generating voluntary income	7,450	14,852	22,302	20,549
Direct Programme Delivery	248,640	1,129,094	1,377,734	1,346,278
Support cost	44,697	46,657	91,354	79,463
	<u>300,787</u>	<u>1,190,603</u>	<u>1,491,390</u>	<u>1,449,629</u>

**4. Net income/(expenditure)**

The net income/ (expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditor's remuneration: Statutory audit fees	7,140	6,900
Auditor's remuneration: Non-audit fees	360	300
Depreciation - owned assets	13,328	11,831

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2019

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#### 5. Staff costs

The average number of employees working for the charity during the period was as follows:

	2019 No.	2018 No.
Management and administration	2	2
Direct charitable activities	8	6
	<u>10</u>	<u>8</u>

	2019 £	2018 £
Gross wages and salaries	269,872	220,563
Employer's National Insurance	22,803	17,623
Pension contributions	8,112	5,145
	<u>300,787</u>	<u>243,331</u>

No employee earned over £60,000 in 2019 (2018 – None).

Trustees' remuneration for the year ended 31 December 2019 was £nil (2018– £nil).

Remuneration of key management personnel for the year ended 31 December 2019 totalled £60,776 (2018 - £41,049).

#### Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,112 (2018: £5,145).

Contributions totalling £1,454 (2018: £468) were payable to the fund at the balance sheet date and are included in creditors.

#### 6. Taxation

The company is exempt from Corporation Tax as a registered charity.

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2019

**7. Tangible fixed assets**

	Leasehold Improvements	Computers	Office Equipment	Furniture	Program Assets	Total
	£	£	£	£	£	£
Cost						
At 1 January 2019	28,246	49,255	12,969	4,690	5,515	100,675
Additions	-	182	886	1,106	7,773	9,947
Disposals	-	-	-	-	(5,515)	(5,515)
At 31 December 2019	28,246	49,437	13,855	5,796	7,773	105,107
Depreciation						
At 1 January 2019	11,478	39,104	12,969	4,690	5,515	73,756
Charge for year	2,795	7,396	177	369	2,591	13,328
Disposals	-	-	-	-	(5,515)	(5,515)
At 31 December 2019	14,273	46,500	13,146	5,059	2,591	81,569
Net book values At 31 December 2019	13,973	2,937	709	737	5,182	23,538
At 31 December 2018	16,678	10,152	-	-	-	26,920

**8. Debtors**

	2019 £	2018 £
Other debtors	32,269	38,860
Prepayments	55,859	61,944
	88,128	100,804

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2019

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**9. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Short-term deposits (100 days or less)	188,399	185,919
Cash at bank	358,328	420,117
Cash overseas	9,705	19,695
Petty cash	12,341	14,085
	<u>568,773</u>	<u>605,639</u>

**10. Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income	117,604	204,056
Taxation and social security	6,781	5,717
Accruals	14,624	20,176
	<u>139,009</u>	<u>229,949</u>

Deferred Income

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Opening balance	204,056	160,654
Released during the year	(204,056)	(160,654)
Income deferred in the year	<u>117,604</u>	<u>204,056</u>
Closing Balance	<u>117,604</u>	<u>204,056</u>

Deferred income relates to donations received from team members in relation to trips taking place in the following year.



Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2019

**11. Funds**

The income funds of the charity include restricted and unrestricted funds comprising the following unexpended balances of donations, grants and other incoming resources to be applied for these purposes:

	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>					
United Kingdom	88,168	358,639	(391,156)	(5,584)	50,067
Brazil	1,500	49,196	(39,923)	(9,273)	1,500
Cambodia	1,500	82,661	(63,311)	(19,350)	1,500
The Dominican Republic	1,500	46,249	(48,629)	2,380	1,500
Gambia	-	8,152	(4,056)	(2,596)	1,500
India	1,500	-	-	-	1,500
Kenya	1,500	41,366	(43,984)	2,618	1,500
Malawi	500	27,147	(19,839)	(7,308)	500
Moldova	1,500	23,001	(15,481)	(7,520)	1,500
Sierra Leone	1,500	13,797	(12,633)	(1,164)	1,500
Uganda	4,500	116,489	(91,339)	(25,150)	4,500
Zambia	2,000	129,237	(104,981)	(24,256)	2,000
Zimbabwe	1,500	48,318	(47,514)	(804)	1,500
Additional Campaign Cost	89,292	91,215	(170,864)	98,007	107,650
<b>Total Unrestricted</b>	<b>196,460</b>	<b>1,035,467</b>	<b>(1,053,710)</b>	<b>-</b>	<b>178,217</b>
<b>Restricted Funds</b>					
Brazil	19,726	20,859	(35,381)	-	5,204
Cambodia	38,471	41,251	(51,617)	-	28,105
The Dominican Republic	84,021	32,844	(24,316)	-	92,549
Gambia	-	2,347	(28)	-	2,319
India	6,667	-	-	-	6,667
Kenya	16,303	38,242	(26,354)	-	28,191
Malawi	544	13,051	(5,893)	-	7,702
Moldova	3,227	7,908	(6,352)	-	4,783
Sierra Leone	25,501	3,381	(4,848)	-	24,034
Uganda	68,137	94,096	(106,653)	-	55,580
United Kingdom	27,833	4,523	(11,879)	-	20,477
Zambia	34,433	119,924	(108,257)	-	46,100
Zimbabwe	16,268	81,337	(56,102)	-	41,503
<b>Total Restricted</b>	<b>341,131</b>	<b>459,763</b>	<b>(437,680)</b>	<b>-</b>	<b>363,214</b>
<b>Total Funds</b>	<b>537,591</b>	<b>1,495,230</b>	<b>(1,491,390)</b>	<b>-</b>	<b>541,431</b>

# Mission Direct Limited

## Notes to the financial statements (continued)

### For the year 31 December 2019

#### Note 11 (continued)

Transfers between the unrestricted funds reflect the cost of direct administrative support given to each country campaign or the subsidy given from the additional campaign cost fund to enable specific country campaigns to operate.

Restricted funds are held for income and expenditure arising from Mission Direct's Overseas Projects and Partners.

#### 12. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Tangible fixed assets	23,539	-	23,539	26,920
Debtors	88,128	-	88,128	100,804
Cash	205,559	363,214	568,773	639,816
Current Liabilities	(139,009)	-	(139,009)	(229,949)
Total net assets	178,217	363,214	541,431	537,591

#### 13. Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due as follows:

	2019 £	2018 £
Office equipment expiring in less than 1 year	6,802	7,320
Office equipment expiring between 1 year and 5 years	19,051	17,620
Office equipment expiring in greater than 5 years	-	-
	25,853	24,940

#### 14. Trustee Donations, expenses and related party disclosures

- Unrestricted donations received from trustees and key management personnel during the year totalled £24,507 (2018 - £45,706)
- Mission Direct's policy is that Trustees do not claim expenses
- There were no related party transactions during 2019 (2018 – None)

Mission Direct Limited  
Notes to the financial statements (continued)  
For the year 31 December 2019

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**15. Post Balance Sheet Event**

As a result of the travel restrictions implemented due to the Covid-19 pandemic the charity has, unfortunately, had to cancel all remaining trips planned for 2020. The trustees have taken significant steps to ensure that other sources of income are being maintained.

The charity is already taking bookings and enquiries for 2021 and are reviewing the business model to ensure it is well placed to move forward as restrictions are lifted.